THIS PLAN HAS BEEN AMENDED.
SEE INSIDE COVER.

GRAMERCY

yoo by STARCK

CONDOMINIUM OFFERING PLAN FOR GRAMERCY CONDOMINIUM

340 East 23RD Street
New York, New York 10010

Total Purchase Price of all 207 Residential Units..... $218,880,000 (1)
(Two Commercial Units are not currently offered for sale)

(1) Asking prices are negotiable and may be changed. See Section of the Plan entitled "Changes in Prices and Units."

A Working Capital Fund in an indeterminate amount equal to one month's Common Charges will be funded by each Purchaser of a Residential Unit at such Purchaser's closing. The Working Capital Fund is subject to certain closing adjustments. See Section of the Plan entitled: Working Capital Fund; Closing Adjustments with Condominium Boards; Reserve Fund."

Sponsor:
VICTOR AT E 23, LLC
3349 Highway 138, Building C, Suite C
Wall, New Jersey 07719

Selling Agent:
SHVO MARKETING
724 Fifth Avenue
New York, New York 10019

DATE OF ACCEPTANCE FOR FILING: OCTOBER 12, 2006.
SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO SPONSOR. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

THIS OFFERING PLAN IS THE 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.

FIRST AMENDMENT

TO THE

CONDOMINIUM OFFERING PLAN

FOR

GRAMERCY STAR CONDOMINIUM

340 EAST 23RD STREET

NEW YORK, NEW YORK 10010

FIRST AMENDMENT DATED: JANUARY 3, 2007

The offering plan to convert to condominium ownership the premises located at 340 East 23rd Street, New York, New York 10010, dated October 12, 2006 (the "Plan"), is hereby amended as follows:

1. Offer for Sale of Commercial Unit #2. Sponsor hereby offers for sale the Unit identified on Schedule A of the Plan as Commercial Unit #2 for a purchase price of $25,000,000. Any such sale will be made pursuant to the Plan upon such terms and conditions as to which the Purchaser of Commercial Unit #2 and Sponsor may agree.

2. Correction to Floor Plans. The approximate square footage of the Units were inadvertently omitted from the Floor Plans contained in Part II of the Plan. The Floor Plans attached hereto as Exhibit A include the approximate square footage of the Units and are consistent with the square footage set forth in Schedule A. The Floor Plans attached as Exhibit A shall replace the Floor Plans set forth in the Part II of the Plan in their entirety.

3. Plan as Amended by This Amendment is Incorporated by Reference. The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth herein at length. Accordingly, all provisions, schedules and exhibits heretofore contained in the Plan shall be deemed amended to reflect the provisions contained herein.

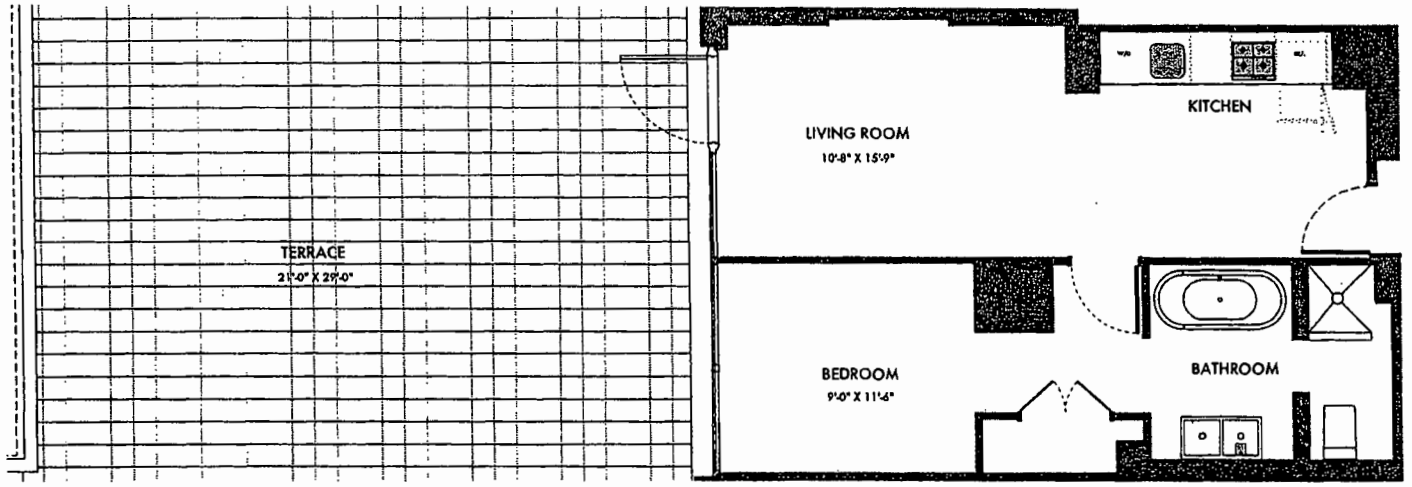
4. Definition of Terms. All capitalized terms used in this Amendment not otherwise defined herein shall have the meanings ascribed to them in the Plan.

5. No Further Changes. Other than as set forth above, there are no material changes that require amendment of the Plan.

Dated: New York, New York
January 3, 2007

VICTOR AT E 23, LLC,
Sponsor

EXHIBIT A



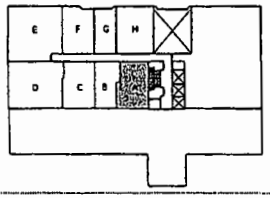
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT A - FLOOR 2

1 BEDROOM
1 BATHROOM

614 SF

OUTDOOR SPACE- 601 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

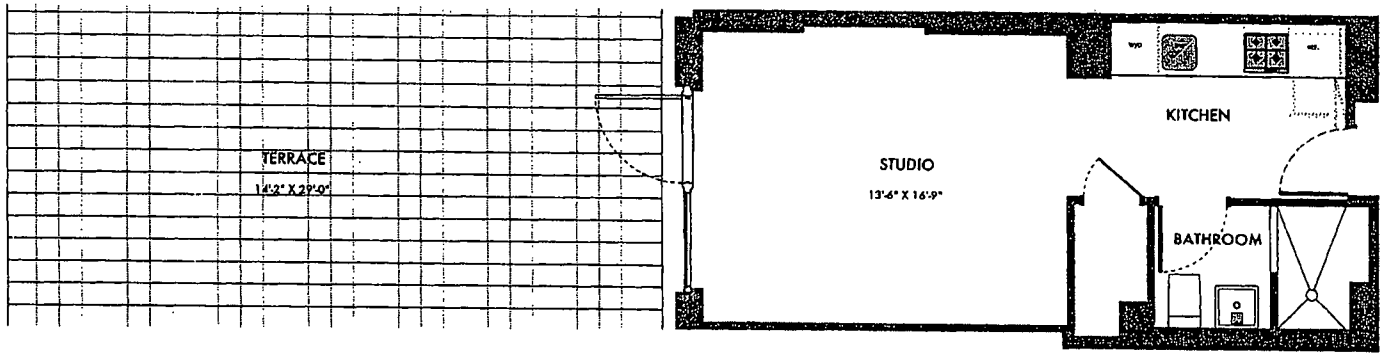
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NEW YORK, NY

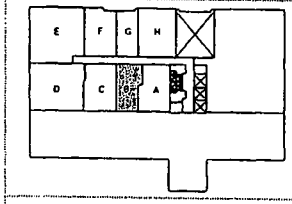
APARTMENT B - FLOOR 2

STUDIO

476 SF

OUTDOOR SPACE- 417 SF

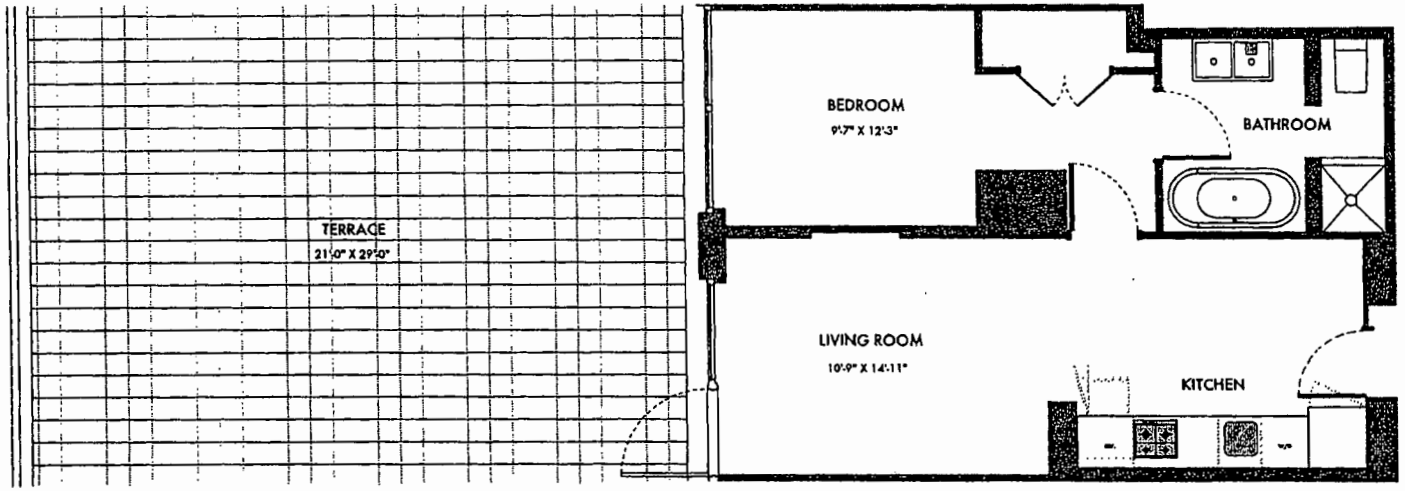






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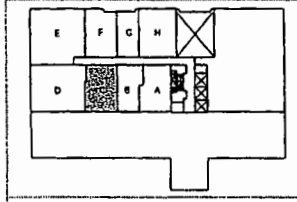
340 EAST 23RD STREET
NEW YORK, NY

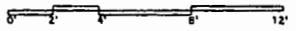
APARTMENT C - FLOOR 2

1 BEDROOM
1 BATHROOM

645 SF

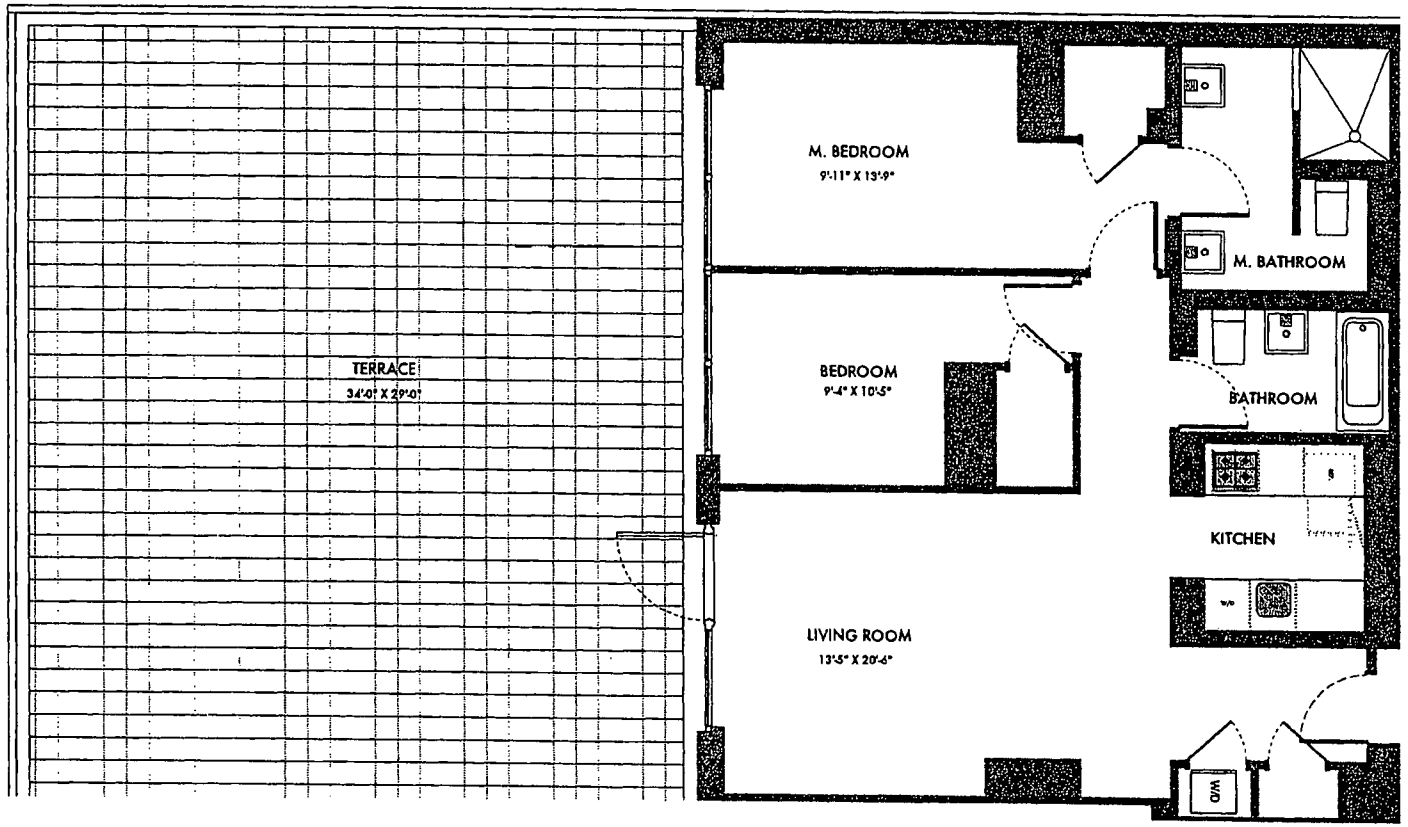
OUTDOOR SPACE- 623 SF





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NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



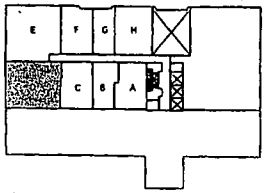
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT D - FLOOR 2

2 BEDROOMS
2 BATHROOMS

1082 SF

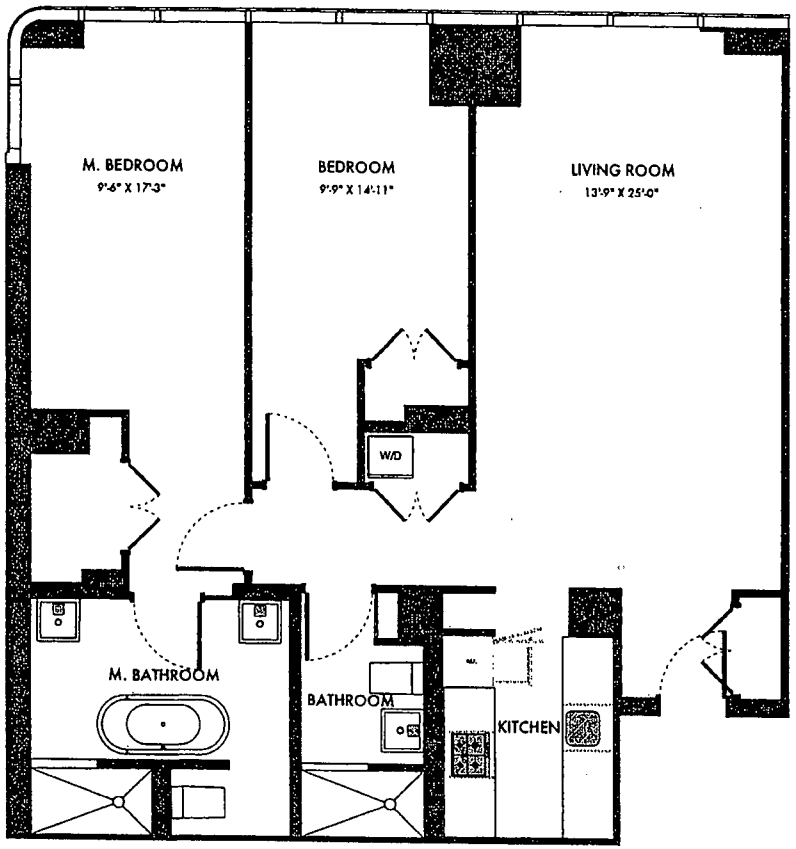
OUTDOOR SPACE- 1042 SF





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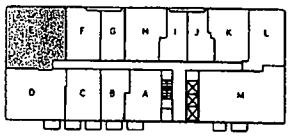


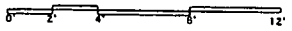
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT E - FLOORS 2-16

2 BEDROOM
2 BATHROOM

1269 SF





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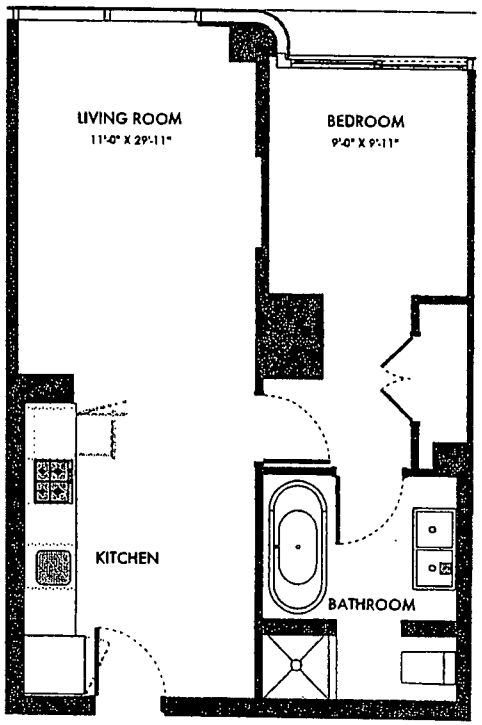
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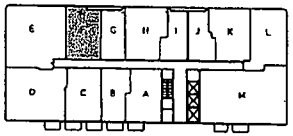
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT F - FLOORS 2-16

1 BEDROOM
1 BATHROOM

630 SF







ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

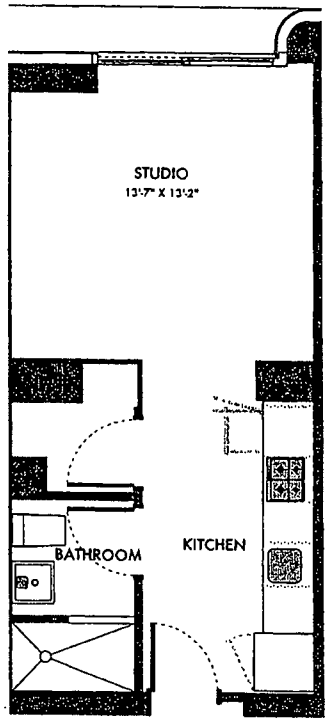
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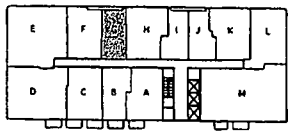
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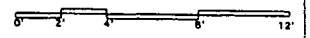
APARTMENT G - FLOORS 2-16

STUDIO

435 SF

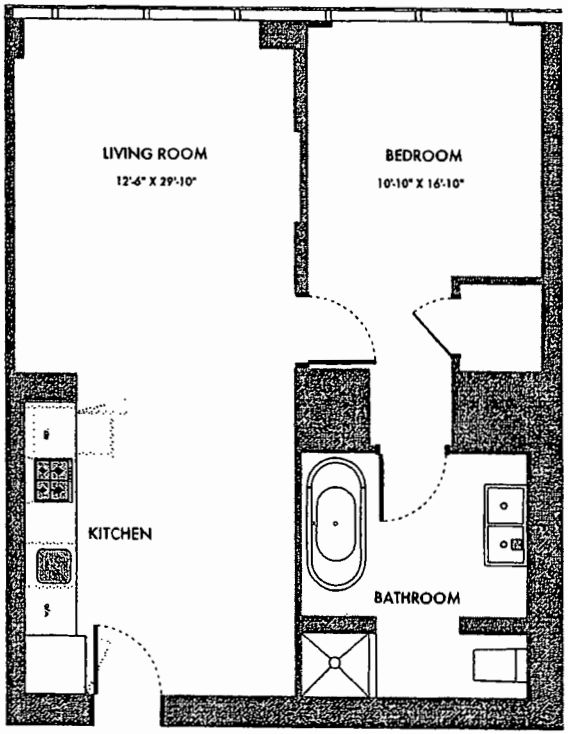






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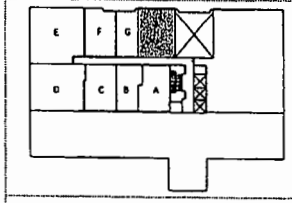


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT H - FLOOR 2

1 BEDROOM
1 BATHROOM

795 SF





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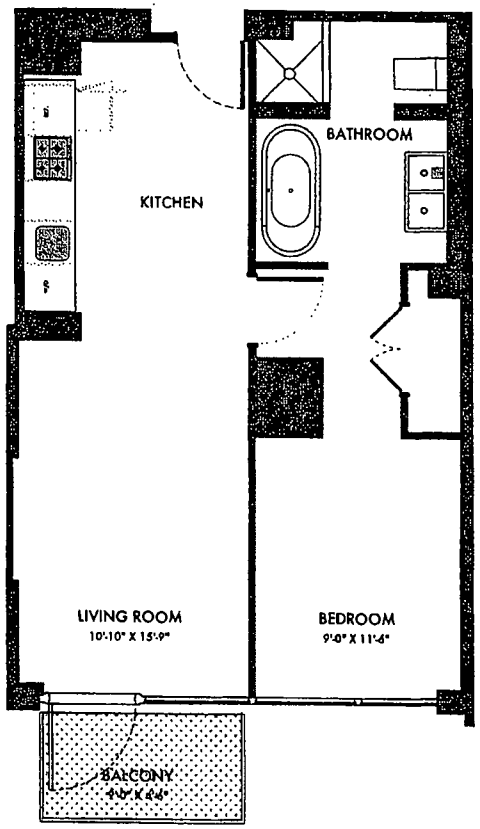
340 EAST 23RD STREET
NEW YORK, NY

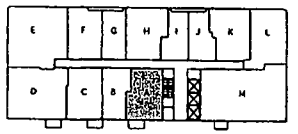
APARTMENT A - FLOORS 3-16

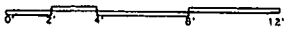
1 BEDROOM
1 BATHROOM

614 SF

OUTDOOR SPACE- 44 SF

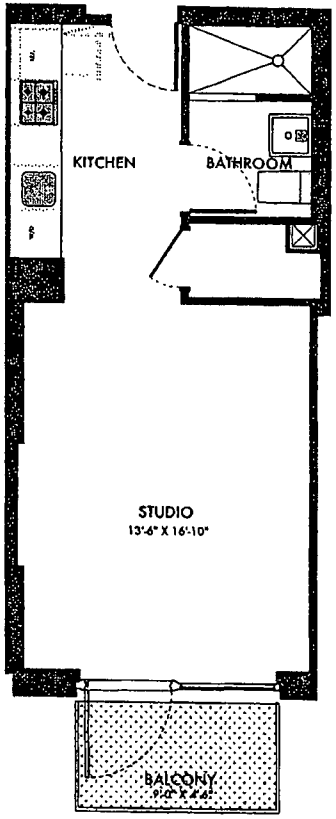






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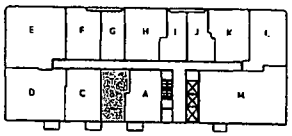


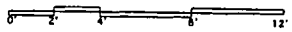
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT B - FLOORS 3-16
STUDIO

476 SF

OUTDOOR SPACE- 44 SF





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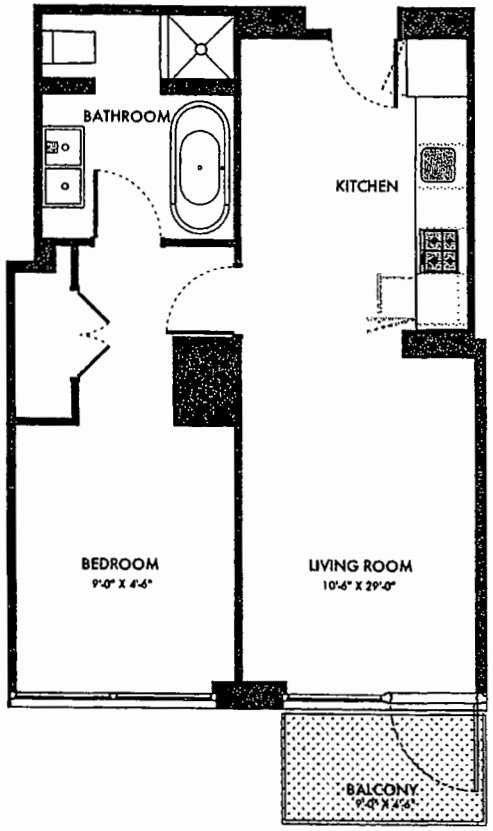
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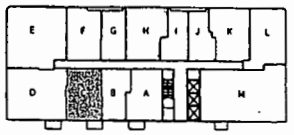
APARTMENT C - FLOORS 3-16

1 BEDROOM
1 BATHROOM

645 SF

OUTDOOR SPACE- 44 SF







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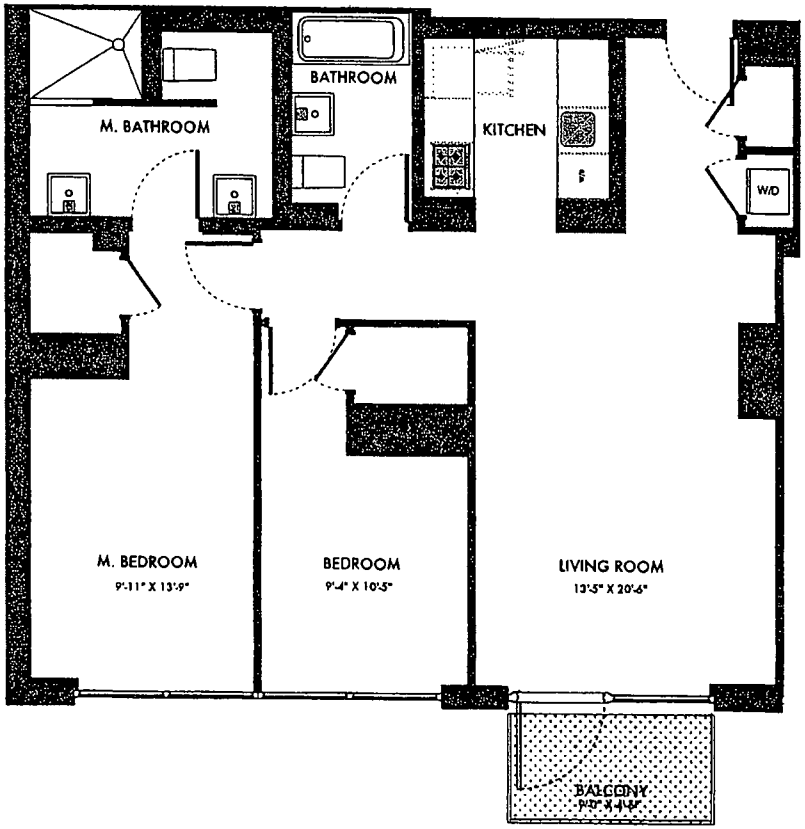
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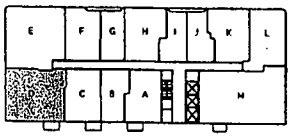
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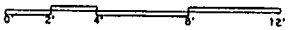
2 BEDROOM
2 BATHROOM

1082 SF

OUTDOOR SPACE- 44 SF







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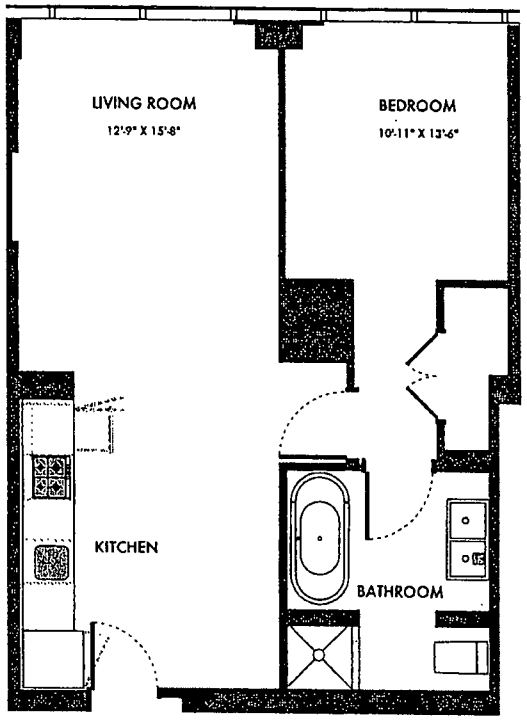
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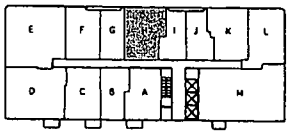
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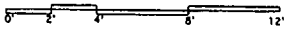
APARTMENT H - FLOORS 3-16

1 BEDROOM
1 BATHROOM

719 SF

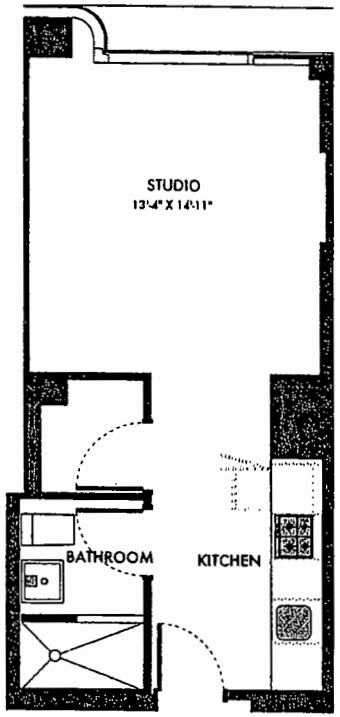






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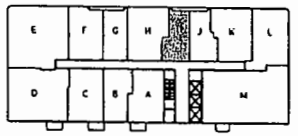


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT I - FLOORS 3-16

STUDIO

430 SF





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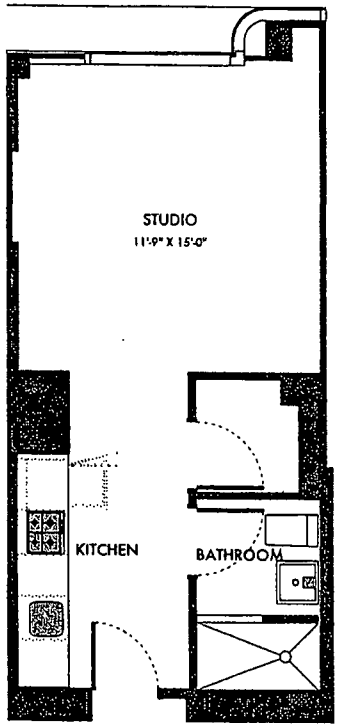
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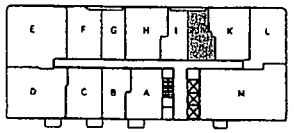
340 EAST 23RD STREET
NEW YORK, NY

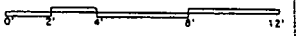
APARTMENT J - FLOORS 3-16

STUDIO

430 SF

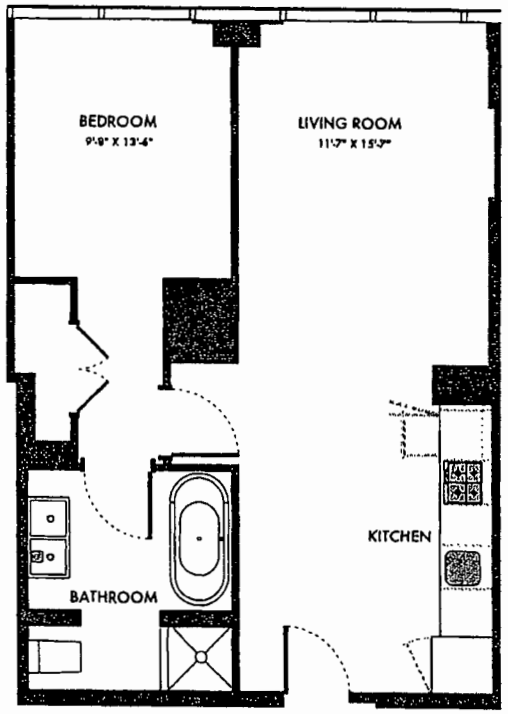






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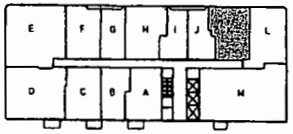


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT K - FLOORS 3-16

1 BEDROOM
1 BATHROOM

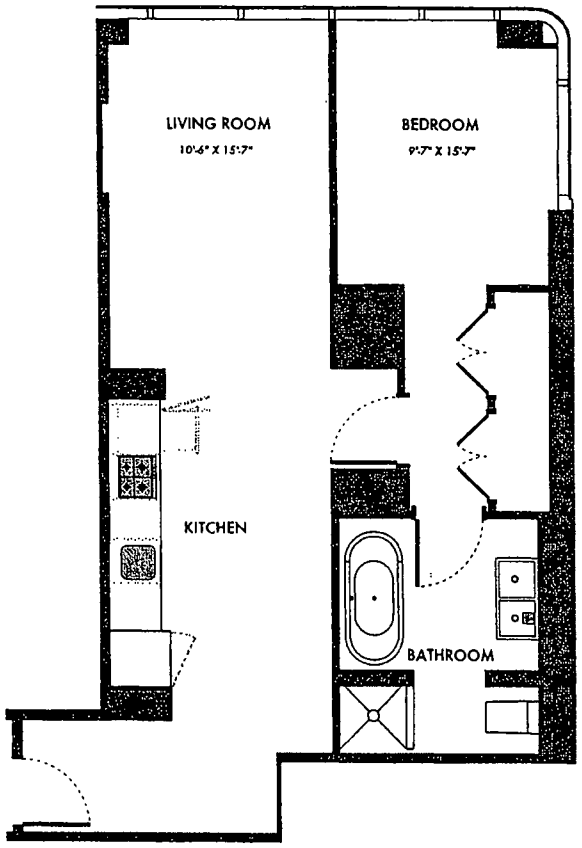
704 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

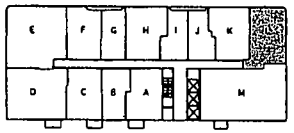


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT L - FLOORS 3-16

1 BEDROOM
1 BATHROOM

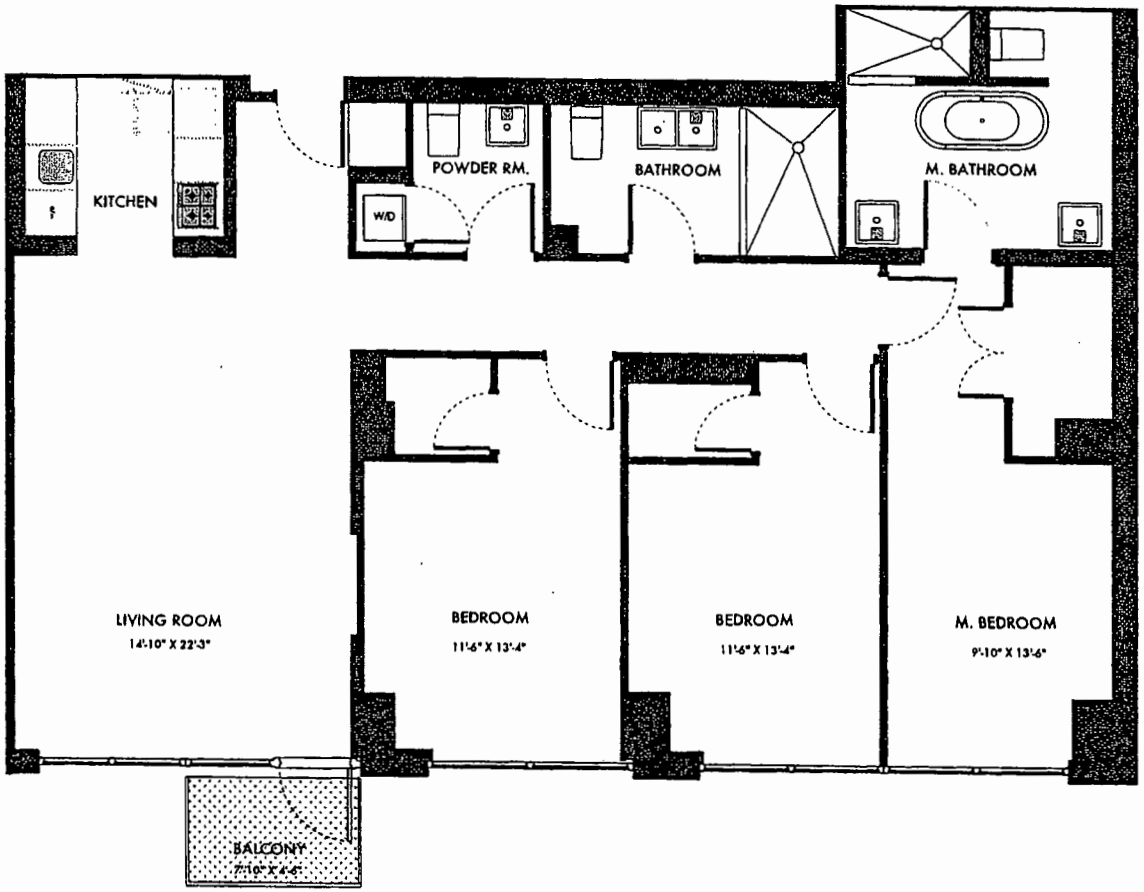
768 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



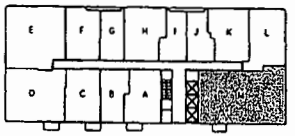
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT M - FLOORS 3-16

3 BEDROOMS
2.5 BATHROOMS

1613 SF

OUTDOOR SPACE- 38 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

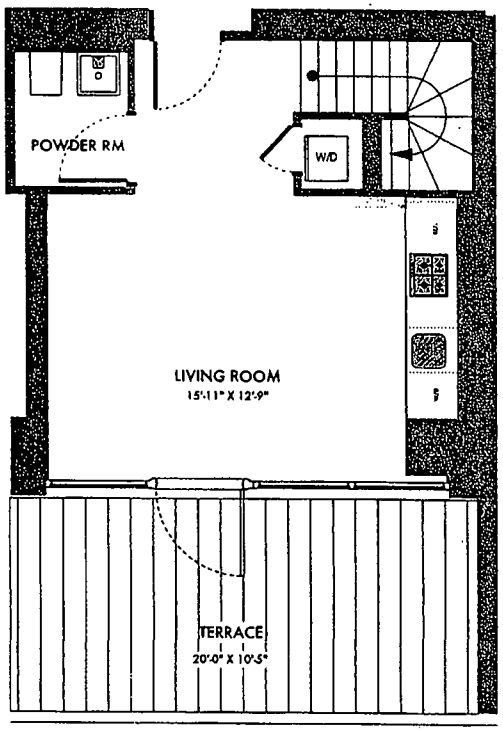
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT A - SKYHOUSE 1 & 2

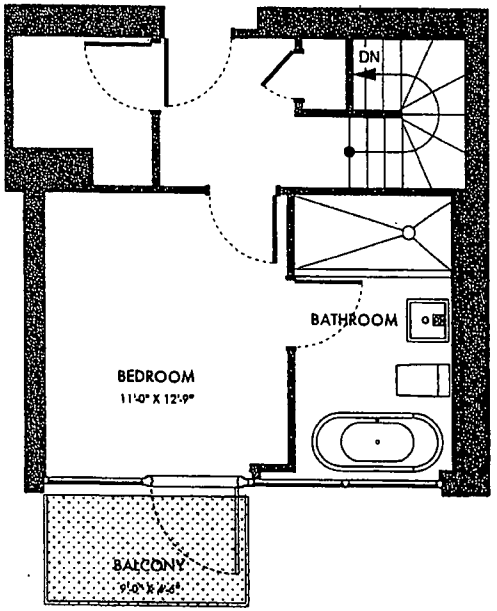
1 BEDROOM
1.5 BATHROOMS

926 SF

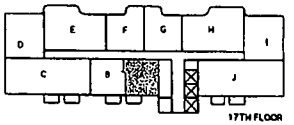
OUTDOOR SPACE- 251 SF

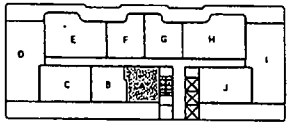


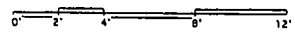
SKYHOUSE 1



SKYHOUSE 2







ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

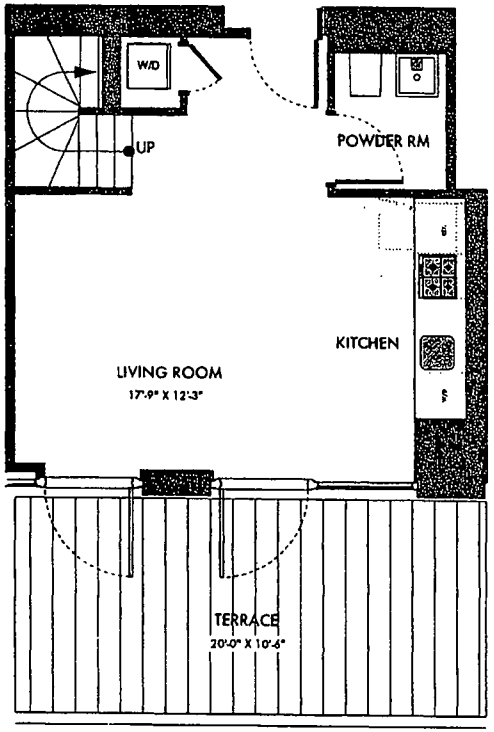
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT B -
SKYHOUSE FLOORS 1 & 2

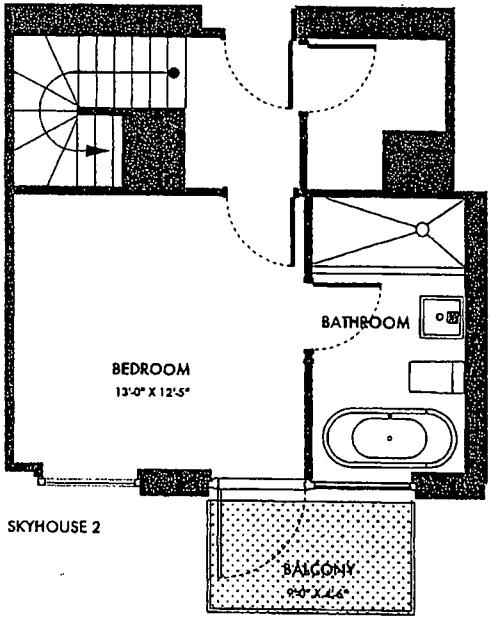
1 BEDROOM
1.5 BATHROOMS

838 SF

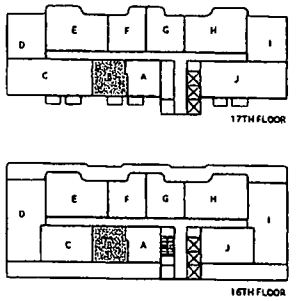
OUTDOOR SPACE- 272 SF



SKYHOUSE 1

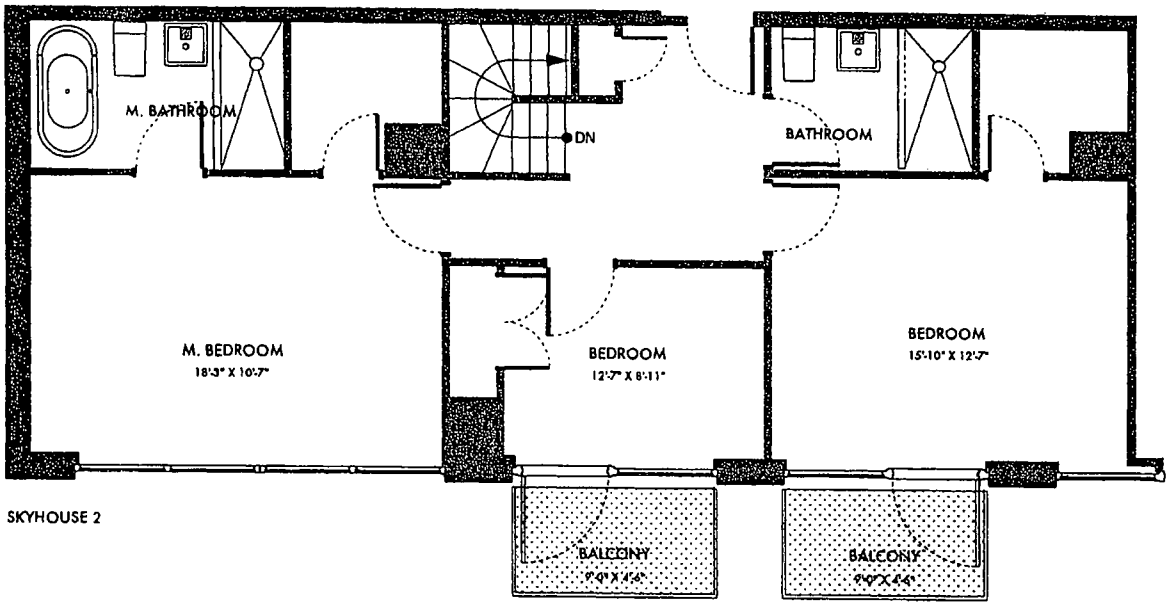


SKYHOUSE 2

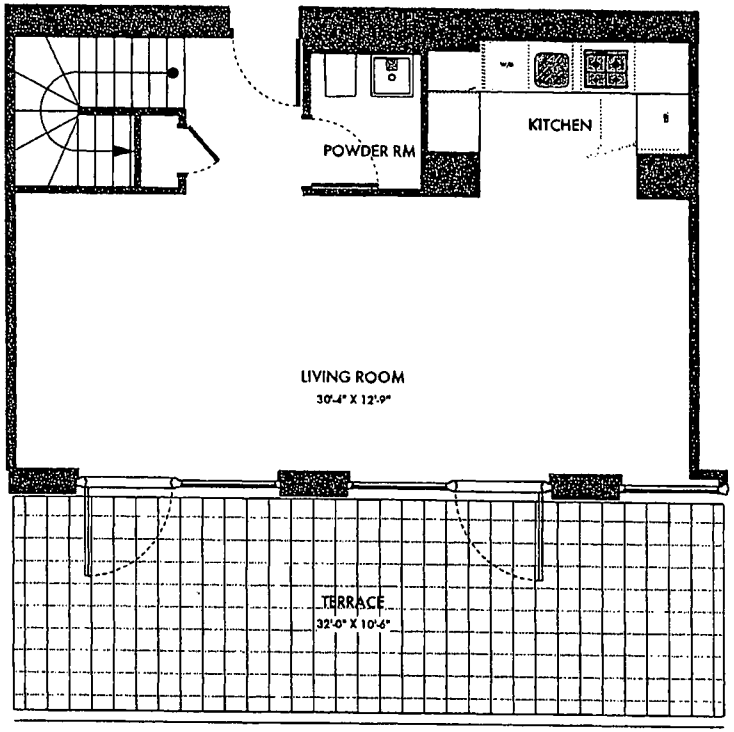


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



SKYHOUSE 2



SKYHOUSE 1

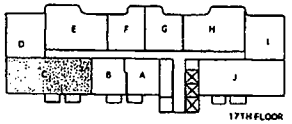
340 EAST 23RD STREET
NEW YORK, NY

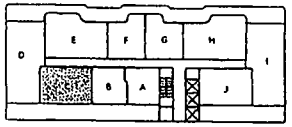
APARTMENT C -
SKYHOUSE FLOORS 1 & 2

3 BEDROOMS
2.5 BATHROOMS

1736 SF

OUTDOOR SPACE- 411 SF

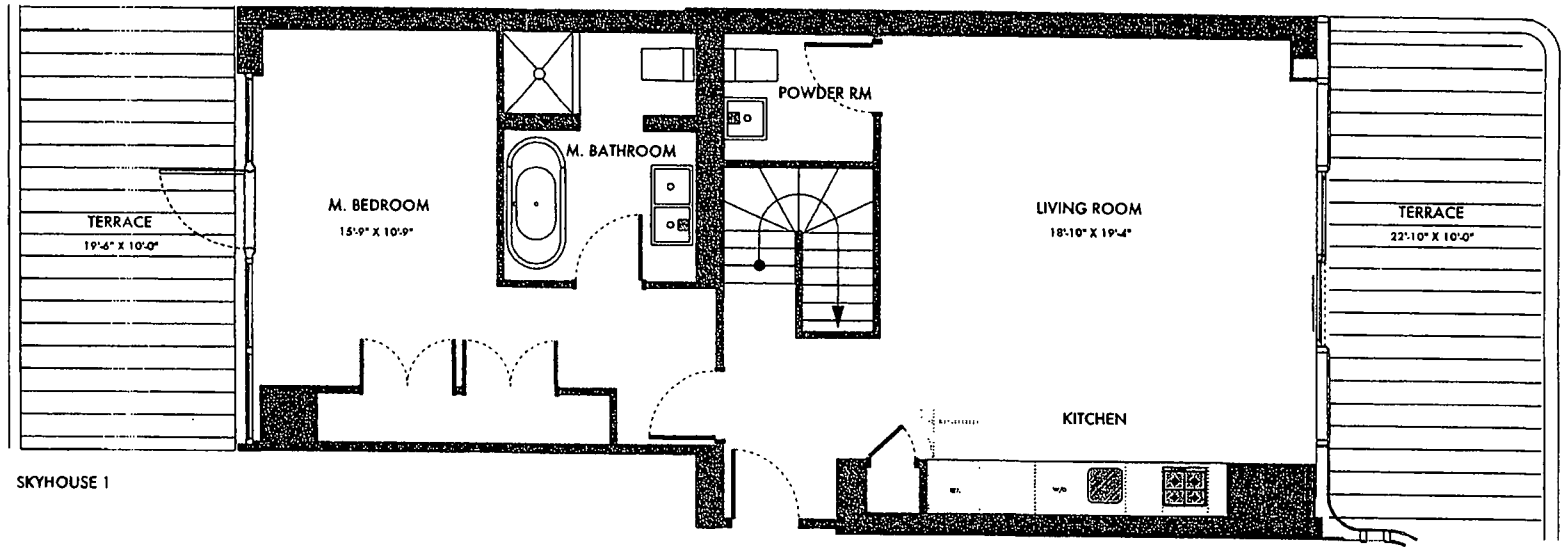




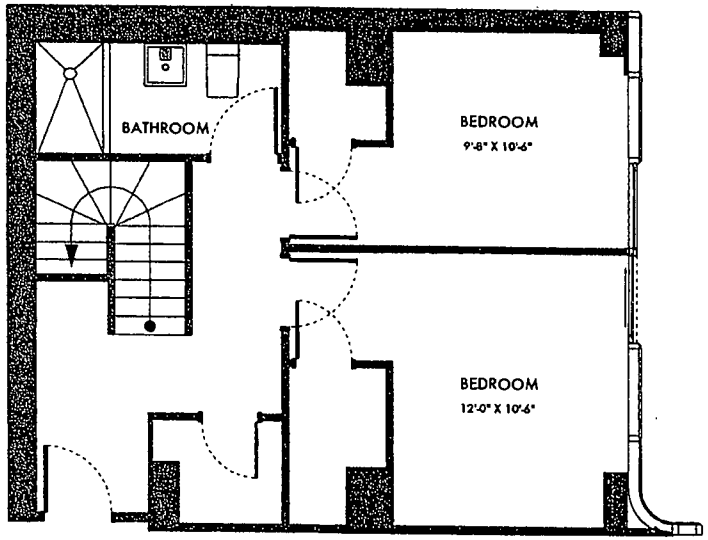


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



SKYHOUSE 1



SKYHOUSE 2

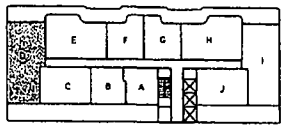
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT D -
SKYHOUSE FLOORS 1 & 2

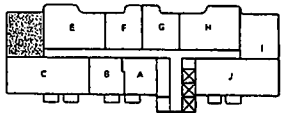
3 BEDROOMS
2.5 BATHROOMS

1686 SF

OUTDOOR SPACE- 421 SF



SKYHOUSE 1

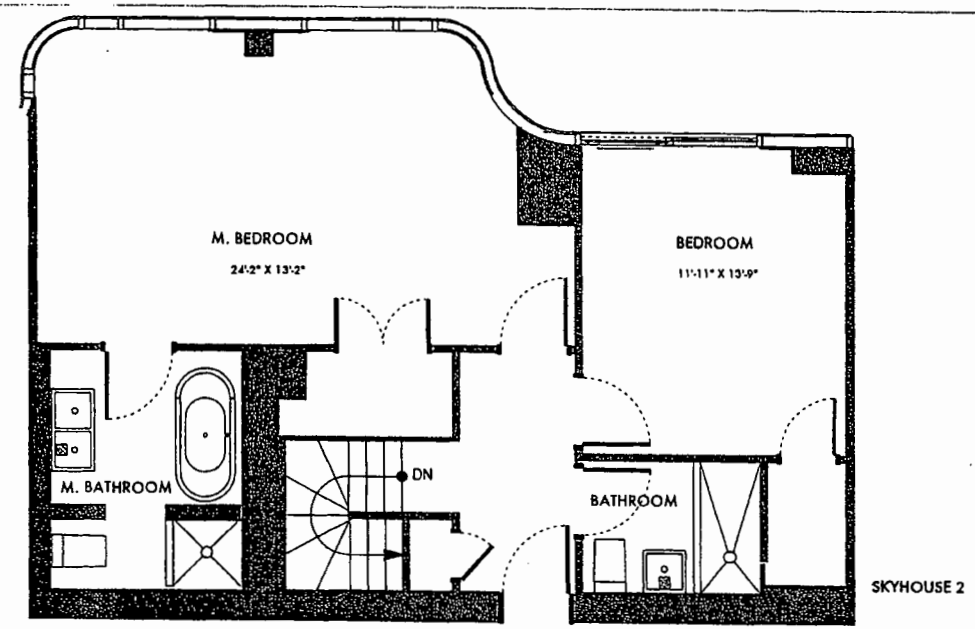


SKYHOUSE 2

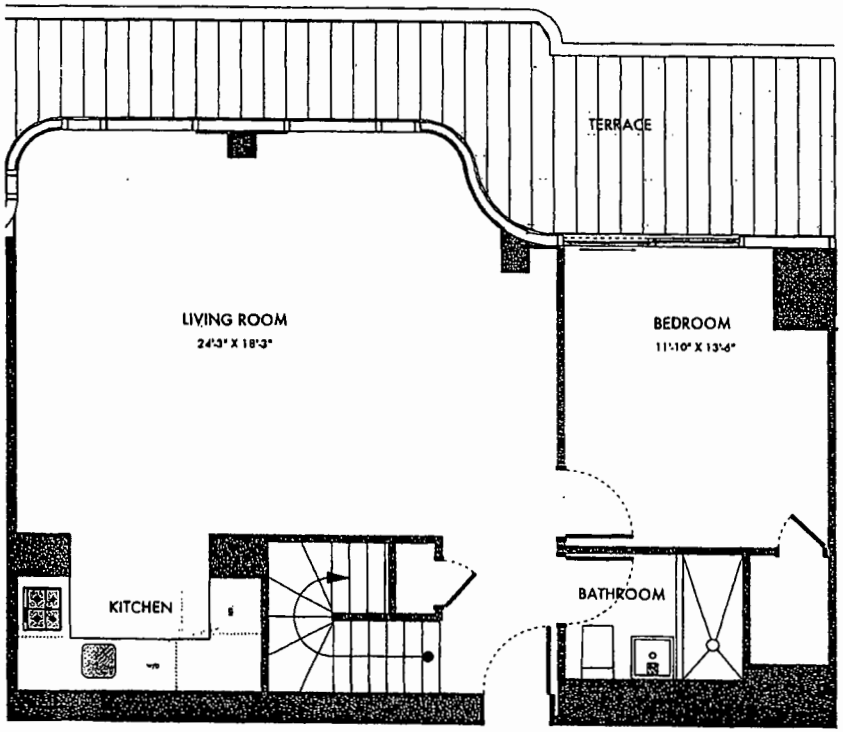


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



SKYHOUSE 2



SKYHOUSE 1

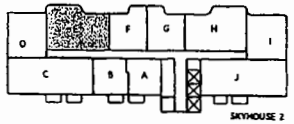
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT E -
SKYHOUSE FLOORS 1 & 2

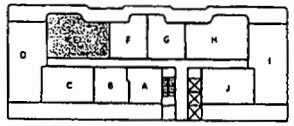
3 BEDROOMS
3 BATHROOMS

1812 SF

OUTDOOR SPACE- 248 SF



SKYHOUSE 2



SKYHOUSE 1



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

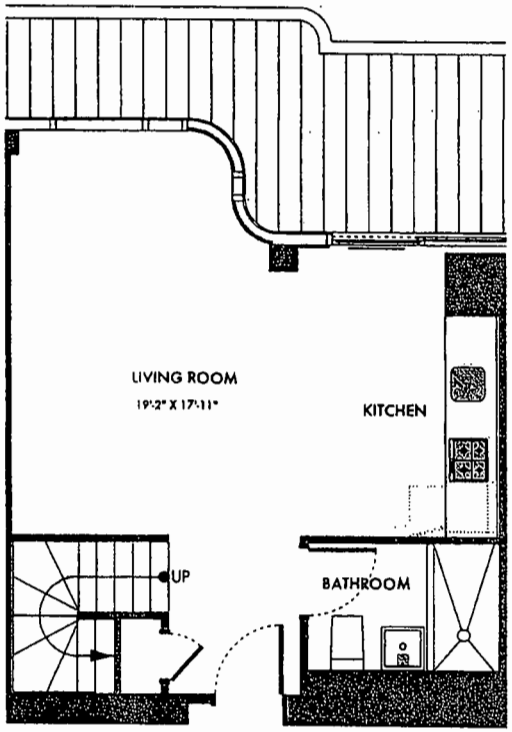
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT G -
SKYHOUSE FLOORS 1 & 2

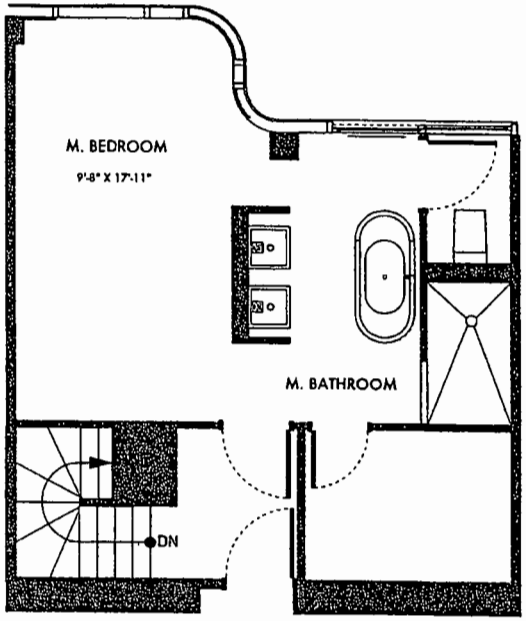
1 BEDROOM
2 BATHROOMS

1083 SF

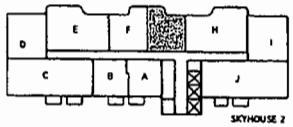
OUTDOOR SPACE- 160 SF



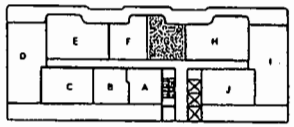
SKYHOUSE 1



SKYHOUSE 2



SKYHOUSE 2



SKYHOUSE 1



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

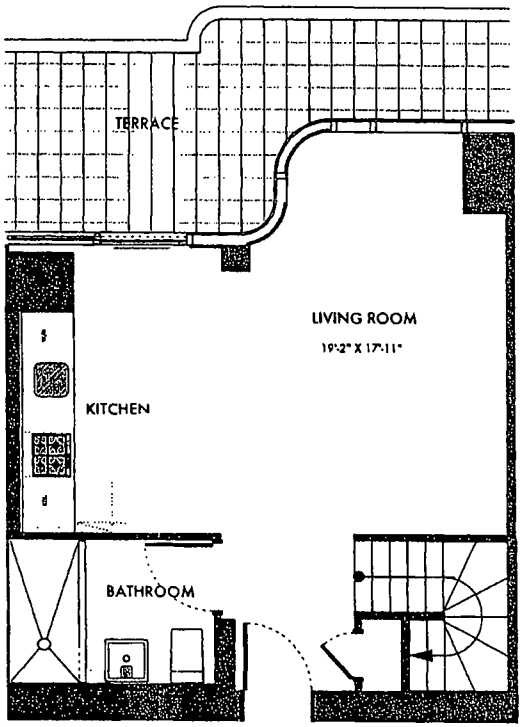
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT F -
SKYHOUSE FLOORS 1 & 2

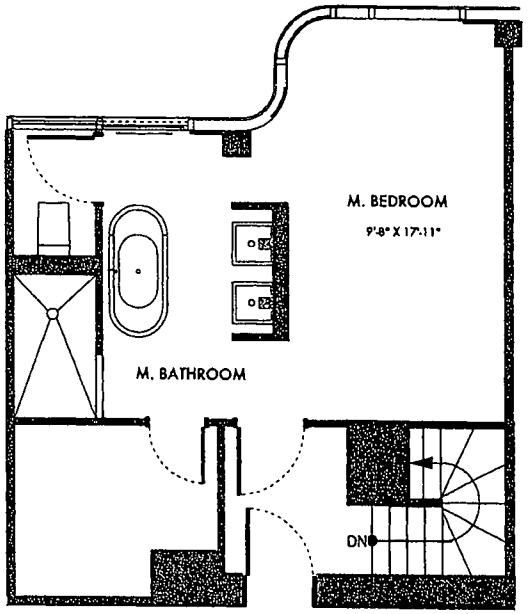
1 BEDROOM
2 BATHROOMS

1083 SF

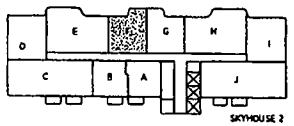
OUTDOOR SPACE- 160 SF



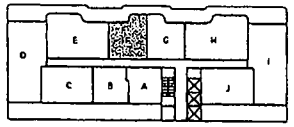
SKYHOUSE 1



SKYHOUSE 2



SKYHOUSE 2

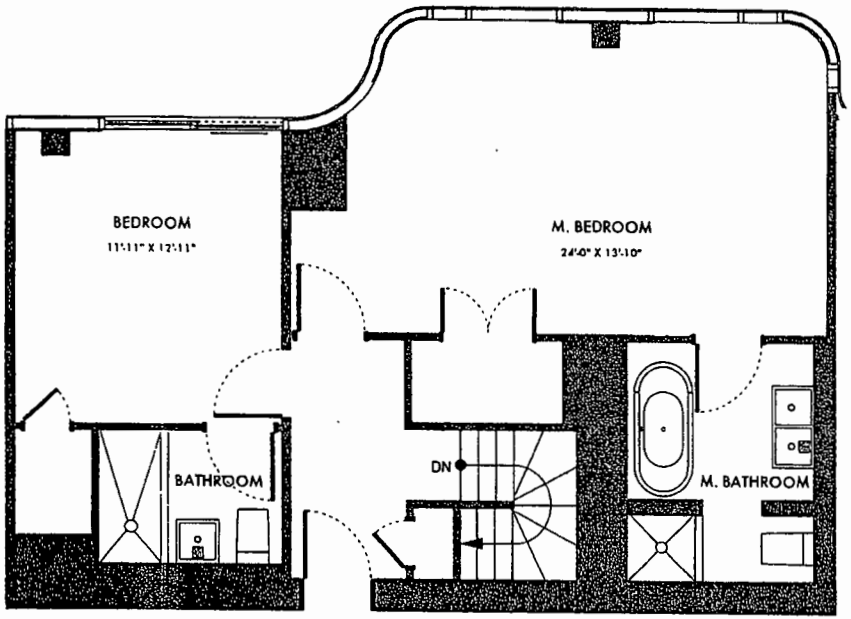


SKYHOUSE 1

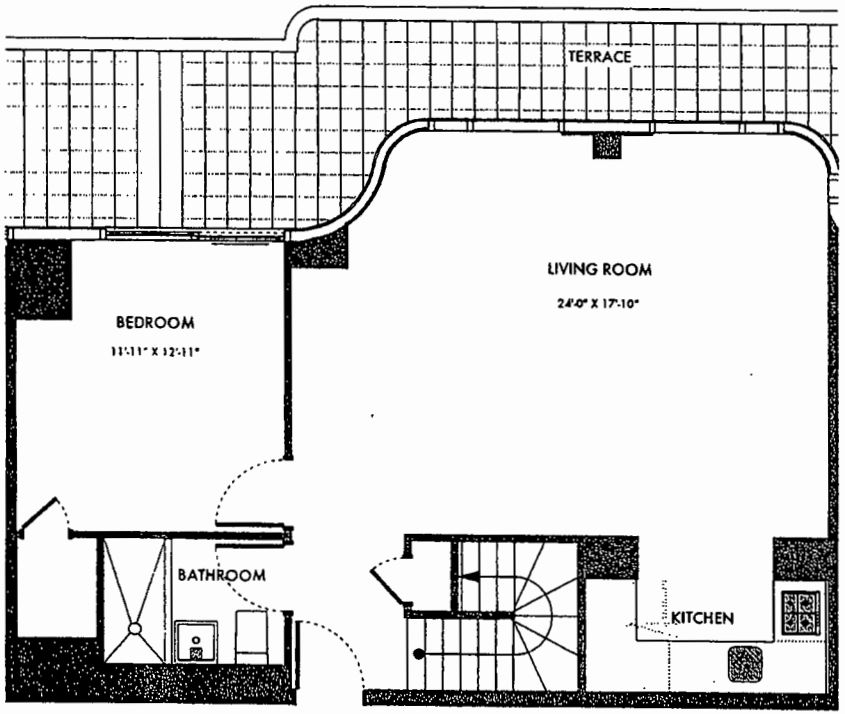


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



SKYHOUSE 2



SKYHOUSE 1

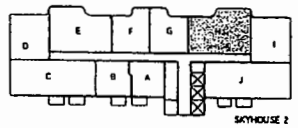
340 EAST 23RD STREET
NEW YORK, NY

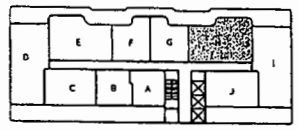
APARTMENT H -
SKYHOUSE FLOORS 1 & 2

3 BEDROOMS
3 BATHROOMS

1812 SF

OUTDOOR SPACE- 245 SF

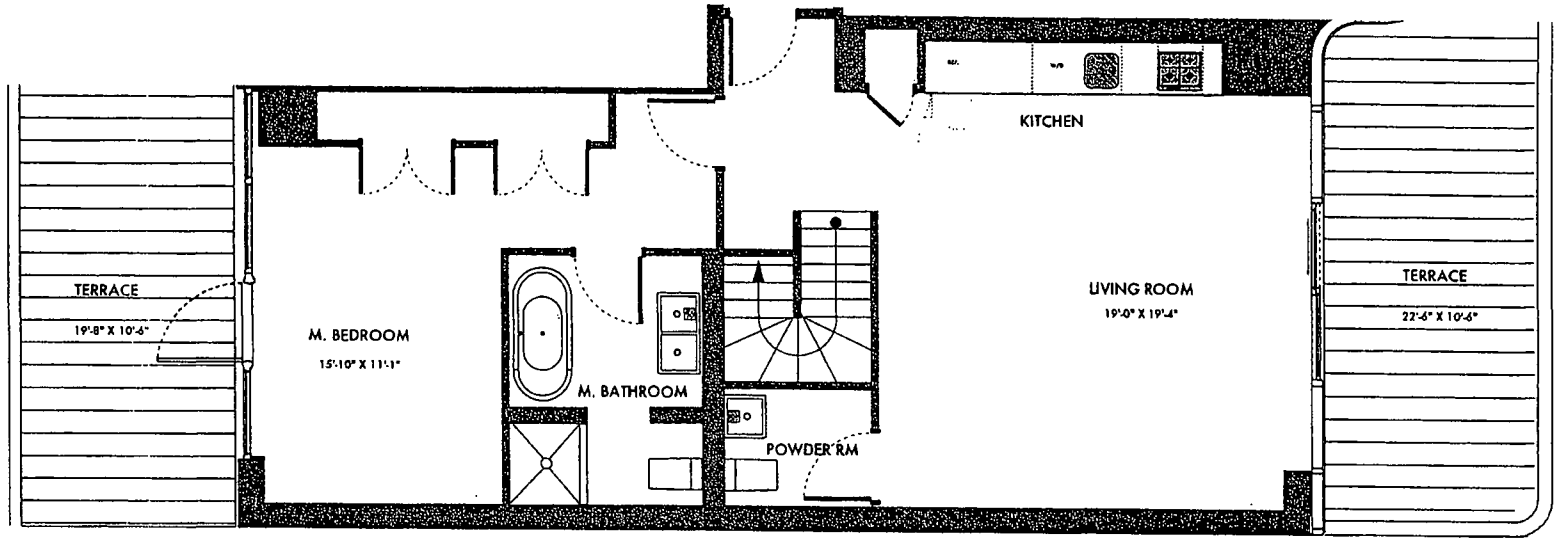




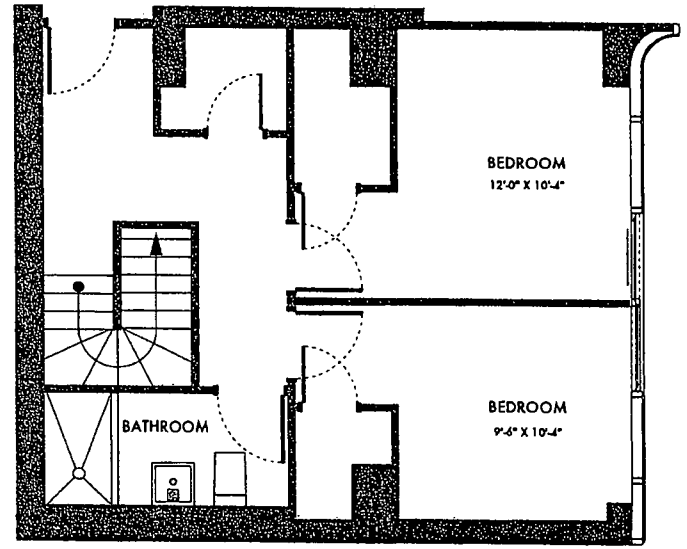


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



SKYHOUSE 1



SKYHOUSE 2

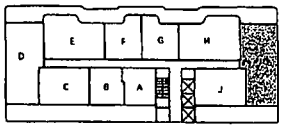
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT I -
SKYHOUSE FLOORS 1 & 2

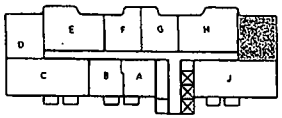
3 BEDROOMS
2.5 BATHROOMS

1677 SF

OUTDOOR SPACE- 427 SF



SKYHOUSE 1

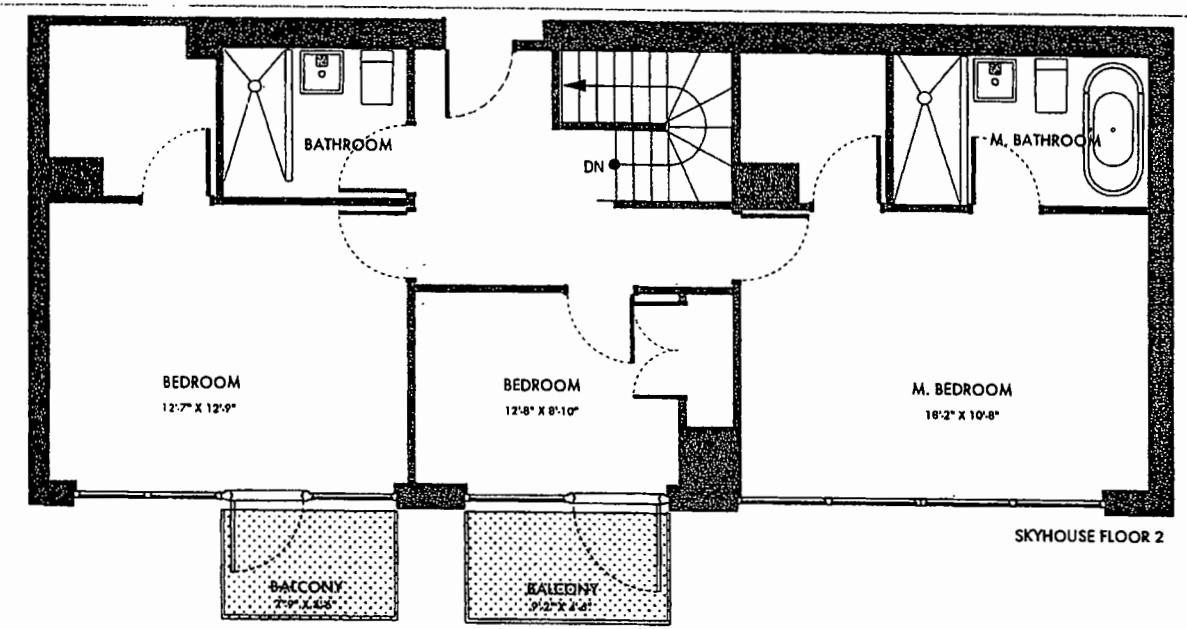


SKYHOUSE 2

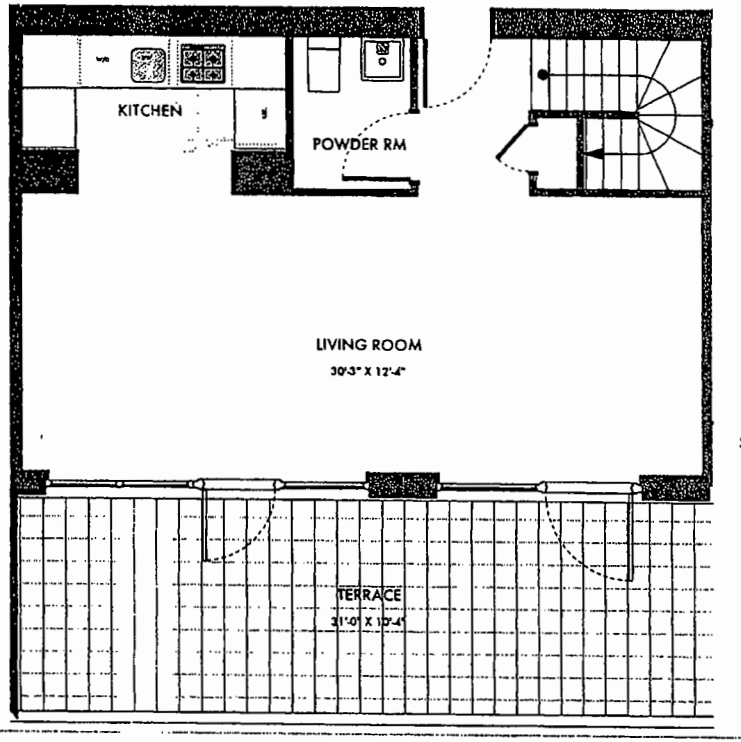


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NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



SKYHOUSE FLOOR 2



SKYHOUSE FLOOR 1

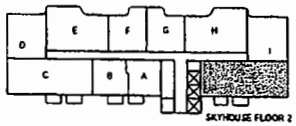
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT J -
SKYHOUSES FLOORS 1 & 2

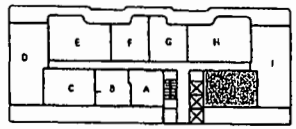
3 BEDROOMS
2.5 BATHROOMS

1760 SF

OUTDOOR SPACE- 402 SF



SKYHOUSE FLOOR 2



SKYHOUSE FLOOR 1



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

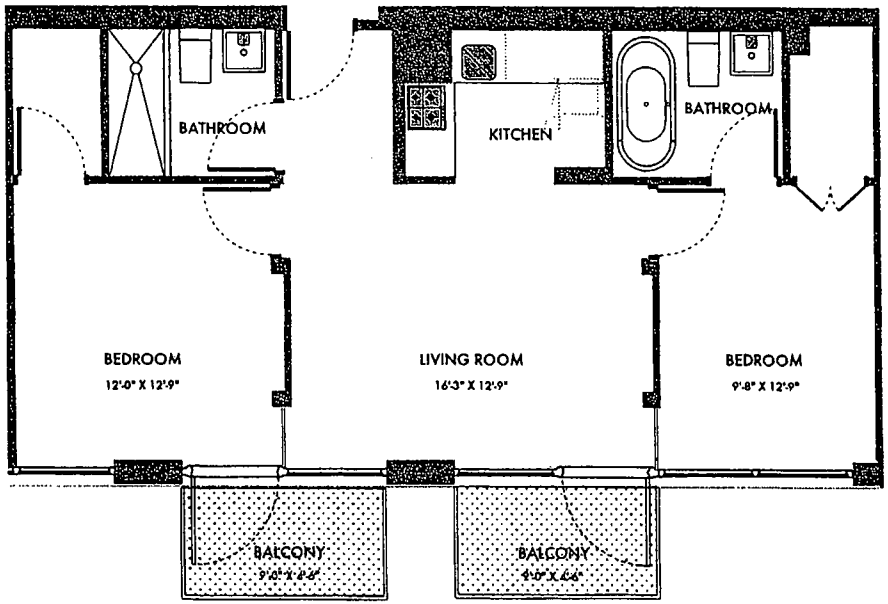
340 EAST 23RD STREET
NEW YORK, NY

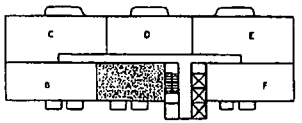
APARTMENT A - PENTHOUSE 1

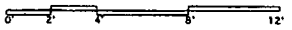
2 BEDROOMS
2 BATHROOMS

857 SF

OUTDOOR SPACE- 132 SF







ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

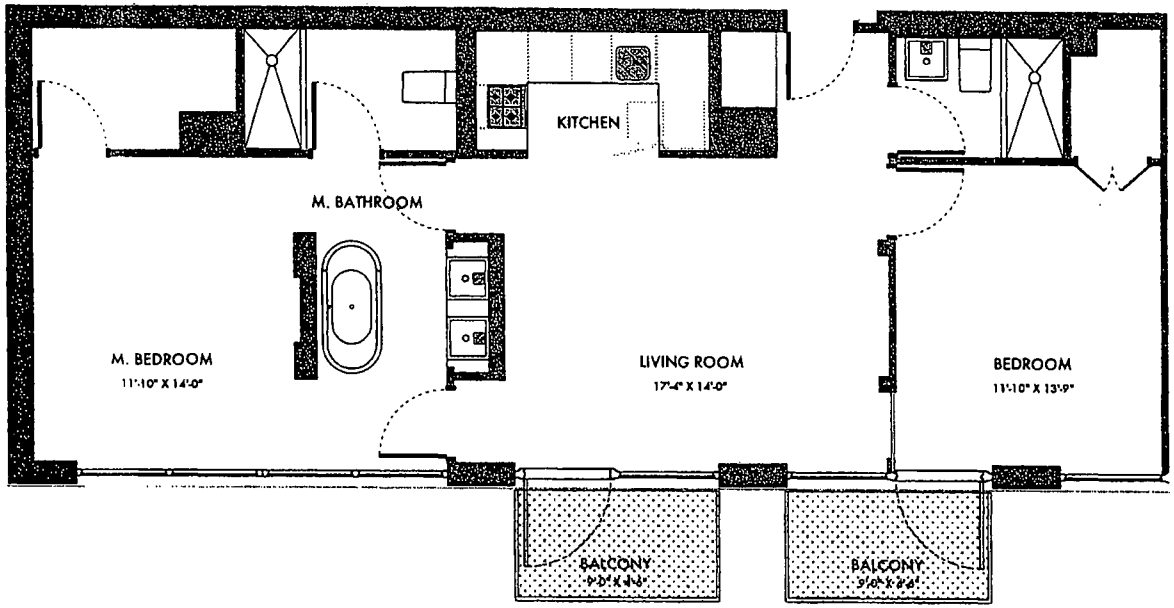
340 EAST 23RD STREET
NEW YORK, NY

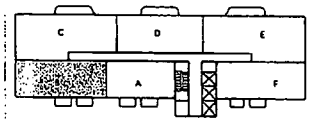
APARTMENT B - PENTHOUSE 1

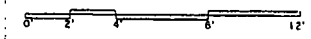
2 BEDROOMS
2 BATHROOMS

1080 SF

OUTDOOR SPACE- 88 SF

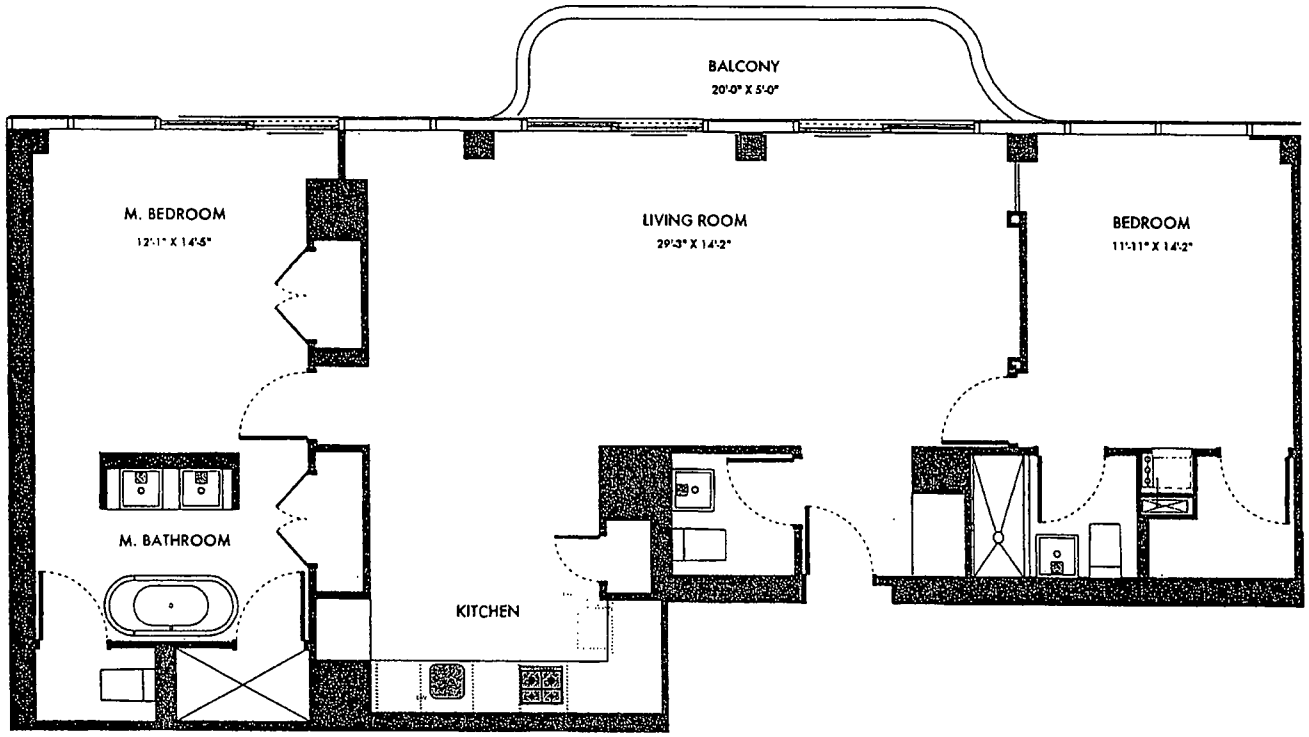






ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



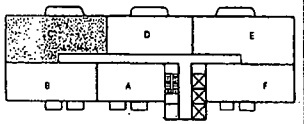
340 EAST 23RD STREET
NEW YORK, NY

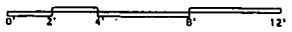
APARTMENT C - PENTHOUSE 1

2 BEDROOMS
2.5 BATHROOMS

1431 SF

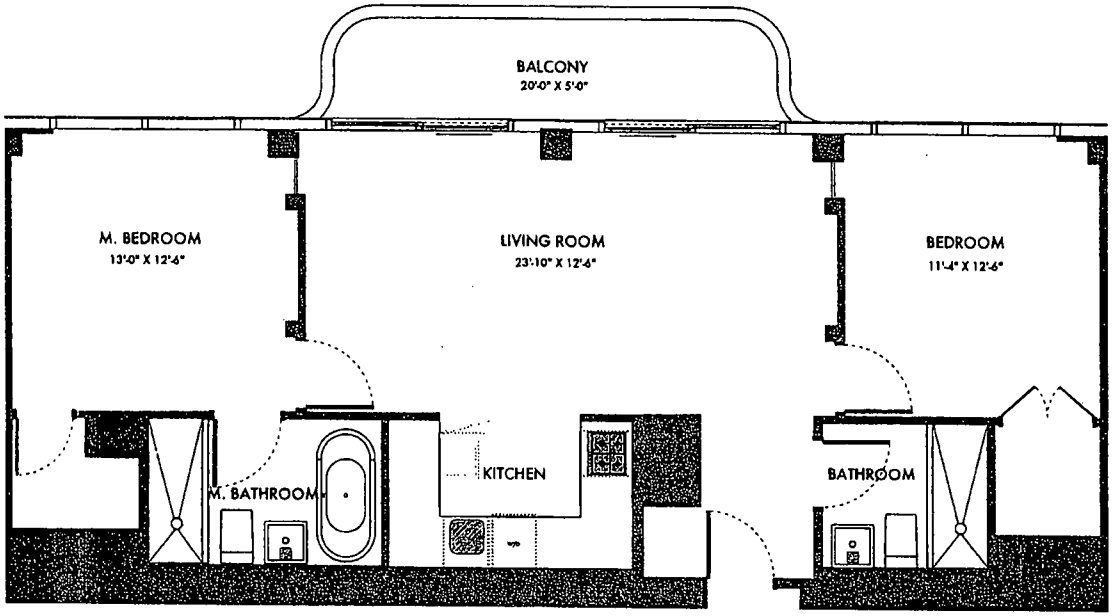
OUTDOOR SPACE- 106 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



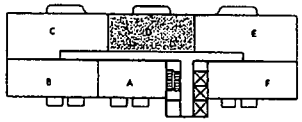
340 EAST 23RD STREET
NEW YORK, NY

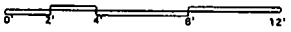
APARTMENT D - PENTHOUSE 1

2 BEDROOM
2 BATHROOM

1066 SF

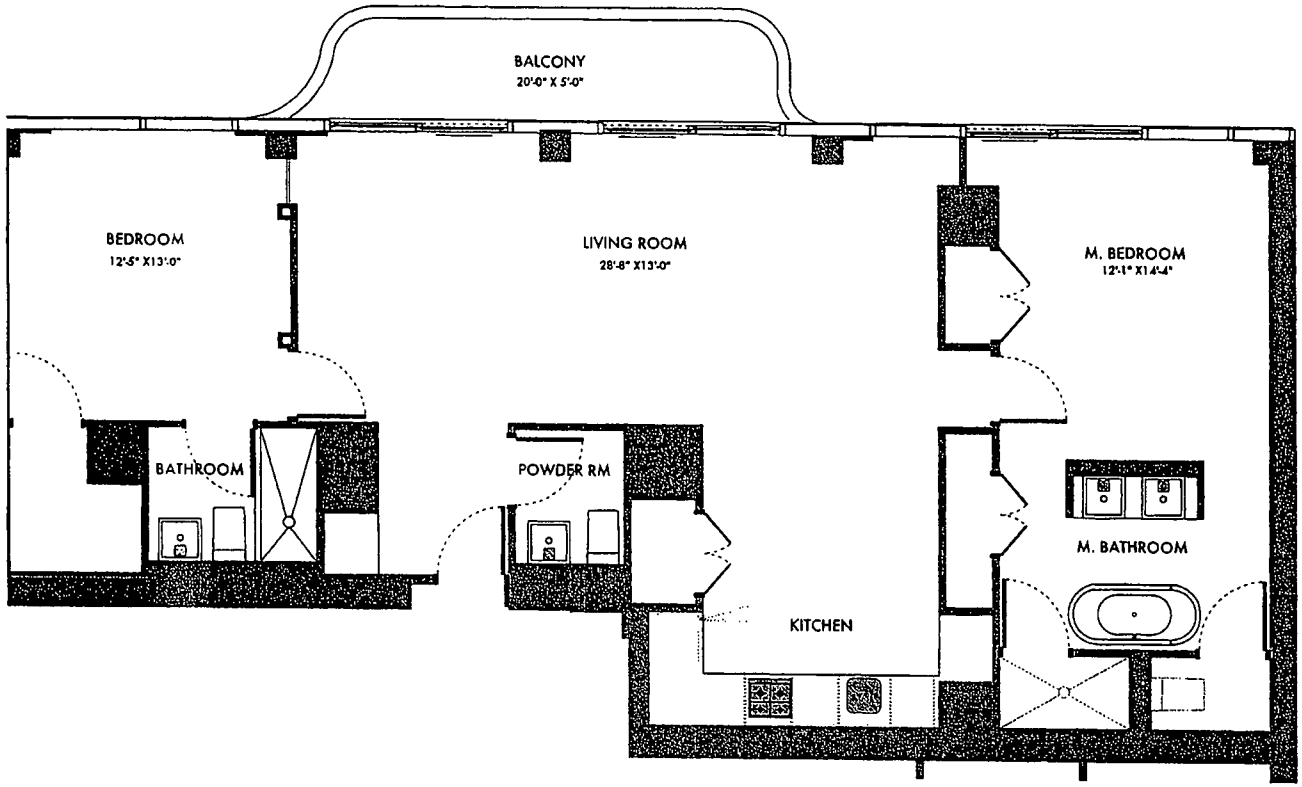
OUTDOOR SPACE- 106 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



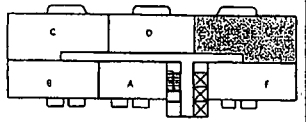
340 EAST 23RD STREET
NEW YORK, NY

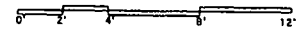
APARTMENT E - PENTHOUSE 1

2 BEDROOM
2.5 BATHROOM

1419 SF

OUTDOOR SPACE- 106 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

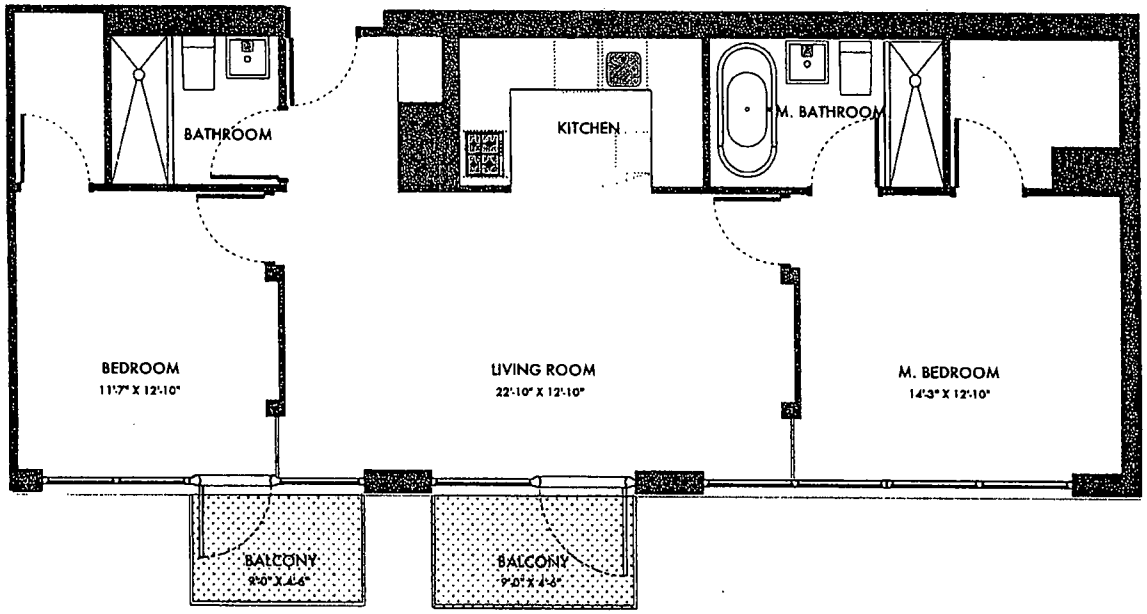
340 EAST 23RD STREET
NEW YORK, NY

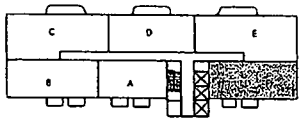
APARTMENT F - PENTHOUSE 1

2 BEDROOM
2 BATHROOM

1089 SF

OUTDOOR SPACE- 88 SF







ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

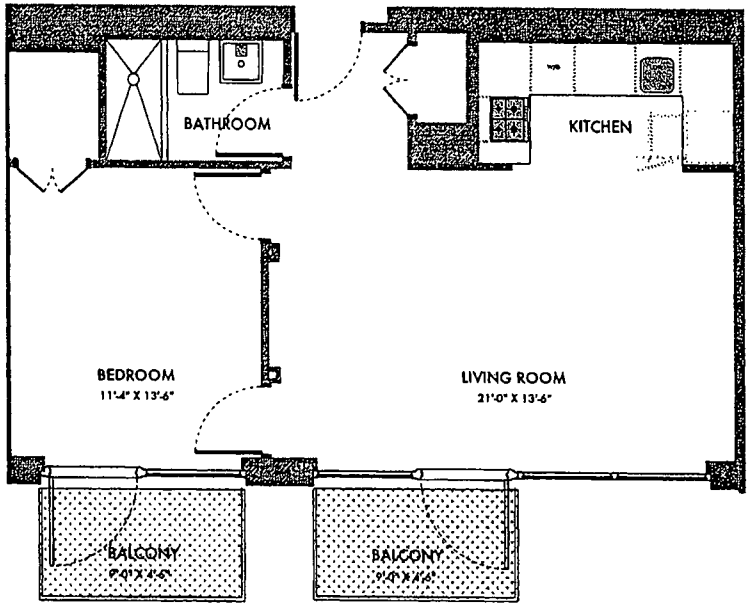
340 EAST 23RD STREET
NEW YORK, NY

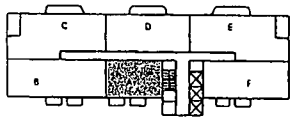
APARTMENT A - PENTHOUSE 2

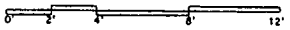
1 BEDROOM
1 BATHROOM

707 SF

OUTDOOR SPACE- 101 SF







ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

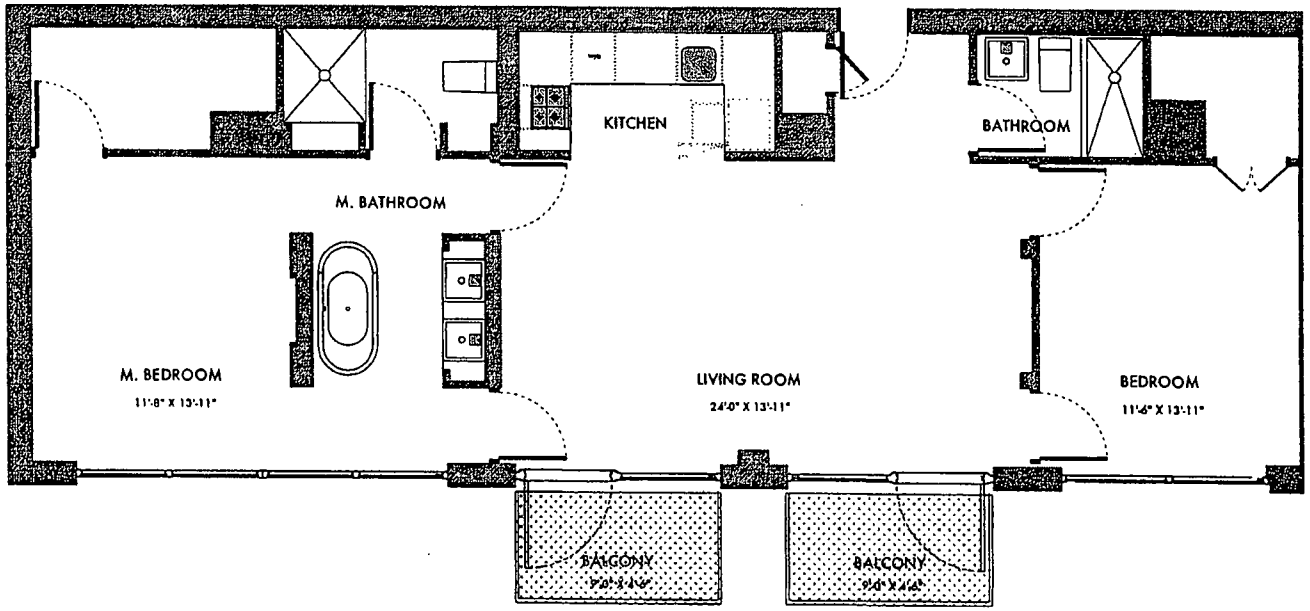
340 EAST 23RD STREET
NEW YORK, NY

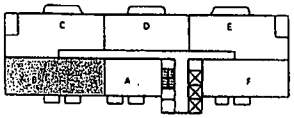
APARTMENT B - PENTHOUSE 2

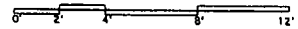
2 BEDROOMS
2 BATHROOMS

1233 SF

OUTDOOR SPACE- 152 SF

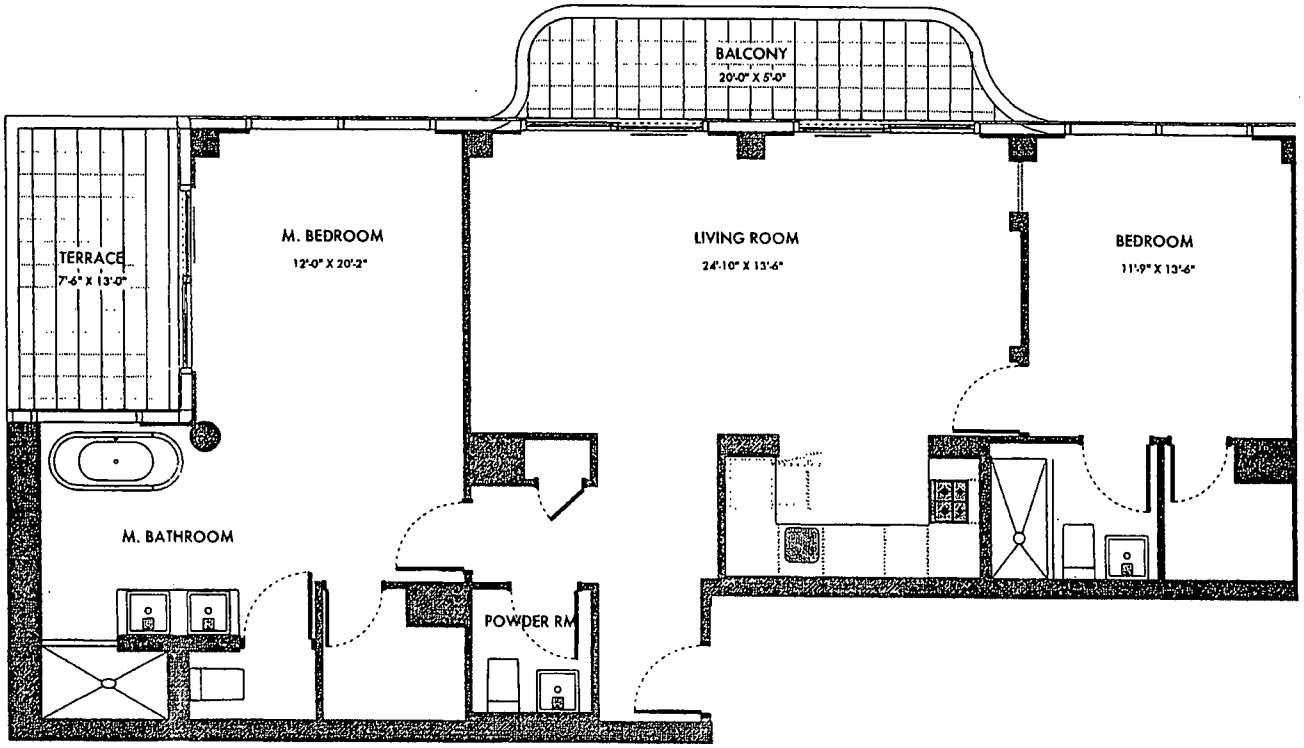






ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



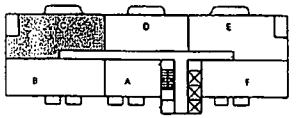
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT C - PENTHOUSE 2

2 BEDROOMS
2.5 BATHROOMS

1325 SF

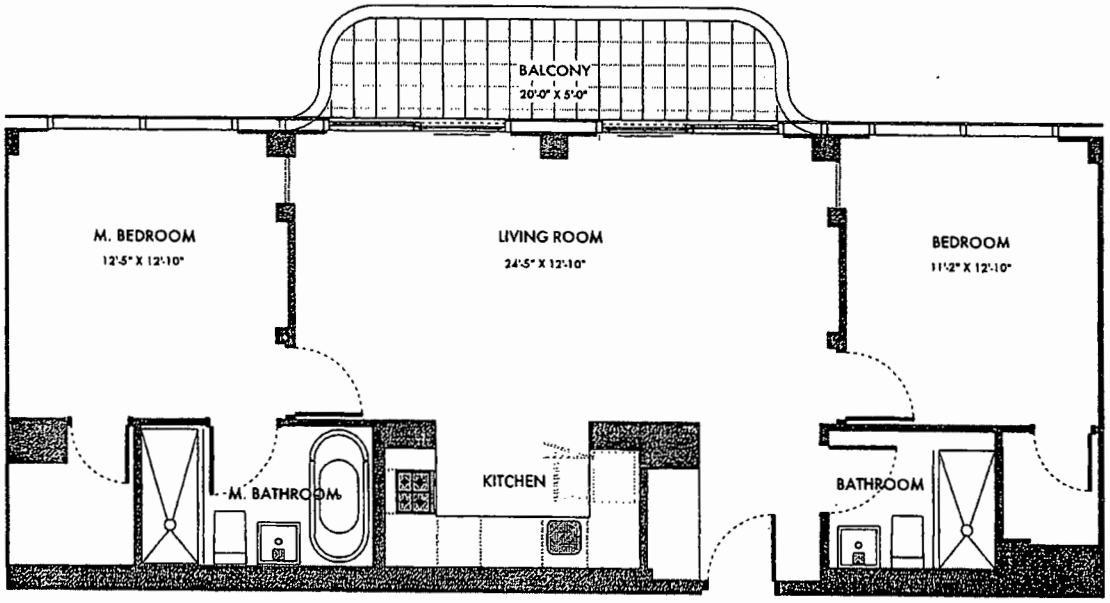
OUTDOOR SPACE- 206 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTEO DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



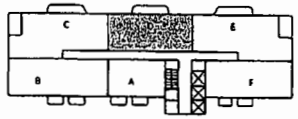
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT D - PENTHOUSE 2

2 BEDROOMS
2 BATHROOMS

1071 SF

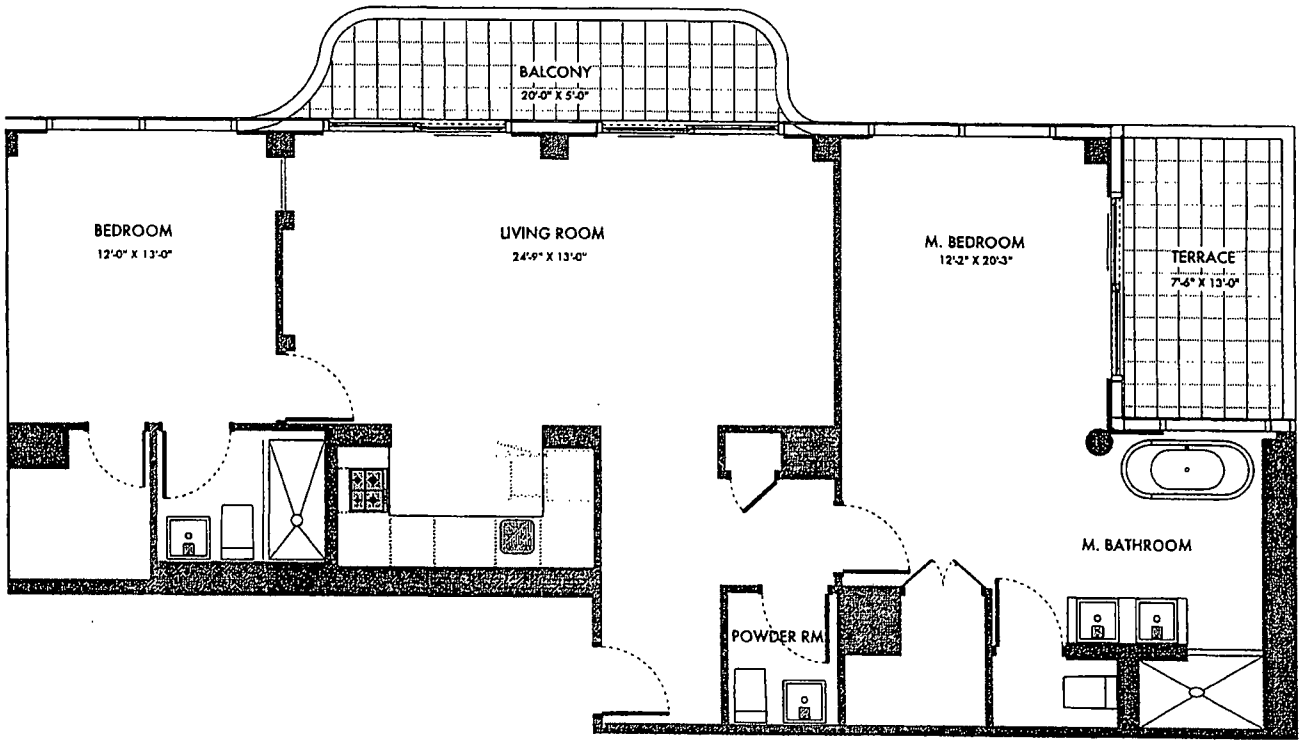
OUTDOOR SPACE- 102 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



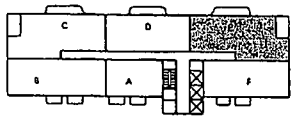
340 EAST 23RD STREET
NEW YORK, NY

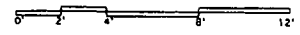
APARTMENT E - PENTHOUSE 2

2 BEDROOMS
2.5 BATHROOMS

1324 SF

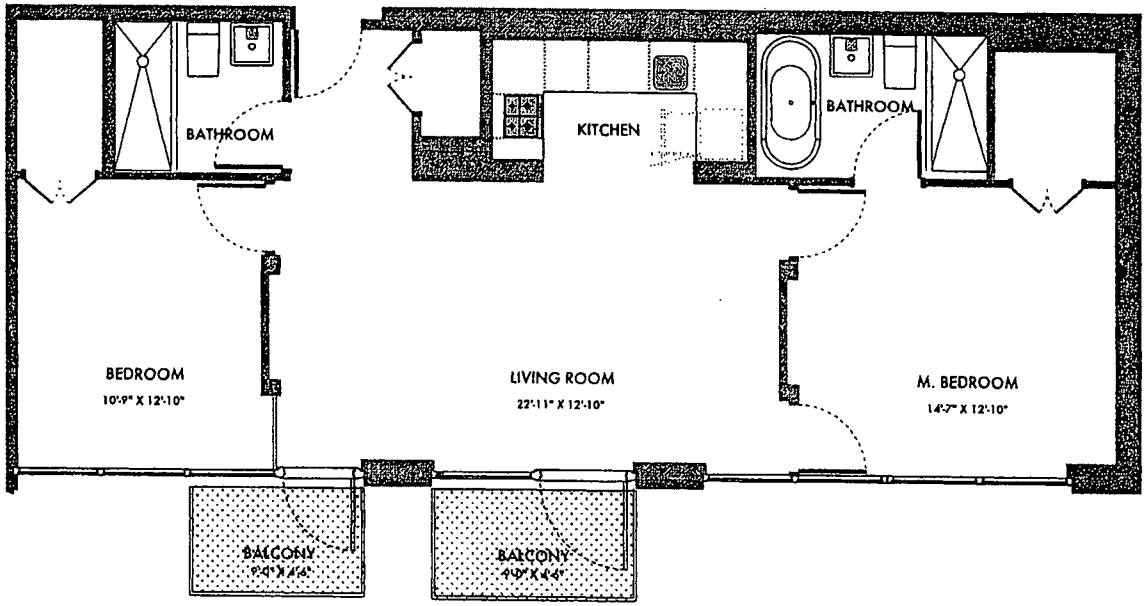
OUTDOOR SPACE- 147 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



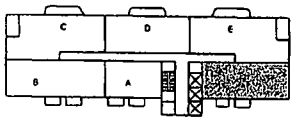
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT F - PENTHOUSE 2

2 BEDROOMS
2 BATHROOMS

1075 SF

OUTDOOR SPACE- 91 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

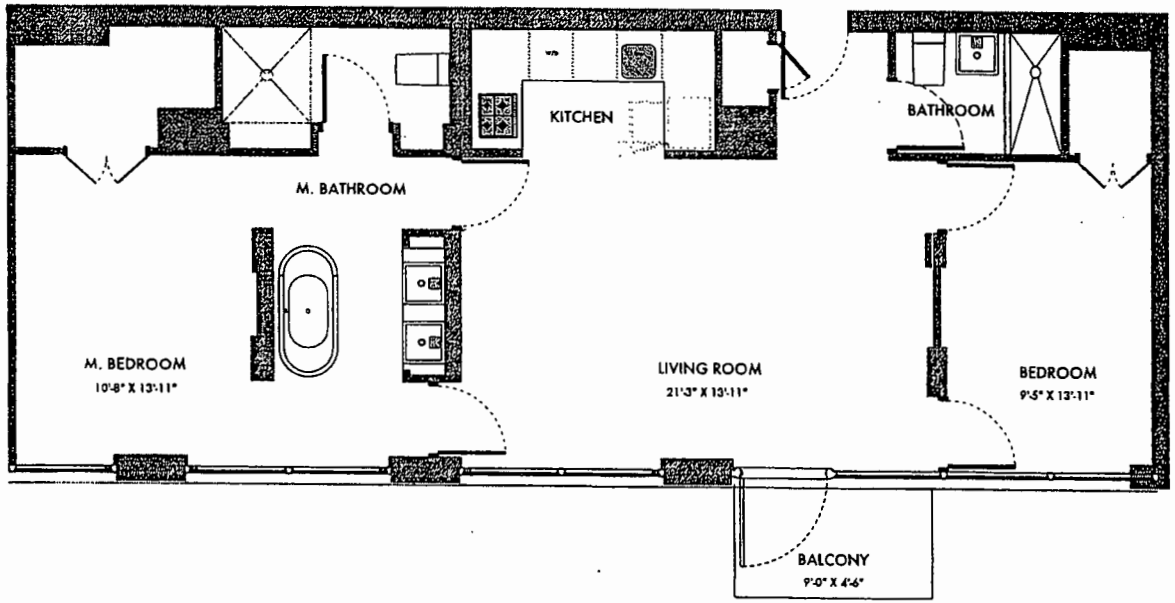
340 EAST 23RD STREET
NEW YORK, NY

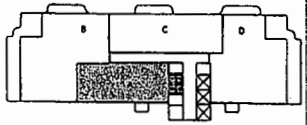
APARTMENT A - PENTHOUSE 3

2 BEDROOMS
2 BATHROOMS

1097 SF

OUTDOOR SPACE- 50 SF

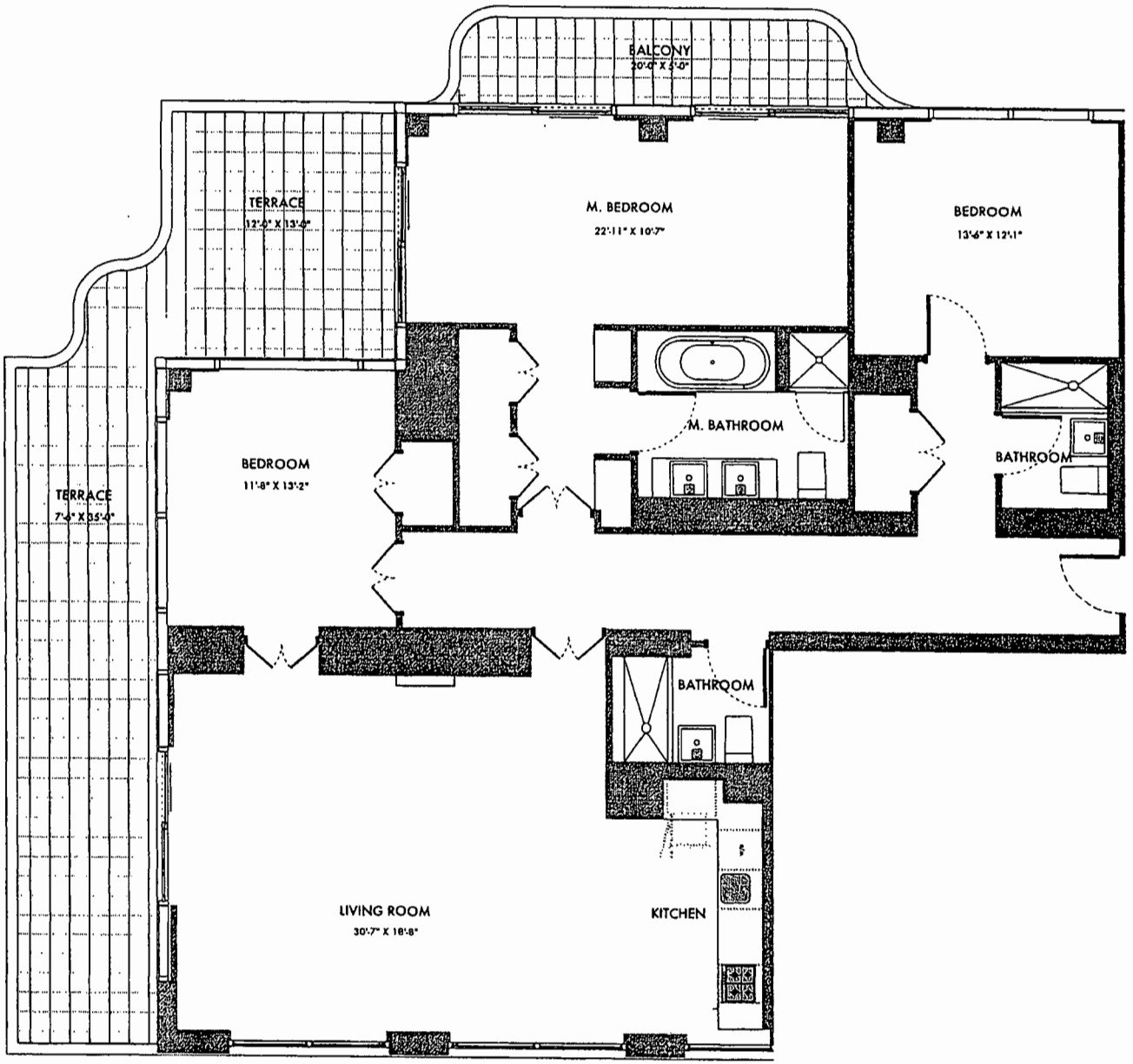






ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



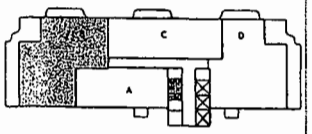
340 EAST 23RO STREET
NEW YORK, NY

APARTMENT B - PENTHOUSE 3

3 BEDROOMS
3 BATHROOMS

1855 SF

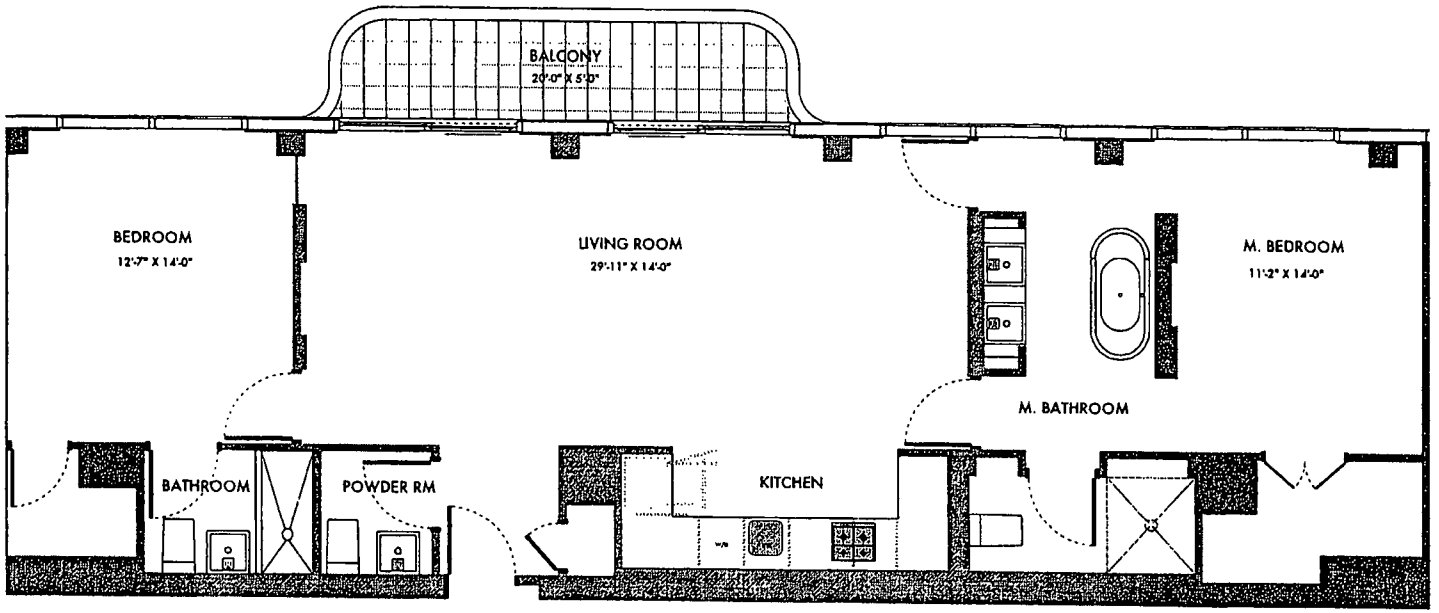
OUTDOOR SPACE- 554 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



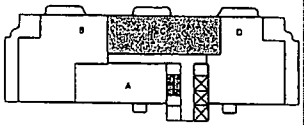
340 EAST 23RD STREET
NEW YORK, NY

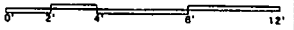
APARTMENT C - PENTHOUSE 3

2 BEDROOMS
2.5 BATHROOMS

1378 SF

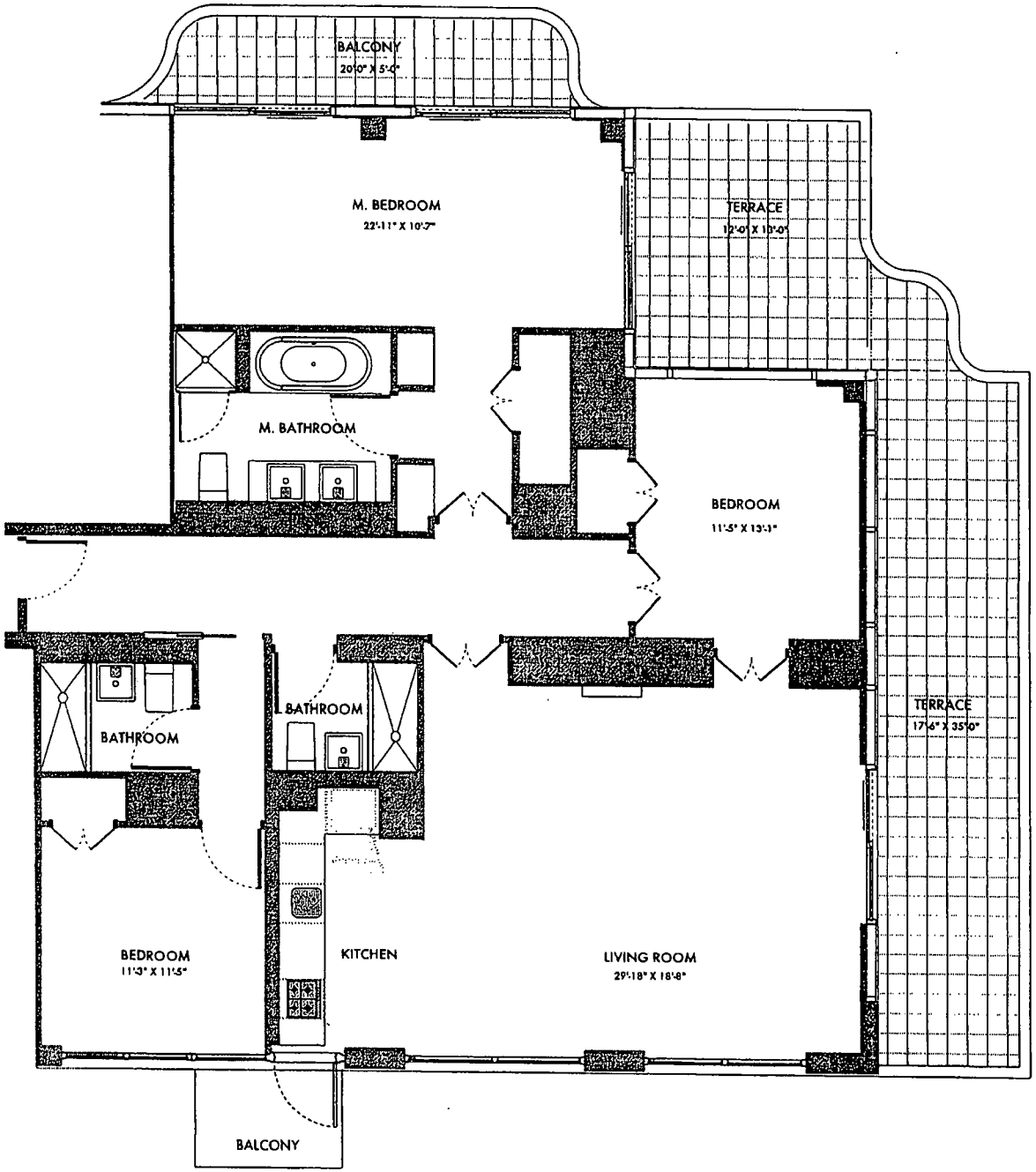
OUTDOOR SPACE- 102 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



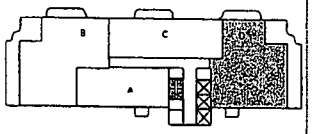
340 EAST 23RD STREET
NEW YORK, NY

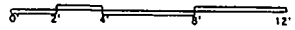
APARTMENT D - PENTHOUSE 3

3 BEDROOMS
3 BATHROOMS

1766 SF

OUTDOOR SPACE- 597 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

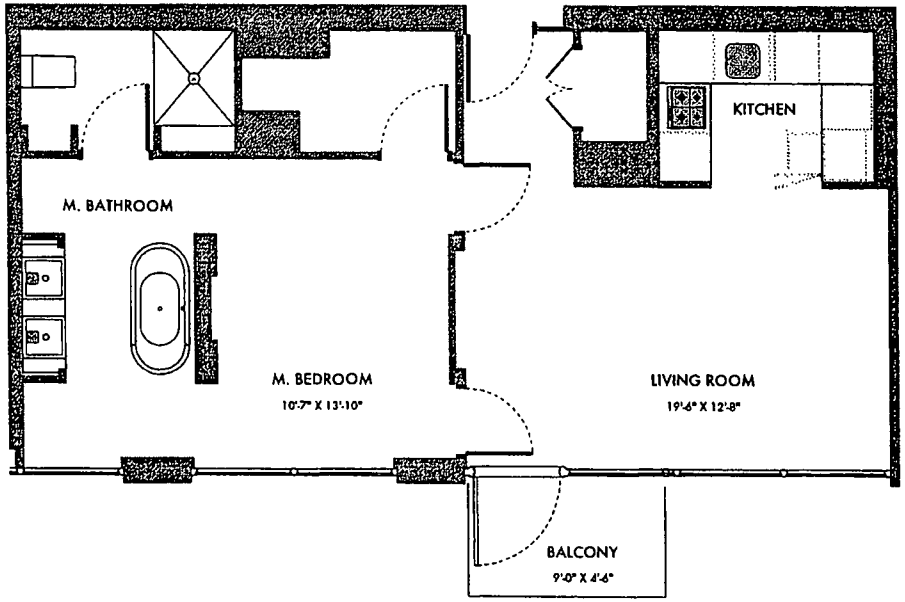
340 EAST 23RD STREET
NEW YORK, NY

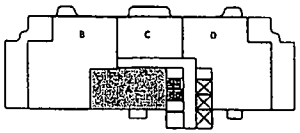
APARTMENT A - PENTHOUSE 4

1 BEDROOM
1 BATHROOM

868 SF

OUTDOOR SPACE- 50 SF

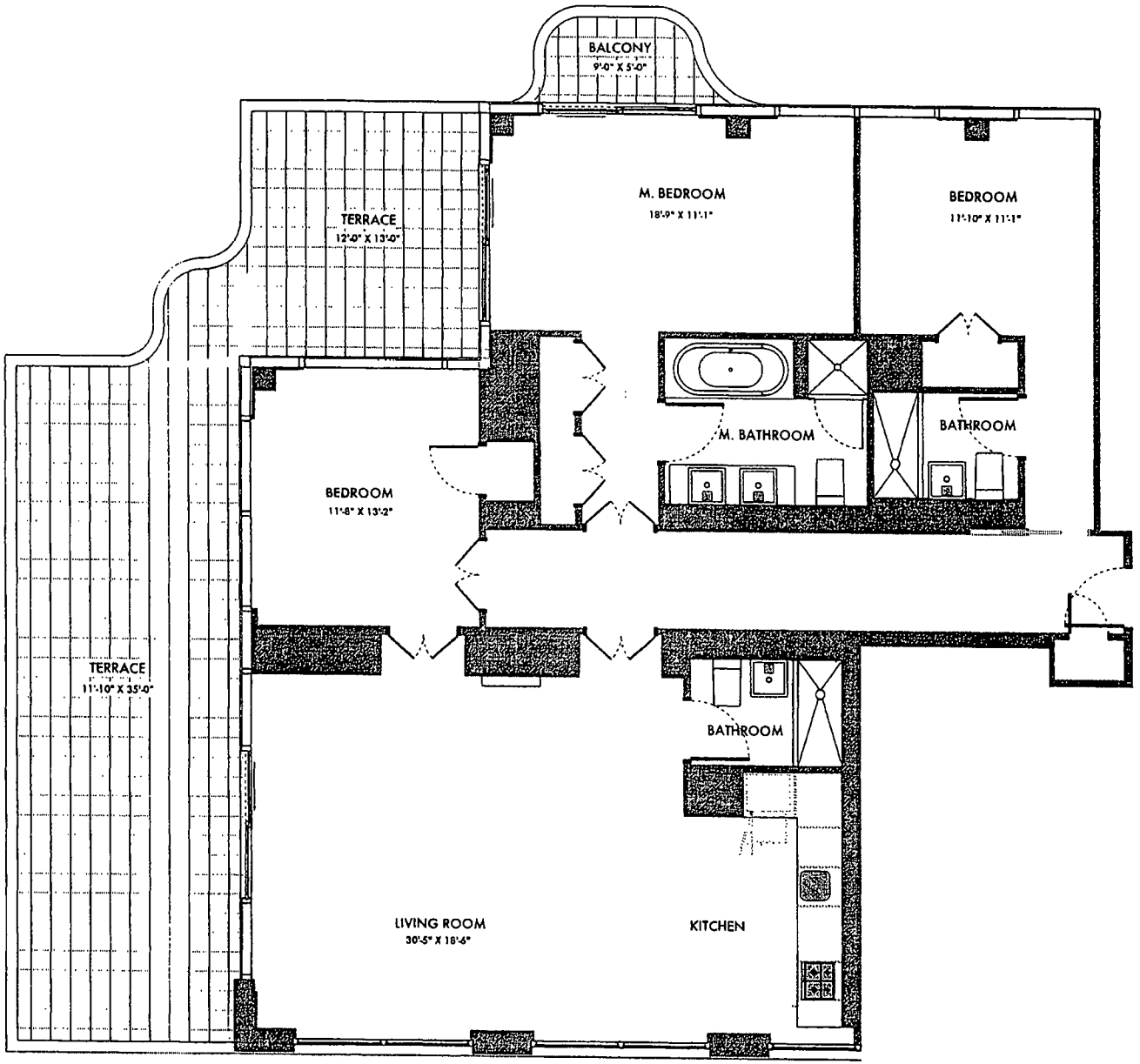






ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



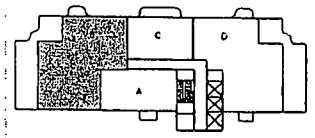
340 EAST 23RD STREET
NEW YORK, NY

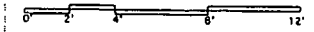
APARTMENT B - PENTHOUSE 4

3 BEDROOMS
3 BATHROOMS

1717 SF

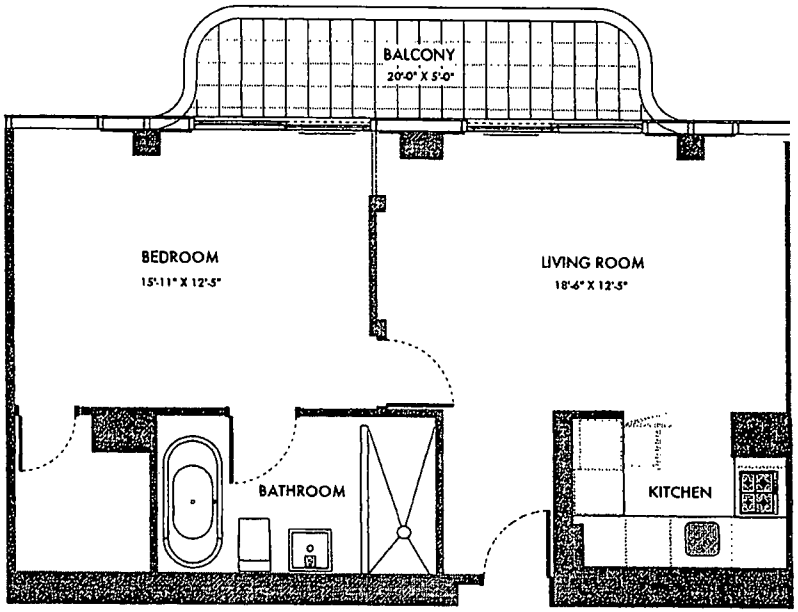
OUTDOOR SPACE- 650 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



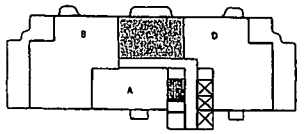
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT C - PENTHOUSE 4

1 BEDROOM
1 BATHROOM

730 SF

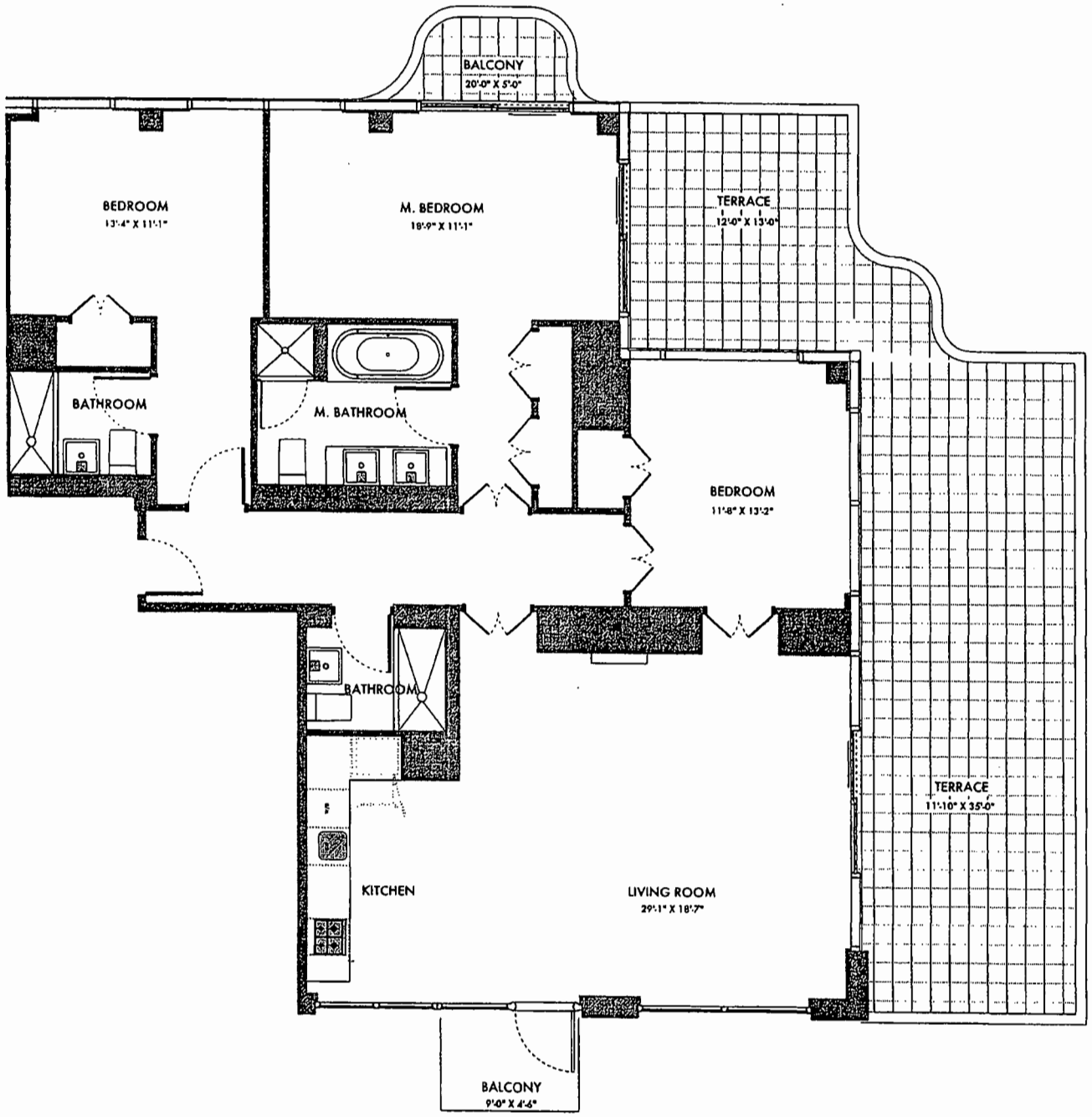
OUTDOOR SPACE- 102 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



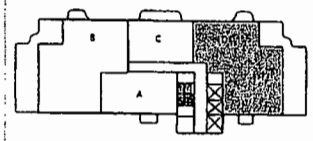
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT D - PENTHOUSE 4

3 BEDROOMS
3 BATHROOMS

1687 SF

OUTDOOR SPACE- 693 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

TABLE OF CONTENTS

Page

PART I

SPECIAL RISKS. 1

INTRODUCTION 5

CERTAIN DEFINITIONS 10

DESCRIPTION OF PROPERTY AND IMPROVEMENTS 18

LOCATION AND AREA INFORMATION 20

SCHEDULE A - OFFERING PRICES AND RELATED INFORMATION 23

FOOTNOTES TO SCHEDULE A 27

SCHEDULE B: PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION 33

FOOTNOTES TO SCHEDULE B 34

SCHEDULE B-1 46

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i 47

COMMERCIAL UNITS 49

CHANGES IN PRICES AND UNITS 51

INTERIM LEASES 54

PROCEDURE TO PURCHASE 55

ASSIGNMENT OF PURCHASE OPTION AGREEMENTS 64

EFFECTIVE DATE 64

TERMS OF SALE 65

UNIT CLOSING COSTS AND ADJUSTMENTS 69

RIGHTS AND OBLIGATIONS OF SPONSOR 73

CONTROL BY SPONSOR 80

BOARDS OF MANAGERS 83

TABLE OF CONTENTS
(Cont'd)

Page

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARDS OF MANAGERS 87

REAL ESTATE TAXES 105

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM 107

OPINION OF COUNSEL 110

WORKING CAPITAL FUND; CLOSING ADJUSTMENTS WITH CONDOMINIUM BOARDS; RESERVE FUND 117

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES 119

IDENTITY OF PARTIES 120

REPORTS TO UNIT OWNERS 122

DOCUMENTS ON FILE 123

GENERAL 123

SPONSOR'S STATEMENT OF SPECIFICATIONS 124

TABLE OF CONTENTS
(Cont'd)

Page

PART II

Document Number 1- PURCHASE OPTION AGREEMENT 125

Document Number 2- RESIDENTIAL UNIT OWNER'S POWER OF ATTORNEY 157

Document Number 3- FORM OF CONDOMINIUM UNIT DEED 161

Document Number 4- DESCRIPTION OF PROPERTY AND SPECIFICATIONS 167

Document Number 5- FLOOR PLANS 183

Document Number 6- OPINION OF REAL ESTATE TAX COUNSEL.....233

Document Number 7- DECLARATION OF THE 340 EAST 23RD STREET CONDOMINIUM 239

Document Number 8- BY-LAWS OF GRAMERCY STAR CONDOMINIUM 277

Document Number 9- ESCROW AGREEMENT 353

CERTIFICATIONS: 361

(i) Sponsor and Sponsor's Principal
(ii) Sponsor's Architect
(iii) Sponsor's Expert Concerning Adequacy of Budget
(iv) Sponsor's Expert Concerning Adequacy of Common Charges Payable by the Owners of Commercial Units

SPECIAL RISKS

The special risks summarized below are explained more fully in other Sections of the Plan. Prospective Purchasers should therefore read the entire Plan to completely understand these and other material aspects of this offering. See the Section of the Plan entitled "**Certain Definitions**" for the meanings of the capitalized words used in this Section of the Plan and not defined herein.

1. No Financing Contingency

Although a Purchaser may obtain financing from any lending institution or other source, the Purchaser's obligation to purchase a Residential Unit pursuant to a Purchase Option Agreement will not be contingent upon the Purchaser's obtaining such financing, so that a Purchaser will remain obligated under the Purchase Option Agreement whether or not such Purchaser has been able to obtain financing. Neither Sponsor nor the Selling Agent makes any representation whatsoever as to the terms or availability of any mortgage or other financing. Prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be limited and it could expire before the closing date; and Sponsor shall have no obligation to schedule or conduct any closing prior to the expiration of any loan commitment and shall have no liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment. See the Section of the Plan entitled "**Procedure to Purchase.**"

2. Sponsor's Remedies on Purchaser's Default Under Purchase Option Agreement; 30-day "Time- of-the-Essence" Period for Purchaser to Cure Default

Any Purchaser who defaults under his Purchase Option Agreement must be given written notice and the opportunity to cure such default within thirty (30) days from the sending of the default notice. If a defaulting Purchaser does not remedy the default within such thirty (30)-day grace period, with **TIME BEING OF THE ESSENCE**, Sponsor will have the right to cancel such defaulting Purchaser's Purchase Option Agreement and retain as liquidated damages the Down Payment, together with any interest earned thereon, plus the cost of any special work in the Unit ordered by Purchaser. Purchaser and Sponsor will thereupon be relieved of all further liabilities and obligations thereunder and under the Plan. If the Purchase Option Agreement is canceled, Sponsor has the right to sell the Unit to others as if the Purchase Option Agreement had never been made, without accounting to the Purchaser for the proceeds of such sale. See the Section of the Plan entitled "**Procedure to Purchase.**"

3. Purchaser's Delinquency Closing Costs

If through no fault of Sponsor a Purchaser fails to close on the date fixed by Sponsor for closing of title to Purchaser's Unit, then Purchaser will (a) pay (among other closing costs) a late fee equal to 0.0411% times the unpaid balance of the Purchase Price for each day's delay, beginning with the date originally scheduled for the closing to and including the day immediately preceding the actual date on which the closing occurs, (b) reimburse Sponsor for the Unit's carrying charges (that is, Common Charges and real estate taxes) during the period of delay and (c) pay the service fees of Sponsor's attorneys of $250 for each default letter sent to such Purchaser and $250 for each notice sent to such Purchaser to reschedule the closing. All of these

and other closing costs to be paid by a Purchaser are described in the Section of the Plan entitled "**Unit Closing Costs and Adjustments.**"

4. Purchaser's Payment of Transfer Taxes

At the closing of title to his Unit, each Purchaser will be required to pay New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax. The New York City Real Property Transfer Tax is currently imposed at a rate of 1% of the Purchase Price for an individual residential condominium unit if the Purchase Price is $500,000 or less and 1.425% if the Purchase Price is more than $500,000. The New York State Real Estate Transfer Tax is currently imposed at a rate equal to $2.00 for each $500 (or fractional part thereof) of the Purchase Price. Prospective Purchasers are advised that both New York State and New York City have taken the position that where a purchaser pays either or both of these taxes, the amount of such taxes that would have been paid by seller but is instead paid by the purchaser constitutes additional consideration to the seller and must be considered in calculating the tax due. New York law also imposes a so-called "mansion tax" (equal to 1% of the purchase price of the Unit) that is required to be paid by purchasers of Residential Units having a purchase price of $1,000,000 or more. The amount of New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax that would have been paid by seller but is instead paid by the purchaser is included in determining the purchase price of a Residential Unit for the purpose of determining whether any "mansion tax" is due and payable and for the purpose of calculating the amount of such "mansion tax."

5. Bank Account for Down Payment is Federally Insured to $100,000 Only

Each Down Payment will be kept in a segregated attorney's special escrow account at JP Morgan Chase Bank, 1166 Avenue of the Americas, New York, New York 10036 (the "**Bank**"). The Bank is covered by federal bank deposit insurance to a maximum of $100,000 in the aggregate with respect all funds deposited by any Person in one or more deposit accounts. If a Purchaser's Down Payment, together with any other funds of such Purchaser in deposit accounts at the Bank, exceeds $100,000, the excess above $100,000 will not be federally insured. Neither Sponsor, the Selling Agent nor the Escrow Agent holding the Down Payment will be liable for any losses resulting from the failure of the Bank.

6. Sponsor's Inability to Convey Title

Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense in excess of its obligations under the Plan to cure any inability to deliver title to a Unit in accordance with the Plan and the terms of the Purchase Option Agreement for such Unit. If Sponsor notifies a Purchaser of its refusal to cure any such inability, then such Purchaser's sole remedy will be either (a) to take such title as Sponsor is able to deliver without abatement in or credit against the Purchase Price for the Unit and without any claim or right of action against Sponsor for damages or otherwise or (b) to terminate his Purchase Option Agreement and receive a refund of his Down Payment and any interest earned thereon. A Purchaser must notify Sponsor in writing as to which option such Purchaser elects within ten (10) days after the giving of Sponsor's notice of refusal to cure such inability, with **TIME BEING OF THE ESSENCE.** If a Purchaser fails to timely deliver such notice, it will be conclusively deemed that such Purchaser has elected to acquire title to the Unit subject to such inability as set forth in clause (a). See the

Section of the Plan entitled "**Terms of Sale**" and the form of Purchase Option Agreement set forth as Document Number 1 in Part II of the Plan.

7. Down Payment Equal to Fifteen Percent of the Purchase Price; Time is of the Essence to Pay Second Installment of Down Payment When Due.

Each Purchaser will be required to pay an initial installment of the Down Payment equal to ten percent (10%) of the Purchase Price of his Unit when he executes and delivers a copy of the Purchase Option Agreement to the Selling Agent. Each Purchaser will be required to pay a second installment of the Down Payment in an amount equal to five percent (5%) of the Purchase Price of his Unit within five (5) months following the date that Sponsor sends to such Purchaser a copy of the Purchase Option Agreement executed by Sponsor, for a total Down Payment of fifteen percent (15%) of the Purchase Price of the Unit. Time is of the essence for Purchaser to pay such second installment of the Down Payment when due. The failure of a purchaser to pay the second installment of the Down Payment when due is an event of default under the Purchase Option Agreement, which if not cured within thirty (30) days following written notice will result in Sponsor's canceling the Purchase Option Agreement and retaining, as liquidated damages, all sums paid on account of the Down Payment.

8. Real Estate Taxes and Section 421-a Benefits.

Sponsor will apply for a partial exemption pursuant to Section 421-a of the New York Real Property Tax Law from any increase in the assessed value of the Property above the assessed value of the Land and any improvements thereon during the tax year preceding the commencement of construction of the Building. There can be no assurance that such exemption will be granted. Such exemption if granted, will be for a limited period of ten years, and will decrease progressively during such period. If for any reason, however, such partial tax exemption is not granted, the Units will subject to full taxation. Purchasers will have no right to rescind their Agreements in such event, will continue to be obligated to pay the full Purchase Price without any offset or credit and will have no claim against Sponsor by reason of the same. See the Section of the Plan entitled **"Real Estate Taxes."**

9. Unit Measurements

The approximate square footages set forth on Schedule A are calculated from Unit dimensions of the Unit that are measured horizontally from the exterior side of the exterior walls (perimeter columns and perimeter mechanical pipes are not deducted) to the centerline of the partitions separating one Unit from another Unit, corridors, stairs, elevators, and other mechanical equipment spaces or any Common Elements; or to the exterior side of the opposite exterior walls. Since they are not based upon measurements from interior surfaces of interior walls, the actual areas comprising the Units may be significantly less than the areas set forth on Schedule A.

Commercial Units

Sponsor and any subsequent owners of the Commercial Units shall have the right to subdivide and combine Commercial Units, subject to the provisions of the Declaration and the By-Laws. Subject to certain restrictions, a Commercial Unit may be used for any lawful purpose. See the Section of the Plan entitled "**Commercial Units.**"

10. No Security for Performance

Sponsor has not furnished any bond or other security for the performance of its obligations under the Plan. In addition, Sponsor's liability to any Purchaser under the Plan or to such Purchaser's successors or assigns (to the extent permitted hereunder) or to any Board with respect to its obligations under the Plan will, in any event, be limited to the net proceeds paid to Sponsor from the sale of the Units after payment of, or reserve for, all costs, expenses and liabilities paid or incurred in connection with the promulgation and consummation of the Plan (including, but not limited to, the offering and sale of the Units and the creation of the Condominium). The foregoing limitation will not be applicable to liability arising from a violation by Sponsor of Article 23-A of the GBL.

11. Construction Loan

Sponsor has obtained a construction loan, the terms of which do not require Sponsor to market Residential Units for sale or require that a minimum number or percentage of Residential Units must be under contract before the Plan can be declared effective. Nor do the terms of the construction loan contain any limits of requirements for Sponsor to rent rather to sell Residential Units under specified market conditions; to the contrary, the terms of the construction loan prohibit Sponsor from renting Residential Units. At the closing of title to each Unit, Sponsor will be required to pay the holder of the mortgage securing the construction loan a minimum release price in order for the holder of such mortgage to release the Unit from the lien of the mortgage. See the Section of the Plan entitled "**Rights and Obligations of Sponsor**."

12. Occupancy of Units by Renters

Sponsor intends to sell the Residential Units to Purchasers who are buying for their or their families' personal occupancy. Sponsor reserves the unconditional right, however, to sell Residential Units to investors who intend to rent and not to occupy their Residential Units personally. In addition, after the construction loan described above has been repaid or the prohibition against renting Residential Units contained in the terms of the construction loan is no longer in effect, Sponsor and any Sponsor Successor may from time to time freely rent any Unsold Residential Units without charge or limitation whatsoever and without the consent of any of the Boards or any other Unit Owner. Owner-occupants and non-resident owners, including Sponsor and the Commercial Unit Owners, may have inherent conflicts as to how the Condominium should be managed because of their different purposes in owning Units (*i.e.*, for use as a home as opposed to a business or investment).

13. Sponsor Control

Sponsor will control the Residential Board until the expiration of the period ending on the earlier of: (i) the closing of title with Purchasers under the Plan to Units having more than fifty percent (50%) of the aggregate Common Interests appertaining to all Units or (ii) the fifth (5th) anniversary of the First Closing. During this period, so long as Sponsor owns the Commercial Units, Sponsor will also control the Commercial Board and the Condominium Board. See the Section of the Plan entitled "**Control by Sponsor**."

INTRODUCTION

Purpose of the Plan

Victor at E 23, LLC ("**Sponsor**"), presents this offering plan (the "**Plan**") for the conversion of the Property to condominium ownership.

The purpose of the Plan is to set forth all of the material terms of the offer to convert the Property to condominium ownership.

The Plan is presented in two parts, contained in a single volume, which together constitute the entire Plan. Part I sets forth a description of the material terms of the offer and Part II contains, among other things, the basic documents necessary to effectuate the provisions of the Plan and a description of the Property.

The Plan may be amended from time to time upon the filing of an amendment with the Department of Law of the State of New York (the "**Department of Law**"). Amendments will be served on offerees as defined in Section 20.1(d) of the Regulations promulgated by the Attorney General in Title 13 NYCRR, by either personal delivery or certified mail.

The Condominium

The Condominium will be known as Gramercy Star Condominium. The Condominium will be organized to comply with and will be subject to Article 9-B of the Real Property Law of the State of New York, as amended (the "**Condominium Act**").

Sponsor

Sponsor is a New York limited liability company having an office at 3349 Highway 138, Building C, Suite C, Wall, New Jersey 07719. Sponsor acquired fee title to the Land by deeds dated July 5, 2005, and December 22, 2005.

The Offer

Sponsor hereby offers 207 Residential Units for sale under the Plan (collectively, the "**Residential Units**"), one of which, Unit 2E, although part of the offering, will be purchased by the Condominium Board for its anticipated use as the residence of the resident manager of the Building.

The commercial space at the Property will be divided into two separate condominium units (collectively, the "**Commercial Units**"), which will be retained by Sponsor and, except as provided in the section of the Plan entitled "**Commercial Units**" with respect to the Commercial Unit designated on Schedule A as Commercial Unit #1, are not being offered for sale under the Plan. The Commercial Units may subsequently be sold, but any sale will be reflected in an amendment to the Plan.

The initial purchase prices for the Residential Units and the estimated Common Charges for the Residential Units and the Commercial Units are set forth in the Section of the Plan entitled "**Schedule A - Offering Prices and Related Information**" ("**Schedule A**"). THESE PRICES

HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

The Building will consist of 21 stories with a cellar. It is anticipated that the Building will contain a fitness center, a meeting room and outdoor decks on the second floor terrace and main roof for the use of the residents. The Building is more fully described in the "**Description of Property and Specifications**" included in Part II of the Plan, which sets forth a description of the physical condition of the Building. The Property and the Units are being offered and sold in their "as is" condition on the date on which the closing of title occurs, and Sponsor will not have any obligation to make any repairs or improvements, except as expressly provided in the Section of the Plan entitled "**Sponsor's Statement of Specifications**."

Occupancy of Units by Renters

Sponsor intends to sell the Residential Units to Purchasers who are buying for their or their family's personal occupancy. Sponsor reserves the unconditional right, however, to sell Residential Units to investors who intend to rent and not to occupy their Residential Units personally. In addition, after the construction loan described below has been repaid or the prohibition against renting Residential Units contained in the terms of the construction loan is no longer in effect, Sponsor and any Sponsor Successor may from time to time freely rent any Unsold Residential Units in accordance with Applicable Law, without charge or limitation whatsoever and without the consent of the any of the Boards or any other Unit Owner. Sponsor makes no representation that it will endeavor in good faith to sell Residential Units rather than rent them as they become vacant. If Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor sponsor will be bound by Sponsor's representations regarding its commitment to sell Units.

As set forth in the Section of the Plan entitled "**Rights and Obligations of Sponsor**," Sponsor has obtained a construction loan, the terms of which do not require Sponsor to market Residential Units for sale or require that a minimum number or percentage of Residential Units must be under contract before the Plan can be declared effective. Nor do the terms of the construction loan contain any limits of requirements for Sponsor to rent rather to sell Residential Units under specified market conditions; to the contrary, the terms of the construction loan prohibit Sponsor from renting Residential Units. At the closing of title to each Unit, Sponsor will be required to pay the holder of the mortgage securing the construction loan a minimum release price in order for the holder of such mortgage to release the Unit from the lien of the mortgage.

Because the Plan can be declared effective based on sales of 15% of the Residential Units, Purchasers may be living in a mixed rental/owner-occupied building for an indeterminate period of time. Moreover, owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts as to how the Residential Section and the General Common Elements should be managed because of their different purposes in owning Residential Units (*i.e.*, for use as a home as opposed to a business or investment).

Features of Condominium Ownership

Ownership of a Residential Unit is similar in many respects to ownership of a private home. Each Residential Unit Owner owns fee title to his Residential Unit and is entitled to the exclusive possession thereof. In addition, each Residential Unit Owner also owns, in common

with every other Unit Owner, an undivided percentage interest in the Common Elements. Further, each Residential Unit Owner has the right to use, in common with all other Unit Owners, the General Common Elements and the right to use, in common with all other Residential Unit Owners, the Residential Common Elements, and, if applicable, the exclusive right to use Residential Limited Common Elements.

The General Common Elements consist of the Land and those rooms, areas, corridors and other parts of the Property (other than the Units), and the Facilities therein, that are intended for the common use of all of the Units or Unit Owners, to the exclusion of none, or that are necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property, such as building foundations, columns and exterior walls. The Residential Common Elements consist of those Common Elements that serve or benefit exclusively all of the Residential Units or all of the Residential Unit Owners, such as elevators, the fitness center, the laundry room and those hallways, stairs and corridors and other areas of the Building that serve or benefit exclusively the Residential Units or the Residential Unit Owners. The Residential Limited Common Elements consist of areas of the Building and Facilities exclusively serving or benefiting one or more (but not all) Residential Units, such as Terraces.

The undivided interest in the Common Elements appurtenant to a Unit, expressed as a percentage (the "**Common Interest**"), has been determined upon the basis of each Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to the Condominium Act. The aggregate Common Interests of all Units is 100%. Each Unit's Common Interest is listed in Schedule A.

The authority to manage the Condominium is vested in three boards of managers: the Condominium Board, the Residential Board and the Commercial Board. The Residential Board will be responsible for deciding all matters concerning solely the Residential Section. The Commercial Board will be responsible for deciding all matters concerning solely 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 made up of representatives of both the Residential Board and the Commercial Board. The members of the Residential Board will be elected, basically, by vote of the Residential Unit Owners in accordance with their respective Common Interests (with the exception of Sponsor, who will maintain certain control beyond that to which it would be entitled as an ordinary function of its ownership interest). Each Unit Owner is obligated to comply with the Declaration, the By-Laws and the Rules and Regulations. See the Section of the Plan entitled "**Boards of Managers.**"

Generally, the cost of operating the Residential Common Elements will be borne by the Residential Unit Owners in proportion to their respective Residential Common Interests and the cost of operating the Commercial Common Elements will be borne by the Commercial Unit Owners in proportion to their respective Commercial Common Interests. 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 Section; and the Commercial Unit Owners, as such, will have no interest in rents, profits or revenues derived from the rental or use of any space in the Residential Section. The cost of operating and maintaining the General Common Elements will generally be shared by all Unit Owners in proportion to their respective Common Interests, except as may otherwise be provided in the Section of the Plan entitled "**Schedule B - Projected Budget**

for First Year of Condominium Operation" ("**Schedule B**") or in accordance with the terms of the By-Laws. The Condominium Board, the Residential Board and the Commercial Board may make allocations of General Common Expenses, Residential Common Expenses and Commercial Common Expenses, respectively, 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 the provisions of Applicable Law. Each Unit Owner will be solely responsible for the payment in accordance with Sections 339-i and 339-m of the New York Real Property Law of all Common Charges and any Special Assessments assessed against him. See the Section of the Plan entitled "**Rights and Obligations of Unit Owners and Boards of Managers.**" An estimate of Common Charges that will be payable by each Unit Owner during the first year of Condominium operation of the Property is set forth in Schedule A.

Subject to certain conditions contained in the By-Laws, each Residential Unit Owner may mortgage his Residential Unit with such lender and in such amount as the Unit Owner chooses; although Sponsor makes no representation as to the ability of any Unit Owner to obtain financing. There are no limitations or restrictions on the rights of the Commercial Unit Owners to mortgage the Commercial Units. See the subsection entitled "**Mortgages of Units by Unit Owners**" in the Section of the Plan entitled "**Rights and Obligations of Unit Owners and Boards of Managers.**" Each Unit is separate and is not subject to the lien of any mortgage on any other Unit.

Any Residential Unit Owner may sell or lease his Residential Unit to anyone, without restriction or limitation, subject only to the right of first refusal in favor of the Residential Board to acquire or lease such Unit upon the same terms offered to the prospective buyer or tenant. Neither Residential Units owned by Sponsor or any Sponsor Successor nor the Commercial Units are subject to this right of first refusal. See the subsection entitled "**Sales and Leases of Units**" in the Section of the Plan entitled "**Rights and Obligations of Unit Owners and Boards of Managers**" for further discussion.

Each Unit will be taxed as a separate tax lot for real estate tax and assessment purposes, and each Unit Owner will be solely responsible for the payment of all real estate taxes and assessments on his Unit. An estimate of the real estate taxes and assessments that will be payable by each Unit Owner during the first year of condominium operation of the Property is listed in Schedule A. See the Footnotes to Schedule A for further discussion. No Unit Owner will be liable for the payment of, and no Unit will be subject to, any lien arising out of the non-payment of real estate taxes or assessments levied against any other Unit. See the Section of the Plan entitled "**Income Tax Deductions to Unit Owners and Tax Status of the Condominium**" for a discussion of additional tax aspects of condominium ownership.

Each Unit Owner may decorate the interior of his Unit in any desired manner, subject to compliance with the By-Laws and the Rules and Regulations, and will be solely responsible for the cost and expense of maintaining, repairing and painting his Unit. See the Section of the Plan entitled "**Rights and Obligations of Unit Owners and Boards of Managers.**"

Although the Condominium Board will maintain fire insurance policies with all risk extended coverage insuring the Building and covering the interests of the Condominium, the Boards, the Unit Owners and the Permitted Mortgagees, and the cost of such policies will be borne by the Unit Owners as part of the Common Charges, each Unit Owner should consider

maintaining, at his own expense, separate insurance on the contents of his Unit and liability insurance against claims for personal injury or property damage resulting from occurrences in his Unit or its appurtenant Residential Limited Common Elements or Commercial Limited Common Elements. See the Section of the Plan entitled "**Rights and Obligations of Unit Owners and Boards of Managers.**"

Summary of Contents of the Plan

The agreement to acquire an option to purchase a Unit and to purchase the Unit pursuant to such option is called a "**Purchase Option Agreement**", the general form of which is set forth in Part II of the Plan as Document Number 1. The procedure to purchase is summarized in Part I of the Plan in the Section entitled "**Procedure to Purchase.**"

A detailed description of the physical condition of the Property, prepared by Gerner Kronick & Valcarcel, Architects, PC, and included as part of the "**Description of Property and Specifications**" set forth in Part II of the Plan as Document Number 4, should be reviewed carefully by prospective Purchasers. Floor Plans of the Units are set forth in Part II of the Plan as Document Number 5.

The salient provisions of the Declaration of the Condominium (the "**Declaration**"), which establishes condominium ownership of the Property, the By-Laws of the Condominium (the "**By-Laws**"), which govern the operation of the Condominium, and the Rules and Regulations of the Condominium promulgated pursuant to the By-Laws (the "**Rules and Regulations**"), are partially summarized below in the Sections entitled "**Rights and Obligations of Unit Owners and Board of Managers**" and "**Boards of Managers**" and are reproduced in full in Part II of the Plan as Document Number 7 and Document Number 8, respectively.

The form of deed that Sponsor will issue to Purchasers of the Units and the form of power of attorney that each Unit Owner will be required to give to the Condominium Board, the Residential Board and Sponsor pursuant to the terms of the By-Laws (the "**Residential Unit Owner's Power of Attorney**") are set forth in Part II of the Plan as Document Number 3 and Document Number 2, respectively.

The Certifications of Sponsor, Sponsor's Architect, Sponsor's Expert Concerning Adequacy of Budget and Sponsor's Expert Concerning Adequacy of Common Charges Payable by Commercial Unit Owners are set forth in Part II of the Plan.

Copies of the Plan and all exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection without charge and copying at a reasonable charge at the office of the Selling Agent, by appointment, to prospective Purchasers and their attorneys.

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

CERTAIN DEFINITIONS

For convenience of presentation, general definitions of certain terms used in Part I of the Plan are set forth below. These definitions are subject to the more particular definitions of such terms set forth in Exhibit C of the Declaration in Part II of the Plan.

"**Affiliate**" means any Person who is a Family Member or who controls, is controlled by, or is under common control with the named Person or a Family Member of the named Person. The terms "**control**," "**controlled**" or "**controlling**" shall mean direct or indirect ownership of more than fifty percent (50%) of the outstanding voting capital stock of a corporation or of more than fifty percent (50%) of the beneficial interests of any other entity.

"**amend**," "**amended**" or "**amendment**" refer to any amendment, whether by deletion of any existing provision, modification of any existing provision, or inserting a new provision.

"**Applicable Law**" means all applicable laws, statutes, treaties, rules, codes, ordinances, regulations of any Governmental Authority and, to the extent the Property, any Unit, any Unit Owner, Sponsor and/or any Board, 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 Governmental Authority, court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including Applicable Rent Laws and those pertaining to health, safety or the environment) now or hereafter in effect.

"**Appurtenant Interest**" means, (a) with respect to a Residential Unit, the undivided interest of the Unit Owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Residential Units owned or leased at the time in question by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners; (iii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iv) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) or subdivision (iii) above; and (v) any other assets of the Condominium; and (b) with respect to a Commercial Unit, the undivided interest of the Unit Owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Commercial Units owned or leased at the time in question by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners; (iii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iv) any proceeds of the sale or lease of Units of the nature described in subdivision(ii) or subdivision (iii) above; and (v) any other assets of the Condominium.

"**Attorney General**" means the Office of the Attorney General of the State of New York.

"**BCL**" means the Business Corporation Law of the State of New York, as amended from time to time.

"**Boards**" means the Condominium Board, the Commercial Board and the Residential Board.

"**Building**" means the building situated on the Land and having the street address 340 East 23rd Street, New York, New York 10010.

"**By-Laws**" means the By-Laws of the Condominium, in the form set forth as Document Number 8 in Part II of the Plan, including the Rules and Regulations, as amended from time to time pursuant to the terms thereof.

"**Claim**" or "**Claims**" shall include any claims, counterclaims, suits, actions or proceedings and any other liabilities, losses, damages, penalties, charges, costs and expenses and attorneys' fees and expenses incurred in connection with any of the foregoing.

"**closing,**" "**closing of title**" and words of similar import are used synonymously and mean the settlement of the mutual obligations of Sponsor and a Purchaser under such Purchaser's Purchase Option Agreement, including the payment to Sponsor of the Purchase Price and the delivery to such Purchaser of the deed transferring full ownership (fee simple title) to the Unit on the terms set forth in the Purchase Option Agreement.

"**Commercial Board**" means the governing body of the Commercial Section.

"**Commercial Common Charges**" means 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 share of General Common Expenses.

"**Commercial Common Elements**" shall have the meaning ascribed to such term in Section 6.5 of the Declaration.

"**Commercial Common Expenses**" means 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 or the Commercial Limited Common Elements (to the extent such costs and expenses are not the obligation of the Commercial Unit Owners owning the Commercial Units to which such Commercial Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefiting the Commercial Section or all of the Commercial Unit Owners.

"**Commercial Common Interest**" means, with respect to a Commercial Unit, the number, expressed as a percentage, obtained by dividing the Common Interest appertaining to such Commercial Unit by the aggregate Common Interests appertaining to all Commercial Units.

"**Commercial Limited Common Elements**" shall have the meaning ascribed to such term in Section 6.5 of the Declaration.

"**Commercial Section**" shall have the meaning ascribed to such term in Section 5.1 of the Declaration.

"**Commercial Special Assessments**" means the charges allocated and assessed against all Commercial Units by the Commercial Board and payable by all Commercial Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with Section 6.1.6 of the By-Laws.

"**Commercial Unit**" means any Unit designated as a Commercial Unit in the Declaration.

"**Commercial Unit Owner**" means any owner of a Commercial Unit.

"**Common Charges**" means General Common Charges, Commercial Common Charges and Residential Common Charges.

"**Common Elements**" means all parts of the Property other than the Units; the Common Elements consist of the General Common Elements and the Limited Common Elements.

"**Common Expenses**" means the General Common Expenses, the Commercial Common Expenses and the Residential Common Expenses.

"**Common Interest**" means the undivided interest in the Common Elements appurtenant to a Unit, expressed as a percentage.

"**Condominium**" means Gramercy Star Condominium, which is to be established pursuant to the terms of the Declaration and governed pursuant to the terms of the By-Laws.

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

"**Condominium Board**" means the governing body of the Condominium, whose members shall be selected pursuant to the terms of Articles 2 and 3 of the By-Laws.

"**Condominium Documents**" means, collectively, the Declaration, the By-Laws (including the Rules and Regulations) and the Floor Plans, all as may be amended from time to time.

"**Declaration**" means the declaration executed by Sponsor for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof and includes any duly adopted amendments thereto.

"**Department of Law**" means the Department of Law of the State of New York.

"**Down Payment**" means the payment on account of the Purchase Price, in an amount equal to ten percent (10%) of the Purchase Price, required to be paid by a Purchaser at the time of delivery of a Purchase Option Agreement.

"**Effective Date**" means the date upon which the Plan is declared effective by Sponsor in accordance with the terms of the Plan.

"**Escrow Agent**" means the law firm of Linett, Schechter, Reicher & Ofsevit, LLP, having an office at 810 Seventh Avenue, New York, New York 10019.

"**Facilities**" means all personal property and fixtures now or hereafter existing in, on or under the Land or the Building and either existing for the common use of two or more Units or Unit Owners or necessary or convenient for the existence, maintenance or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "**Facilities**" shall include all equipment,

apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing, fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, draperies, shades, window coverings, wallpaper, wall coverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

"**Family Members**" means, with respect to any natural person, such person's spouse, parents, grandparents, children, grandchildren and siblings (in each case, including by adoption).

"**Filing Date**" means the date on which a letter is issued by the Department of Law advising that the Plan has been filed or accepted for filing by the Department of Law.

"**First Closing**" means the date upon which fee title to a Residential Unit is first conveyed to a Purchaser pursuant to the Plan.

"**Floor Plans**" means the floor plans of the Building certified by Gerner Kronick & Valcarcel, Architects, PC, and to be filed in the Register's Office simultaneously with the recording of the Declaration, together with any amendments and supplements thereto.

"**GBL**" means the General Business Law of the State of New York, as amended from time to time.

"**General Common Elements**" shall have the meaning ascribed to such term in Section 6.4 of the Declaration.

"**General Common Expenses**" means costs and expenses incurred or projected and attributable to the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements and as otherwise provided in the Declaration and the By-Laws.

"**General Special Assessments**" means the charges allocated and assessed against all Units by the Condominium Board and payable by all Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with Section 6.1.6 of the By-Laws.

"**Governmental Authority**" means any federal, state, county, municipal, foreign, international, regional or other governmental authority, agency, board, body, instrumentality or court having jurisdiction.

"**Hazardous Materials**" means chemicals, pollutants, contaminants, wastes and toxic substances, including solid or hazardous waste, hazardous substances, toxic substances,

insecticides, fungicides, rodenticides, gasoline or any other petroleum product or byproduct, polychlorinated biphenols, asbestos and urea formaldehyde to the extent any such substances are described as hazardous in any federal, state or local laws and regulations relating to pollution or protection of human health or the environment including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; the Federal Insecticide, Fungicide, and Rodenticide Act, as amended; the Resource Conservation and Recovery Act, as amended; the Superfund Amendments and Reauthorization Act of 1986, as amended; and the Toxic Substances Control Act, as amended.

"**Initial Control Period**" means the period ending on the earlier of: (i) the closing of title with Purchasers under the Plan to Units having more than fifty percent (50%) of the aggregate Common Interests appertaining to all Units or (ii) the fifth (5th) anniversary of the First Closing.

"**Institutional Lender**" means (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust, (ii) a federal, state, municipal, teachers' or union employee, welfare, pension or retirement fund or system having assets in excess of $300,000,000, in each case doing business in the State of New York, or (iii) any Governmental Authority

"**Insurance Trustee**" means a bank or a trust company in the State of New York having a capital surplus and undivided profits of $500,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

"**Land**" means the parcel of land upon which the Building is situated, as more fully described in Exhibit A of the Declaration.

"**Limited Common Elements**" means the Residential Common Elements, the Residential Limited Common Elements, the Commercial Common Elements and the Commercial Limited Common Elements.

"**Liquidated Sum**" means the Down Payment under the Purchase Option Agreement, together with any interest earned thereon.

"**Managing Agent**" means the Person engaged by a Board as a managing agent or manager pursuant to Section 2.4 of the By-Laws who undertakes to perform such duties and services as such Board shall authorize or direct. The managing agent of the Building initially will be Douglas Elliman Property Management, having an office at 675 Third Avenue, New York, New York 10017.

"**owner-occupied**" means occupied by a Unit Owner or a Family Member of a Unit Owner.

"**Permit**" or "**Permits**" means any action, approval, consent, waiver, exemption, variance, franchise, order, permit, authorization, certificate of occupancy, right or license, building notices, alteration applications or other form of legally required permission, of or from a Governmental Authority, including any zoning, environmental protection, pollution, sanitation, safety, siting or building permit that is necessary to operate and maintain the Property or any part thereof or to perform any Work on any part of the Property.

"**Permitted Encumbrances**" means those title encumbrances subject to which a Purchaser under the Plan agrees to take title to a Unit, as more particularly itemized in the Section of the Plan entitled "**Terms of Sale**."

"**Permitted Mortgage**" shall have the meaning ascribed to such term in Section 7.6.1 of the By-Laws.

"**Permitted Mortgagee**" means any holder of any Permitted Mortgage at the time in question.

"**Person**" means any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, limited liability company, organization, government or any department or agency thereof, or any other entity.

"**Plan**" means this offering plan to convert the Property to condominium ownership filed with the Department of Law pursuant to Section 352-e of the General Business Law of the State of New York, as amended from time to time.

"**Presentation Date**" means the date of personal delivery or (if mailed) the fifth day after mailing (whichever is the last to occur) of the Plan or any amendment to the Plan, as the context may require, to those Persons required to receive same pursuant to the GBL and the regulations of the Department of Law promulgated thereunder.

"**Property**" means the Land, the Building, all other improvements erected or to be erected on the Land, all easements, rights, and appurtenances pertaining thereto and all other property, real, personal or mixed, used or intended to be used in connection therewith.

"**Purchase Option Agreement**" means the agreement between Sponsor and a Purchaser under the Plan in the form set forth as Document Number 1 in Part II of the Plan.

"**Purchase Price**" means the purchase price of a Unit as set forth on Schedule A.

"**Purchaser**" means a Person or Persons buying a Unit under a fully executed Purchase Option Agreement, whether for personal occupancy or use of the Purchaser or a Family Member or for rental or other investment purposes.

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

"**Residential Board**" means the governing body of the Residential Section.

"**Residential Common Charges**" means assessments payable to the Residential Board by Residential Unit Owners for the purpose of meeting (a) Residential Common Expenses and (b) each Residential Unit Owner's share of General Common Expenses.

"**Residential Common Elements**" shall have the meaning ascribed to such term in Section 6.5 of the Declaration.

"**Residential Common Expenses**" means 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 Residential Common Elements or the Residential

Limited Common Elements (to the extent such costs and expenses are not the obligation of the Residential Unit Owners owning the Residential Units to which such Residential Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefiting the Residential Section or all of the Residential Unit Owners.

"**Residential Common Interest**" means, with respect to a Residential Unit, the number, expressed as a percentage, obtained by dividing the Common Interest appertaining to such Residential Unit by the aggregate Common Interests appertaining to all Residential Units.

"**Residential Limited Common Elements**" shall have the meaning ascribed to such term in Section 6.5 of the Declaration.

"**Residential Mortgage Representatives**" means the representatives of the holders of all Permitted Mortgages encumbering Residential Units, designated by the holders of Permitted Mortgages in accordance with the terms of Section 7.6 of the By-Laws.

"**Residential Section**" shall have the meaning ascribed to such term in Section 5.1 of the Declaration..

"**Residential Special Assessments**" means the charges allocated and assessed against all Residential Units by the Residential Board and payable by all Residential Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with Section 6.1.6 of the By-Laws.

"**Residential Unit**" means any Unit designated as a Residential Unit in the Declaration.

"**Residential Unit Owner**" means any owner of a Residential Unit.

"**Resident Manager's Unit**" means the Unit designated on Schedule A and in the Floor Plans as Unit 2E.

"**Rules and Regulations**" means the rules and regulations of the Condominium annexed to the By-Laws as Schedule A, adopted by the Condominium Board pursuant to the By-Laws, as amended, modified, deleted from or added to from time to time, pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or the By-Laws.

"**Selling Agent**" means Shvo Marketing., having an office at 724 Fifth Avenue, New York, New York 10019.

"**Special Assessments**" means General Special Assessments, Commercial Special Assessments and Residential Special Assessments.

"**Sponsor**" means (a) Victor at E 23, LLC, a New York limited liability company, having an address at 3349 Highway 138, Building C, Suite C, Wall, New Jersey 07719 and/or (b) any Sponsor Successor, as the context may require.

"**Sponsor's Counsel**" means the law firm of Herrick, Feinstein LLP, having an office at 2 Park Avenue, New York, New York 10016.

"**Sponsor Successor**" means (i) any corporation, partnership, limited liability company or other entity that through amalgamation, consolidation, or other legal succession becomes invested with the rights and assumes the burdens of Victor at E 23, LLC, or (ii) any Person who, at any time, (a) purchases from Victor at E 23, LLC or otherwise succeeds to the ownership of (x) ten or more Units or (y) one or more Units then owned by Sponsor and is designated as a Sponsor Successor by Sponsor, and (b) is not purchasing such Units for his, her or its own occupancy or for occupancy by one or more of such Person's Family Members, and, in any case, shall also include any nominee holding any Unit for the account of the Person referred to in clause (i) or (ii) above. The phrase "owned by" shall include owned by any such nominee.

"**structural**" when applied to any Work performed in or to a Unit or the Property means and refers to any Work affecting the foundations, columns, girders, beams, supports, concrete slabs and other such structural members of the Building, those portions of the exterior walls of the Building lying beyond the interior face of the brickwork, and all building systems, including without limitation, the mechanical, electrical, water-supply and return (sewer), gas-supply and heating systems.

"**Unit**" means a space designated in the Declaration as a Residential Unit or a Commercial Unit, consisting, generally, of either a specific apartment or a portion of the commercial space in the Building.

"**Unit Owner**" means any record owner of a Unit.

"**Unsold Residential Unit**" means any Residential Unit or Residential Unit owned at the time in question by Sponsor or any Sponsor Successor. An Unsold Residential Unit shall retain its status and character as an Unsold Residential Unit until: (i) it is no longer owned by Sponsor or any Sponsor Successor; (ii) it is occupied by a Unit Owner or a Family Member of a Unit Owner; or (iii) it is conveyed to a bona fide Purchaser for occupancy by the Purchaser or by a Family Member of the Purchaser. Further, a Residential Unit that is conveyed to Sponsor by a Purchaser who has elected to rescind his purchase of the Unit and receive a refund of the Purchase Price paid for the Residential Unit as provided in the Plan shall thereupon once again become an Unsold Residential Unit.

"**Work**" means and includes demolitions, alterations, installations, additions and improvements, repairs, replacements, substitutions, restorations and any other work performed in or to the Units or the Common Elements.

All other capitalized terms used in Part I of the Plan that are not separately defined in Part I shall have the meaning ascribed thereto in Exhibit C of the Declaration.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Land

The Land is located on East 23rd Street between First and Second Avenues in the Borough of Manhattan, in the City and State of New York. The Property is known as 340 East 23rd Street, New York, New York 10010. A metes and bounds description of the Land is set forth in the Declaration. The Property is currently designated as Block 928, Lots 33 and 38, on the Tax Map of the Borough of Manhattan.

The Building and Improvements

The Building will contain 21 above-grade levels and one cellar level. The above-grade levels are numbered as follows: Level 1 has been designated as lobby; Levels 2 through 15 have been designated as Floors 2 through 15; Levels 16 and 17 have each been designated as Skyhouse; and Levels 18 through 21 have been designated as Penthouses 1 through 4. The Residential Units will be located on Levels 2 through 21.

Sponsor intends to build the Building substantially in accordance with the plans and specifications prepared by Gerner Kronick & Valcarcel, Architects, PC, copies of which are available for examination by prospective Purchasers at the Selling Agent's office. Such plans and specifications as the same may be amended from time to time by Sponsor are referred to in this Plan as the "**Plans and Specifications**."

A general description and outline of the specifications of the Building, equipment, furnishings and facilities is set forth in the Section of the Plan entitled "**Description of Property and Specifications**" in Part II of the Plan.

The improvements described in the Plans and Specifications shall, upon issuance of a permanent certificate of occupancy for the Building, be in compliance with New York City Zoning Resolution and all other Applicable Law.

Construction Schedule

Construction of the Building commenced in July 2006, and it is anticipated that the construction will be substantially complete in or about July 2007. Purchasers will be required to close title to their respective Residential Units in accordance with the Sections of the Plan entitled "**Procedure to Purchase**" and "**Terms of Sale**" even if their respective Residential Units are completed earlier or later than such date. The obligations of Sponsor under this Plan and any Purchase Option Agreement are subject to delay resulting from acts of God, strikes, lockouts, weather, floods, epidemics, quarantine restrictions, freight embargo, shortages of or inability to obtain adequate materials, equipment or labor, governmental restrictions or preemptions, damage by fire or the elements or any other cause over which Sponsor does not have control.

Construction of the Building shall be deemed fully completed in accordance with the Plans and Specifications when (a) a temporary or permanent certificate of occupancy for the Residential Units shall have been issued by the Department of Buildings of the City of New York and (b) Sponsor's architect or engineer shall have certified that the construction has been

substantially completed in accordance with the Plans and Specifications except for (i) work in Residential Units to be done by or for the account of Purchasers, (ii) work in the Building customarily left incomplete until after occupancy and (iii) punch-list items. Issuance of a temporary or permanent certificate of occupancy and the certification of Sponsor's architect or engineer shall be deemed and considered conclusive evidence that the Building and any other improvements have been completed in accordance with the Plans and Specifications, subject, however, to any obligations of Sponsor to cause defects in construction or materials to be corrected as hereinafter may be set forth in this Plan. See the Section of the Plan entitled "**Rights and Obligations of Sponsor**."

Units and Common Elements

It is anticipated that the Condominium will contain 207 Residential Units and two Commercial Units. A summary description of the Units offered for sale under this Plan is set forth in the Section of the plan entitled "**Introduction**" and in Schedule A. The Floor Plans are set forth in Part II of the Plan. The legal description of the Units and the Common Elements are set forth in the Declaration.

Recreation Areas; Other Amenities

There will be a fitness center, a laundry room and storage areas on the cellar level; a community facility room and a deck available to all Residential Unit Owners on floor two; and a deck available to all Residential Unit Owners on the roof.

Certificate of Occupancy

It should be noted by Purchasers that the closing of title to individual Units under the Plan may occur when a temporary certificate of occupancy has been issued. A temporary certificate of occupancy may only be renewed, pursuant to current laws and practices, for a total of up to two years from the date of its original date of issuance. Sponsor shall continually renew the temporary certificate of occupancy until a permanent certificate of occupancy is issued. See the Section of the Plan entitled "**Rights and Obligations of Sponsor**" for details. If the temporary certificate of occupancy expires prior to the issuance of a permanent certificate of occupancy, occupancy (residential and commercial) of the Building will be in violation of the Multiple Dwelling Law and other applicable law, subjecting the occupants, the Condominium, the members of the Boards and the Unit Owners to fines and penalties. The lack of a certificate of occupancy may prevent the sale or financing of a Unit. Purchasers should refer to the Section of the Plan entitled "**Rights and Obligations of Sponsor**" for details as to the manner in which Sponsor's obligation to obtain a permanent certificate of occupancy will be secured.

LOCATION AND AREA INFORMATION

The Property is situated on East 23rd Street between First and Second Avenues, in the northeast section of Gramercy Park, Manhattan's oldest residential neighborhood. This highly sought-after area has long been prized for its eclectic charm and its proximity to midtown, Greenwich Village, Union Square, and Chelsea.

The neighborhood offers a lively nightlife and a wide range of dining options, from excellent inexpensive delis to world-class restaurants. La Petite Auberge, I Trulli, Gramercy Tavern, Turkish Kitchen, Sushi Samba, and Artisanal are a few of the perennial favorites. New additions to the immediate neighborhood include Bruno Ravioli and Petite Abeille.

The abundance of services and shops in this popular residential neighborhood means that one is never far from a dry cleaner, pharmacy, deli, bank, hardware store or late-night convenience store. Local groceries include Associated Supermarket, Organic Traditions, D'Agostino, Gristedes, and Green Gourmet. Vintage clothing and chic designer boutiques can all be found nearby, while the home-design and furniture stores clustered at the south end of Madison Square Park offer everything one could want in home décor.

For those seeking greenery and outdoor recreation, the Condominium is within walking distance of Madison Square Park, Gramercy Park, Stuyvesant Square, and Union Square Park. To the east along 23rd Street is Asser Levy Park, and there is even a small beach, where the group "Swim the Apple" sponsors day and night swims in the East River.

Several of New York's finest medical facilities are located along nearby First Avenue, including Beth Israel Medical Center, NYU Medical Center and Bellevue Hospital Center.

Police protection is provided by the New York Police Department's 13th Precinct and fire protection is provided by Engine Co. 16 and Ladder Co. 7 at 234 East 29th Street. Water, sanitation, and street maintenance are provided by the City of New York.

Some excellent institutions of higher learning can be found in this neighborhood, including Baruch College and the School of Visual Arts. The American Sign Language and English Dual Language Lower School and High School provide education to young people with hearing impairments. The property is located in New York Public School District 2, Region 9.

The New York Public Library's Epiphany Branch on East 23rd Street provides the neighborhood access to the New York Public Library's entire lending collection, and there are several independent and chain booksellers in the area. Cultural attractions include the Visual Arts Museum and the Sidney Fishkin Gallery.

The Condominium is extremely well situated for public transportation as well as automobile travel. Taxis are plentiful along 23rd Street and Second Avenue, and a number of crosstown and north-south buses stop near the corner, including the M15, M21, M23, 14A, and 14D. Three blocks away, at 23rd Street and Park Avenue South, are the 4 and 5 express subways and the 6 local, which has been rated the best subway line in the city by New York's Straphangers Campaign. A few blocks further west are the N, R, F, and V subways and the PATH train to New Jersey.

The neighborhood is convenient for drivers, with numerous commercial parking garages and easy access to the FDR drive, which connects to the metropolitan region's major arteries including I-95, the New York State Thruway and the Henry Hudson Parkway. The nearby Midtown Tunnel and Williamsburg Bridge provide a rapid link to the Brooklyn-Queens Expressway, the Long Island Expressway and points east, including LaGuardia and John F. Kennedy airports.

SCHEDULE A
OFFERING PRICES AND RELATED INFORMATION
340 EAST 23RD STREET, NEW YORK, NEW YORK 10010
ESTIMATED CHARGES FOR PERIOD
JULY 1, 2007 TO JUNE 30, 2008

UNIT NUMBER	APPROX SF (1)	APPROX NUMBER OF BEDROOMS AND BATHROOMS (1)	APPROX TERRACE SQUARE FOOTAGE (1)	SCHEDULE A OFFERING PRICE (2)	RESIDENTIAL COMMON INTEREST (3)	COMMON INTEREST (3)	PROJECTED MONTHLY COMMON CHARGES (4)	PROJECTED ANNUAL REAL ESTATE TAXES WITH SECTION 421-a BENEFITS (5)	PROJECTED MONTHLY REAL ESTATE TAXES WITH SECTION 421-a BENEFITS (5)	PROJECTED ANNUAL REAL ESTATE TAXES WITHOUT SECTION 421-a BENEFITS (5)	PROJECTED MONTHLY REAL ESTATE TAXES WITHOUT SECTION 421-a BENEFITS (5)	PROJECTED MONTHLY CARRYING CHARGES WITHOUT SECTION 421-a BENEFITS	PROJECTED MONTHLY CARRYING CHARGES WITH SECTION 421-a BENEFITS
2A	614	1/1	601	$755,000	0.4349%	0.4027%	$667.15	$1,032.95	$86.08	$1,156.63	$76.39	$743.53	$735.42
2B	476	0/1	417	$575,000	0.3302%	0.3058%	$506.52	$784.28	$32.00	$877.40	$58.17	$564.70	$558.52
2C	645	1/1	623	$795,000	0.4556%	0.4220%	$699.01	$1,082.28	$71.89	$1,210.82	$80.43	$779.44	$770.90
2D	1082	2/2	1042	$1,330,000	0.7639%	0.7075%	$1,171.92	$1,814.50	$120.26	$2,030.01	$134.56	$1,306.48	$1,292.20
2E	1269	2/2		$1,270,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$114.85	$1,918.87	$125.49	$1,236.25	$1,222.61
2F	630	1/1		$630,000	0.3585%	0.3320%	$549.95	$851.50	$56.97	$952.63	$63.74	$613.69	$606.93
2G	435	0/1		$440,000	0.2475%	0.2292%	$379.73	$587.94	$39.79	$657.77	$44.52	$424.25	$419.52
2H	795	1/1		$795,000	0.4524%	0.4189%	$693.99	$1,074.51	$71.89	$1,202.13	$80.43	$774.42	$765.88
3A	614	1/1	44	$635,000	0.3556%	0.3294%	$545.59	$844.74	$57.42	$945.07	$64.24	$609.83	$603.01
3B	476	0/1		$500,000	0.2709%	0.2508%	$415.52	$643.35	$45.22	$719.77	$50.59	$466.11	$460.74
3C	645	1/1	44	$680,000	0.3733%	0.3457%	$572.65	$886.64	$61.49	$991.95	$68.80	$641.45	$634.14
3D	1082	2/2	44	$1,100,000	0.6219%	0.5760%	$954.13	$1,477.28	$99.48	$1,652.74	$111.29	$1,065.42	$1,053.60
3E	1269	2/2		$1,300,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$117.56	$1,918.87	$131.52	$1,239.29	$1,225.33
3F	630	1/1		$645,000	0.3585%	0.3320%	$549.95	$851.50	$58.33	$952.63	$65.26	$615.21	$608.28
3G	435	0/1		$455,000	0.2475%	0.2292%	$379.73	$587.94	$41.15	$657.77	$46.03	$425.78	$420.88
3H	719	1/1		$740,000	0.4091%	0.3789%	$627.65	$971.79	$66.62	$1,087.21	$74.67	$702.51	$694.57
3I	430	0/1		$450,000	0.2447%	0.2266%	$375.37	$581.18	$40.89	$650.21	$45.53	$420.89	$416.06
3J	430	0/1		$450,000	0.2447%	0.2266%	$375.37	$581.18	$40.89	$650.21	$45.53	$420.89	$416.06
3K	704	1/1		$720,000	0.4006%	0.3710%	$614.55	$951.52	$65.11	$1,064.53	$72.84	$687.40	$679.68
3L	768	1/1		$790,000	0.4370%	0.4047%	$670.42	$1,038.02	$71.44	$1,161.30	$79.93	$750.35	$741.86
3M	1613	3/2.5	44	$1,650,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$149.21	$2,455.67	$166.94	$1,584.59	$1,565.87
4A	614	1/1	44	$650,000	0.3556%	0.3294%	$545.59	$844.74	$58.78	$945.07	$65.76	$611.35	$604.37
4B	476	0/1		$510,000	0.2709%	0.2508%	$415.52	$643.35	$46.12	$719.77	$51.60	$467.12	$461.64
4C	645	1/1	44	$695,000	0.3733%	0.3457%	$572.65	$886.64	$62.85	$991.95	$70.32	$642.97	$635.50
4D	1082	2/2	44	$1,120,000	0.6219%	0.5760%	$954.13	$1,477.28	$101.28	$1,652.74	$113.31	$1,067.44	$1,055.41
4E	1269	2/2		$1,330,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$120.26	$1,918.87	$134.56	$1,242.32	$1,228.04
4F	630	1/1		$660,000	0.3585%	0.3320%	$549.95	$851.50	$59.69	$952.63	$66.77	$616.73	$609.64
4G	435	0/1		$470,000	0.2475%	0.2292%	$379.73	$587.94	$42.50	$657.77	$47.55	$427.28	$422.23
4H	719	1/1		$755,000	0.4091%	0.3789%	$627.65	$971.79	$68.28	$1,087.21	$76.39	$704.03	$695.92
4I	430	0/1		$460,000	0.2447%	0.2266%	$375.37	$581.18	$41.60	$650.21	$46.54	$421.90	$416.96
4J	430	0/1		$460,000	0.2447%	0.2266%	$375.37	$581.18	$41.60	$650.21	$46.54	$421.90	$416.96
4K	704	1/1		$740,000	0.4006%	0.3710%	$614.55	$951.52	$66.92	$1,064.53	$74.87	$689.42	$681.47
4L	768	1/1		$810,000	0.4370%	0.4047%	$670.42	$1,038.02	$73.25	$1,161.30	$81.95	$752.37	$743.67
4M	1613	3/2.5	44	$1,680,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$151.93	$2,455.67	$169.97	$1,587.63	$1,568.58
5A	614	1/1	44	$665,000	0.3556%	0.3294%	$545.59	$844.74	$60.14	$945.07	$67.28	$612.87	$605.73
5B	476	0/1		$525,000	0.2709%	0.2508%	$415.52	$643.35	$47.48	$719.77	$53.12	$468.64	$463.00
5C	645	1/1	44	$710,000	0.3733%	0.3457%	$572.65	$886.64	$64.21	$991.95	$71.83	$644.48	$636.88
5D	1082	2/2	44	$1,140,000	0.6219%	0.5760%	$954.13	$1,477.28	$103.09	$1,652.74	$115.34	$1,069.46	$1,057.22
5E	1269	2/2		$1,360,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$122.99	$1,918.87	$137.60	$1,245.38	$1,230.75
5F	630	1/1		$675,000	0.3585%	0.3320%	$549.95	$851.50	$61.04	$952.63	$68.29	$618.25	$611.00
5G	435	0/1		$480,000	0.2475%	0.2292%	$379.73	$587.94	$43.41	$657.77	$48.56	$429.29	$423.14
5H	719	1/1		$770,000	0.4091%	0.3789%	$627.65	$971.79	$69.63	$1,087.21	$77.90	$705.55	$697.28
5I	430	0/1		$470,000	0.2447%	0.2266%	$375.37	$581.18	$42.50	$650.21	$47.55	$422.92	$417.87
5J	430	0/1		$470,000	0.2447%	0.2266%	$375.37	$581.18	$42.50	$650.21	$47.55	$422.92	$417.87
5K	704	1/1		$755,000	0.4006%	0.3710%	$614.55	$951.52	$68.28	$1,064.53	$76.39	$690.94	$682.83
5L	768	1/1		$825,000	0.4370%	0.4047%	$670.42	$1,038.02	$74.61	$1,161.30	$83.47	$753.69	$745.03
5M	1613	3/2.5	44	$1,710,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$154.64	$2,455.67	$173.01	$1,590.66	$1,572.30
6A	614	1/1	44	$680,000	0.3556%	0.3294%	$545.59	$844.74	$61.49	$945.07	$68.80	$614.39	$607.08
6B	476	0/1		$540,000	0.2709%	0.2508%	$415.52	$643.35	$48.83	$719.77	$54.63	$470.15	$464.35
6C	645	1/1	44	$740,000	0.3733%	0.3457%	$572.65	$886.64	$66.92	$991.95	$74.87	$647.52	$639.67
6D	1082	2/2	44	$1,160,000	0.6219%	0.5760%	$954.13	$1,477.28	$104.90	$1,652.74	$117.38	$1,071.49	$1,059.03
6E	1269	2/2		$1,390,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$125.70	$1,918.87	$140.63	$1,248.39	$1,233.48
6F	630	1/1		$690,000	0.3585%	0.3320%	$549.95	$851.50	$62.40	$952.63	$69.81	$619.78	$612.33
6G	435	0/1		$490,000	0.2475%	0.2292%	$379.73	$587.94	$44.31	$657.77	$49.57	$429.30	$424.04
6H	719	1/1		$785,000	0.4091%	0.3789%	$627.65	$971.79	$70.99	$1,087.21	$79.42	$707.07	$698.63
6I	430	0/1		$480,000	0.2447%	0.2266%	$375.37	$581.18	$43.41	$650.21	$48.56	$423.93	$418.77
6J	430	0/1		$480,000	0.2447%	0.2266%	$375.37	$581.18	$43.41	$650.21	$48.56	$423.93	$418.77
6K	704	1/1		$770,000	0.4006%	0.3710%	$614.55	$951.52	$69.63	$1,064.53	$77.90	$692.45	$684.18
6L	768	1/1		$840,000	0.4370%	0.4047%	$670.42	$1,038.02	$75.96	$1,161.30	$84.99	$755.40	$746.38
6M	1613	3/2.5	44	$1,740,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$157.35	$2,455.67	$176.04	$1,593.70	$1,575.01

SCHEDULE A
OFFERING PRICES AND RELATED INFORMATION
340 EAST 23RD STREET, NEW YORK, NEW YORK 10010
ESTIMATED CHARGES FOR PERIOD
JULY 1, 2007, TO JUNE 30, 2008

UNIT NUMBER	APPROX SF (1)	APPROX NUMBER OF BEDROOMS AND BATHROOMS (1)	APPROX TERRACE SQUARE FOOTAGE (1)	SCHEDULE A OFFERING PRICE (2)	RESIDENTIAL COMMON INTEREST (3)	COMMON INTEREST (3)	PROJECTED MONTHLY COMMON CHARGES (4)	PROJECTED ANNUAL REAL ESTATE TAXES WITH SECTION 421-a BENEFITS (5)	PROJECTED MONTHLY REAL ESTATE TAXES WITH SECTION 421-a BENEFITS (5)	PROJECTED ANNUAL REAL ESTATE TAXES WITHOUT SECTION 421-a BENEFITS (5)	PROJECTED MONTHLY REAL ESTATE TAXES WITHOUT SECTION 421-a BENEFITS (5)	PROJECTED MONTHLY CARRYING CHARGES WITHOUT SECTION 421-a BENEFITS	PROJECTED MONTHLY CARRYING CHARGES WITH SECTION 421-a BENEFITS
7A	614	1/1	44	$695,000	0.3556%	0.3294%	$545.59	$844.74	$62.65	$945.07	$70.32	$615.90	$608.44
7B	476	0/1		$550,000	0.2709%	0.2508%	$415.52	$643.35	$49.74	$719.77	$55.65	$471.17	$465.26
7C	645	1/1	44	$785,000	0.3733%	0.3457%	$572.65	$888.64	$68.28	$991.95	$76.39	$649.04	$640.93
7D	1082	2/2	44	$1,180,000	0.6219%	0.5760%	$954.13	$1,477.28	$109.71	$1,652.74	$119.38	$1,073.51	$1,060.84
7E	1269	2/2		$1,420,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$128.41	$1,918.87	$143.67	$1,261.43	$1,236.18
7F	630	1/1		$705,000	0.3585%	0.3320%	$549.95	$851.50	$63.75	$952.63	$71.33	$621.28	$613.71
7G	435	0/1		$500,000	0.2475%	0.2292%	$379.73	$587.94	$45.22	$657.77	$50.59	$430.32	$424.95
7H	719	1/1		$800,000	0.4091%	0.3789%	$627.65	$971.79	$72.35	$1,087.21	$80.94	$708.58	$699.99
7I	430	0/1		$490,000	0.2447%	0.2266%	$375.37	$581.18	$44.31	$650.21	$49.57	$424.94	$419.68
7J	430	0/1		$490,000	0.2447%	0.2266%	$375.37	$581.18	$44.31	$650.21	$49.57	$424.94	$419.68
7K	704	1/1		$790,000	0.4006%	0.3710%	$614.55	$951.52	$71.44	$1,064.53	$79.83	$694.48	$685.99
7L	768	1/1		$855,000	0.4370%	0.4047%	$670.42	$1,038.02	$77.32	$1,161.30	$86.50	$756.92	$747.74
7M	1613	3/2.5	44	$1,770,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$160.07	$2,455.67	$179.08	$1,596.73	$1,577.72
8A	614	1/1	44	$710,000	0.3556%	0.3294%	$545.59	$844.74	$64.21	$945.07	$71.83	$617.42	$609.80
8B	476	0/1		$560,000	0.2709%	0.2508%	$415.52	$643.35	$50.64	$719.77	$56.68	$472.16	$466.16
8C	645	1/1	44	$760,000	0.3733%	0.3457%	$572.65	$888.64	$68.73	$991.95	$76.89	$649.54	$641.38
8D	1082	2/2	44	$1,200,000	0.6219%	0.5760%	$954.13	$1,477.28	$108.52	$1,652.74	$121.41	$1,075.53	$1,062.64
8E	1269	2/2		$1,450,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$131.13	$1,918.87	$146.70	$1,254.46	$1,238.89
8F	630	1/1		$720,000	0.3585%	0.3320%	$549.95	$851.50	$65.11	$952.63	$72.84	$622.80	$615.06
8G	435	0/1		$510,000	0.2475%	0.2292%	$379.73	$587.94	$46.12	$657.77	$51.60	$431.33	$425.85
8H	719	1/1		$815,000	0.4091%	0.3789%	$627.65	$971.79	$73.70	$1,087.21	$82.46	$710.10	$701.35
8I	430	0/1		$500,000	0.2447%	0.2266%	$375.37	$581.18	$45.22	$650.21	$50.59	$425.95	$420.58
8J	430	0/1		$495,000	0.2447%	0.2266%	$375.37	$581.18	$44.76	$650.21	$50.08	$425.45	$420.13
8K	704	1/1		$805,000	0.4006%	0.3710%	$614.55	$951.52	$72.80	$1,064.53	$81.44	$696.00	$687.35
8L	768	1/1		$870,000	0.4370%	0.4047%	$670.42	$1,038.02	$78.68	$1,161.30	$88.02	$758.44	$749.10
8M	1613	3/2.5	44	$1,800,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$162.78	$2,455.67	$182.11	$1,599.77	$1,580.44
9A	614	1/1	44	$725,000	0.3556%	0.3294%	$545.59	$844.74	$65.56	$945.07	$73.35	$618.94	$611.15
9B	476	0/1		$575,000	0.2709%	0.2508%	$415.52	$643.35	$52.00	$719.77	$58.17	$473.70	$467.52
9C	645	1/1	44	$775,000	0.3733%	0.3457%	$572.65	$888.64	$70.09	$991.95	$78.41	$651.08	$642.74
9D	1082	2/2	44	$1,220,000	0.6219%	0.5760%	$954.13	$1,477.28	$110.33	$1,652.74	$123.43	$1,077.56	$1,064.45
9E	1269	2/2		$1,480,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$133.84	$1,918.87	$149.74	$1,257.60	$1,241.60
9F	630	1/1		$735,000	0.3585%	0.3320%	$549.95	$851.50	$66.47	$952.63	$74.36	$624.32	$616.42
9G	435	0/1		$520,000	0.2475%	0.2292%	$379.73	$587.94	$47.02	$657.77	$53.61	$432.34	$426.75
9H	719	1/1		$830,000	0.4091%	0.3789%	$627.65	$971.79	$75.06	$1,087.21	$83.97	$711.62	$702.70
9I	430	0/1		$510,000	0.2447%	0.2266%	$375.37	$581.18	$46.12	$650.21	$51.60	$426.96	$421.49
9J	430	0/1		$505,000	0.2447%	0.2266%	$375.37	$581.18	$45.67	$650.21	$51.09	$426.46	$421.03
9K	704	1/1		$820,000	0.4006%	0.3710%	$614.55	$951.52	$74.15	$1,064.53	$82.96	$697.51	$688.71
9L	768	1/1		$885,000	0.4370%	0.4047%	$670.42	$1,038.02	$80.03	$1,161.30	$89.54	$759.96	$750.45
9M	1613	3/2.5	44	$1,830,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$165.49	$2,455.67	$185.16	$1,602.80	$1,583.15
10A	614	1/1	44	$740,000	0.3556%	0.3294%	$545.59	$844.74	$66.92	$945.07	$74.87	$620.46	$612.51
10B	476	0/1		$585,000	0.2709%	0.2508%	$415.52	$643.35	$52.90	$719.77	$59.19	$474.71	$468.42
10C	645	1/1	44	$790,000	0.3733%	0.3457%	$572.65	$888.64	$71.44	$991.95	$79.93	$652.58	$644.09
10D	1082	2/2	44	$1,240,000	0.6219%	0.5760%	$954.13	$1,477.28	$112.14	$1,652.74	$125.45	$1,079.56	$1,066.26
10E	1269	2/2		$1,510,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$136.55	$1,918.87	$152.77	$1,260.63	$1,244.32
10F	630	1/1		$750,000	0.3585%	0.3320%	$549.95	$851.50	$67.82	$952.63	$75.88	$625.83	$617.78
10G	435	0/1		$530,000	0.2475%	0.2292%	$379.73	$587.94	$47.93	$657.77	$53.62	$433.35	$427.66
10H	719	1/1		$845,000	0.4091%	0.3789%	$627.65	$971.79	$76.42	$1,087.21	$85.49	$713.14	$704.06
10I	430	0/1		$520,000	0.2447%	0.2266%	$375.37	$581.18	$47.02	$650.21	$52.61	$427.98	$422.39
10J	430	0/1		$515,000	0.2447%	0.2266%	$375.37	$581.18	$46.57	$650.21	$52.10	$427.47	$421.94
10K	704	1/1		$835,000	0.4006%	0.3710%	$614.55	$951.52	$75.51	$1,064.53	$84.48	$699.03	$690.06
10L	768	1/1		$900,000	0.4370%	0.4047%	$670.42	$1,038.02	$81.39	$1,161.30	$91.06	$761.48	$751.81
10M	1613	3/2.5	44	$1,850,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$167.30	$2,455.67	$187.17	$1,604.83	$1,584.96
11A	614	1/1	44	$755,000	0.3556%	0.3294%	$545.59	$844.74	$68.28	$945.07	$76.39	$621.97	$613.87
11B	476	0/1		$595,000	0.2709%	0.2508%	$415.52	$643.35	$53.81	$719.77	$60.20	$475.72	$469.33
11C	645	1/1	44	$805,000	0.3733%	0.3457%	$572.65	$888.64	$72.80	$991.95	$81.44	$654.09	$645.45
11D	1082	2/2	44	$1,260,000	0.6219%	0.5760%	$954.13	$1,477.28	$113.94	$1,652.74	$127.48	$1,081.60	$1,068.07
11E	1269	2/2		$1,540,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$139.27	$1,918.87	$155.81	$1,263.67	$1,247.03
11F	630	1/1		$765,000	0.3585%	0.3320%	$549.95	$851.50	$69.18	$952.63	$77.40	$627.35	$619.13
11G	435	0/1		$540,000	0.2475%	0.2292%	$379.73	$587.94	$48.83	$657.77	$54.63	$434.36	$428.58
11H	719	1/1		$865,000	0.4091%	0.3789%	$627.65	$971.79	$78.22	$1,087.21	$87.51	$715.16	$705.67

SCHEDULE A
OFFERING PRICES AND RELATED INFORMATION
340 EAST 23RD STREET, NEW YORK, NEW YORK 10010
ESTIMATED CHARGES FOR PERIOD
JULY 1, 2007, TO JUNE 30, 2008

UNIT NUMBER	APPROX SF (1)	APPROX NUMBER OF BEDROOMS AND BATHROOMS (1)	APPROX TERRACE SQUARE FOOTAGE (1)	SCHEDULE A OFFERING PRICE (2)	RESIDENTIAL COMMON INTEREST (3)	COMMON INTEREST (3)	PROJECTED MONTHLY COMMON CHARGES (4)	PROJECTED ANNUAL REAL ESTATE TAXES WITH SECTION 421-a BENEFITS (5)	PROJECTED MONTHLY REAL ESTATE TAXES WITH SECTION 421-a BENEFITS (5)	PROJECTED ANNUAL REAL ESTATE TAXES WITHOUT SECTION 421-a BENEFITS (6)	PROJECTED MONTHLY REAL ESTATE TAXES WITHOUT SECTION 421-a BENEFITS (6)	PROJECTED MONTHLY CARRYING CHARGES WITHOUT SECTION 421-a BENEFITS	PROJECTED MONTHLY CARRYING CHARGES WITH SECTION 421-a BENEFITS
11I	430	0/1		$530,000	0.2447%	0.2266%	$375.37	$581.18	$47.93	$650.21	$53.62	$428.99	$423.29
11J	430	0/1		$525,000	0.2447%	0.2266%	$375.37	$581.18	$47.48	$650.21	$53.12	$428.48	$422.84
11K	704	1/1		$650,000	0.4006%	0.3710%	$614.55	$951.52	$78.87	$1,064.53	$88.00	$700.55	$691.42
11L	768	1/1		$920,000	0.4370%	0.4047%	$670.42	$1,038.02	$83.20	$1,161.30	$93.08	$763.50	$753.62
11M	1613	3/2.5	44	$1,880,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$170.01	$2,455.67	$190.21	$1,607.66	$1,587.67
12A	614	1/1	44	$770,000	0.3556%	0.3294%	$545.59	$844.74	$69.83	$945.07	$77.90	$623.49	$615.22
12B	476	0/1		$610,000	0.2709%	0.2508%	$415.52	$643.35	$55.16	$719.77	$61.72	$477.24	$470.68
12C	645	1/1	44	$620,000	0.3733%	0.3457%	$572.65	$886.64	$74.15	$991.95	$82.96	$655.61	$646.80
12D	1062	2/2	44	$1,280,000	0.6219%	0.5760%	$954.13	$1,477.28	$115.75	$1,652.74	$129.50	$1,083.63	$1,069.88
12E	1269	2/2		$1,560,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$141.07	$1,918.87	$157.83	$1,265.59	$1,248.84
12F	630	1/1		$780,000	0.3585%	0.3320%	$549.95	$851.50	$70.54	$952.63	$78.91	$628.87	$620.49
12G	435	0/1		$550,000	0.2475%	0.2292%	$379.73	$587.94	$49.74	$657.77	$55.65	$435.38	$429.47
12H	719	1/1		$885,000	0.4091%	0.3789%	$627.65	$971.79	$80.03	$1,087.21	$89.54	$717.18	$707.68
12I	430	0/1		$540,000	0.2447%	0.2266%	$375.37	$581.18	$48.83	$650.21	$54.63	$430.00	$424.20
12J	430	0/1		$535,000	0.2447%	0.2266%	$375.37	$581.18	$48.38	$650.21	$54.13	$429.48	$423.78
12K	704	1/1		$865,000	0.4006%	0.3710%	$614.55	$951.52	$78.22	$1,064.53	$87.51	$702.07	$692.78
12L	768	1/1		$940,000	0.4370%	0.4047%	$670.42	$1,038.02	$85.01	$1,161.30	$95.10	$765.52	$755.43
12M	1613	3/2.5	44	$2,010,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$181.77	$2,455.67	$203.36	$1,621.02	$1,599.43
14A	614	1/1	44	$785,000	0.3556%	0.3294%	$545.59	$844.74	$70.09	$945.07	$78.42	$625.01	$616.68
14B	476	0/1		$620,000	0.2709%	0.2508%	$415.52	$643.35	$58.07	$719.77	$62.73	$478.25	$471.69
14C	645	1/1	44	$835,000	0.3733%	0.3457%	$572.65	$886.64	$79.51	$991.95	$84.48	$657.13	$648.16
14D	1062	2/2	44	$1,300,000	0.6219%	0.5760%	$954.13	$1,477.28	$117.56	$1,652.74	$131.52	$1,085.65	$1,071.69
14E	1269	2/2		$1,580,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$142.88	$1,918.87	$159.85	$1,267.62	$1,250.65
14F	630	1/1		$795,000	0.3585%	0.3320%	$549.95	$851.50	$71.89	$952.63	$80.43	$630.39	$621.85
14G	435	0/1		$560,000	0.2475%	0.2292%	$379.73	$587.94	$50.84	$657.77	$56.86	$436.39	$430.37
14H	719	1/1		$900,000	0.4091%	0.3789%	$627.65	$971.79	$81.39	$1,087.21	$91.06	$718.70	$709.03
14I	430	0/1		$550,000	0.2447%	0.2266%	$375.37	$581.18	$49.74	$650.21	$55.65	$431.01	$425.10
14J	430	0/1		$545,000	0.2447%	0.2266%	$375.37	$581.18	$49.29	$650.21	$55.14	$430.50	$424.65
14K	704	1/1		$880,000	0.4006%	0.3710%	$614.55	$951.52	$79.58	$1,064.53	$89.03	$703.58	$694.13
14L	768	1/1		$960,000	0.4370%	0.4047%	$670.42	$1,038.02	$86.82	$1,161.30	$97.13	$767.55	$757.23
14M	1613	3/2.5	44	$2,040,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$184.46	$2,455.67	$206.39	$1,624.05	$1,602.14
15A	614	1/1	44	$800,000	0.3556%	0.3294%	$545.59	$844.74	$72.35	$945.07	$80.94	$626.53	$617.93
15B	476	0/1		$630,000	0.2709%	0.2508%	$415.52	$643.35	$56.97	$719.77	$63.74	$479.26	$472.49
15C	645	1/1	44	$850,000	0.3733%	0.3457%	$572.65	$886.64	$76.87	$991.95	$86.00	$658.65	$649.52
15D	1062	2/2	44	$1,320,000	0.6219%	0.5760%	$954.13	$1,477.28	$119.37	$1,652.74	$133.55	$1,087.67	$1,073.50
15E	1269	2/2		$1,610,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$145.60	$1,918.87	$162.89	$1,270.65	$1,253.36
15F	630	1/1		$810,000	0.3585%	0.3320%	$549.95	$851.50	$73.25	$952.63	$81.95	$631.90	$623.20
15G	435	0/1		$570,000	0.2475%	0.2292%	$379.73	$587.94	$51.55	$657.77	$57.67	$437.40	$431.28
15H	719	1/1		$920,000	0.4091%	0.3789%	$627.65	$971.79	$83.20	$1,087.21	$93.08	$720.72	$710.84
15I	430	0/1		$560,000	0.2447%	0.2266%	$375.37	$581.18	$50.64	$650.21	$56.66	$432.02	$426.01
15J	430	0/1		$555,000	0.2447%	0.2266%	$375.37	$581.18	$50.19	$650.21	$56.16	$431.52	$425.58
15K	704	1/1		$895,000	0.4006%	0.3710%	$614.55	$951.52	$80.94	$1,064.53	$90.55	$705.10	$695.49
15L	768	1/1		$980,000	0.4370%	0.4047%	$670.42	$1,038.02	$88.62	$1,161.30	$99.15	$769.57	$759.04
15M	1613	3/2.5	44	$2,070,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$187.19	$2,455.67	$209.43	$1,627.09	$1,604.85
16A	614	1/1	44	$815,000	0.3556%	0.3294%	$545.59	$844.74	$73.70	$945.07	$82.46	$628.04	$619.29
16B	476	0/1		$640,000	0.2709%	0.2508%	$415.52	$643.35	$57.88	$719.77	$64.75	$480.27	$473.40
16C	645	1/1	44	$865,000	0.3733%	0.3457%	$572.65	$886.64	$78.22	$991.95	$87.51	$660.16	$650.87
16D	1062	2/2	44	$1,340,000	0.6219%	0.5760%	$954.13	$1,477.28	$121.18	$1,652.74	$135.57	$1,089.70	$1,076.31
16E	1269	2/2		$1,630,000	0.7221%	0.6687%	$1,107.76	$1,715.16	$147.40	$1,918.87	$164.91	$1,272.68	$1,256.17
16F	630	1/1		$825,000	0.3585%	0.3320%	$549.95	$851.50	$74.61	$952.63	$83.47	$633.42	$624.56
16G	435	0/1		$580,000	0.2475%	0.2292%	$379.73	$587.94	$52.45	$657.77	$58.68	$438.41	$432.18
16H	719	1/1		$940,000	0.4091%	0.3789%	$627.65	$971.79	$85.01	$1,087.21	$95.10	$722.75	$712.65
16I	430	0/1		$570,000	0.2447%	0.2266%	$375.37	$581.18	$51.55	$650.21	$57.67	$433.03	$426.91
16J	430	0/1		$565,000	0.2447%	0.2266%	$375.37	$581.18	$51.09	$650.21	$57.16	$432.53	$426.46
16K	704	1/1		$910,000	0.4006%	0.3710%	$614.55	$951.52	$82.29	$1,064.53	$92.07	$706.62	$696.84
16L	768	1/1		$995,000	0.4370%	0.4047%	$670.42	$1,038.02	$89.98	$1,161.30	$100.67	$771.09	$760.40
16M	1613	3/2.5	44	$2,100,000	0.9241%	0.8558%	$1,417.66	$2,194.97	$189.91	$2,455.67	$212.46	$1,630.12	$1,607.57
SKYHOUSE A	926	1/1.5	251	$1,350,000	0.5826%	0.5211%	$893.12	$1,338.36	$122.08	$1,495.10	$136.58	$999.71	$985.21
SKYHOUSE B	838	1/1.5	228	$1,235,000	0.5093%	0.4716%	$781.28	$1,209.67	$111.68	$1,353.34	$124.95	$906.23	$892.97
SKYHOUSE C	1736	3/2.5	411	$2,500,000	1.0483%	0.9900%	$1,695.12	$2,483.22	$226.08	$2,780.40	$252.93	$1,858.06	$1,831.20

SCHEDULE A
OFFERING PRICES AND RELATED INFORMATION
340 EAST 23RD STREET, NEW YORK, NEW YORK 10010
ESTIMATED CHARGES FOR PERIOD
JULY 1, 2007, TO JUNE 30, 2008

UNIT NUMBER	APPROX SF (1)	APPROX NUMBER OF BEDROOMS AND BATHROOMS (1)	APPROX TERRACE SQUARE FOOTAGE (1)	SCHEDULE A OFFERING PRICE (2)	RESIDENTIAL COMMON INTEREST (3)	COMMON INTEREST (3)	PROJECTED MONTHLY COMMON CHARGES (4)	PROJECTED ANNUAL REAL ESTATE TAXES WITH SECTION 421-a BENEFITS (5)	PROJECTED MONTHLY REAL ESTATE TAXES WITH SECTION 421-a BENEFITS (5)	PROJECTED ANNUAL REAL ESTATE TAXES WITHOUT SECTION 421-a BENEFITS (5)	PROJECTED MONTHLY REAL ESTATE TAXES WITHOUT SECTION 421-a BENEFITS (5)	PROJECTED MONTHLY CARRYING CHARGES WITHOUT SECTION 421-a BENEFITS	PROJECTED MONTHLY CARRYING CHARGES WITH SECTION 421-a BENEFITS
SKYHOUSE D	1656	3/2.5	421	$2,450,000	1.0193%	0.9440%	$1,563.66	$2,421.03	$221.56	$2,708.57	$247.87	$1,811.53	$1,785.22
SKYHOUSE E	1612	3/3	248	$2,480,000	1.0864%	0.9876%	$1,635.89	$2,532.87	$224.27	$2,833.70	$250.91	$1,888.80	$1,860.17
SKYHOUSE F	1083	1/1.5	160	$1,475,000	0.6390%	0.5918%	$980.31	$1,517.83	$133.39	$1,698.10	$149.23	$1,129.84	$1,113.70
SKYHOUSE G	1083	1/1.5	160	$1,475,000	0.6390%	0.5918%	$980.31	$1,517.83	$133.39	$1,698.10	$149.23	$1,129.84	$1,113.70
SKYHOUSE H	1612	3/3	245	$2,470,000	1.0859%	0.9872%	$1,635.24	$2,531.85	$223.37	$2,832.58	$249.00	$1,885.14	$1,858.61
SKYHOUSE I	1677	3/2.5	427	$2,435,000	1.0750%	0.9400%	$1,557.11	$2,410.89	$220.20	$2,697.23	$246.36	$1,803.47	$1,777.31
SKYHOUSE J	1760	3/2.5	402	$2,400,000	1.0597%	0.9804%	$1,624.11	$2,514.62	$217.04	$2,813.28	$242.82	$1,868.92	$1,841.15
PH1A	857	2/2	88	$1,340,000	0.5002%	0.4632%	$767.32	$1,188.04	$121.18	$1,329.15	$135.57	$902.69	$888.50
PH1B	1080	2/2	88	$1,655,000	0.6271%	0.5807%	$961.98	$1,489.45	$149.67	$1,666.35	$167.44	$1,129.42	$1,111.65
PH1C	1431	2/2.5	106	$2,200,000	0.8294%	0.7681%	$1,272.31	$1,969.93	$198.95	$2,203.80	$222.58	$1,494.89	$1,471.26
PH1D	1068	2/2	108	$1,650,000	0.6217%	0.5757%	$953.69	$1,476.61	$149.21	$1,651.98	$166.94	$1,120.62	$1,102.90
PH1E	1419	2/2.5	106	$2,175,000	0.8225%	0.7617%	$1,261.84	$1,953.71	$198.69	$2,185.76	$220.05	$1,481.89	$1,458.53
PH1F	1089	2/2	88	$1,675,000	0.6322%	0.5855%	$969.84	$1,501.61	$151.47	$1,679.96	$169.46	$1,139.30	$1,121.31
PH2A	707	1/1	101	$1,200,000	0.4167%	0.3859%	$639.21	$989.70	$108.52	$1,107.24	$121.41	$760.62	$747.73
PH2B	1233	2/2	88	$2,085,000	0.7141%	0.6614%	$1,095.54	$1,696.24	$188.55	$1,897.70	$210.95	$1,308.49	$1,284.09
PH2C	1325	2/2.5	206	$2,250,000	0.7833%	0.7254%	$1,201.61	$1,860.46	$203.47	$2,081.42	$227.64	$1,429.24	$1,405.08
PH2D	1071	2/2	102	$1,600,000	0.6239%	0.5778%	$957.16	$1,482.01	$162.78	$1,658.03	$182.11	$1,139.29	$1,119.96
PH2E	1324	2/2.5	147	$2,250,000	0.7743%	0.7171%	$1,187.88	$1,839.17	$203.47	$2,057.91	$227.64	$1,415.50	$1,391.33
PH2F	1075	2/2	91	$1,600,000	0.6246%	0.5785%	$958.27	$1,483.70	$162.78	$1,659.92	$182.11	$1,140.38	$1,121.05
PH3A	1097	2/2	80	$1,950,000	0.6313%	0.5847%	$968.53	$1,499.58	$176.34	$1,677.69	$197.29	$1,153.62	$1,144.87
PH3B	1855	3/3	554	$3,500,000	1.1344%	1.0505%	$1,740.21	$2,694.38	$316.51	$3,014.39	$354.11	$2,094.32	$2,058.72
PH3C	1378	2/2.5	102	$2,500,000	0.7986%	0.7396%	$1,225.17	$1,896.95	$226.08	$2,122.25	$252.93	$1,474.11	$1,451.26
PH3D	1768	3/3	597	$3,400,000	1.0898%	1.0093%	$1,671.99	$2,588.62	$307.47	$2,896.07	$343.99	$2,015.89	$1,979.37
PH4A	868	1/1	80	$1,620,000	0.5010%	0.4640%	$768.63	$1,190.07	$146.50	$1,331.41	$163.90	$932.53	$915.13
PH4B	1717	3/3	650	$3,450,000	1.0695%	0.9905%	$1,640.89	$2,540.39	$311.99	$2,842.01	$349.05	$1,989.74	$1,952.69
PH4C	730	1/1	102	$1,400,000	0.4299%	0.3981%	$659.51	$1,021.12	$126.61	$1,142.40	$141.84	$801.15	$786.11
PH4D	1687	3/3	692	$3,440,000	1.0585%	0.9803%	$1,623.89	$2,514.28	$311.09	$2,812.91	$348.04	$1,971.93	$1,934.98
RESIDENTIAL TOTAL:	172,729		12,039	$218,880,000	100.000%	92.6107%	$153,410.00	$237,525.66	$10,793.83	$265,736.62	$22,144.75	$175,554.53	$173,203.61
Commercial Unit #1:	4,812					1.9245%	$399.99	$21,593.00	$1,799.42	$24,158.00	$2,013.17	$2,413.16	$2,199.41
Commercial Unit #2:	13,627					5.4648%	$1,135.83	$49,356.00	$4,113.00	$55,218.00	$4,601.50	$5,737.33	$5,248.83
COMMERCIAL TOTAL:	18,439					7.3893%	$1,535.82	$70,949.00	$5,912.42	$79,376.00	$6,614.67	$8,150.49	$7,448.24
BUILDING TOTAL:	191,168		12,039	$218,880,000	100.000%	100.0000%	$154,945.82	$308,474.66	$25,706.25	$345,112.62	$28,759.42	$183,705.02	$180,651.85

FOOTNOTES TO SCHEDULE A

(1) Square footages indicated are calculated from dimensions of the Unit that are measured horizontally from the exterior side of the exterior walls (perimeter columns and perimeter mechanical pipes are not deducted) to the centerline of the partitions separating one Unit from another Unit, corridors, stairs, elevators, and other mechanical equipment spaces or any Common Elements; or to the exterior side of the opposite exterior walls. Each Unit will consist of the area measured vertically from the top of the floor to the underside of the ceiling. Floor Plans for each Unit appear as Document Number 5 in Part II of the Plan. Each terrace will be measured from the exterior face of the window wall to the exterior face of the parapet and to the centerline of the divider separating one terrace from another terrace. All square footages are approximate and will vary from Unit to Unit of the same type. Since they are not based upon measurements from interior surfaces of interior walls, the actual areas comprising the Units may be significantly less than the areas set forth on Schedule A. Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of the Unit. The actual layout of the Unit may be altered.

(2) Sponsor has reserved the right to change the Purchase Price of any Unit from time to time in the manner set forth below.

The Purchase Prices set forth in Schedule A will be decreased or increased by a duly filed amendment to the Plan when the change in price is (a) an across-the-board change affecting one or more lines of Units or Unit models; (b) a price change that is to be advertised; or (c) a price increase for an individual Purchaser. Purchase Prices are negotiable. Accordingly, Sponsor may enter into a Purchase Option Agreement with a Purchaser to sell a particular Unit at prices less than those set forth in Schedule A without filing an amendment beforehand.

In addition to the payment of the Purchase Price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of closing, such as legal fees, title insurance premiums, transfer taxes and recording charges. If Purchaser obtains a mortgage loan, Purchaser will also be responsible for the payment of additional closing costs and expenses relating to such loan. Finally, the apportionment of certain charges relating to the Unit at the time of the closing of title will be reflected as adjustments to the Purchase Price. See the Section of the Plan entitled **"Unit Closing Costs and Adjustments."**

(3) The Common Interest allocated to each Unit is based upon respective floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to the terms of Section 339-i(1)(iv) of the Condominium Act. The aggregate Common Interest of all Units equals one hundred percent (100%).

(4) These estimates were based upon Schedule B, which was prepared for the year July 1, 2007 - June 30, 2008. This period is used only for purposes of projection and illustration. Sponsor does not warrant that condominium operation will commence on July 1, 2007. The estimated Common Charges are based upon the estimates of income and expenses set forth in Schedule B. The actual amounts of income and expenses may differ from the estimates thereof and may change in subsequent years. Because of the possibility of unforeseeable changes in the economy or increase or decrease in the amount of income or expenses of operation, the

projections are not intended to be taken as guarantees or warranties of any kind whatsoever or as any assurance that the actual expenses or income of the Condominium for any period of operation may not vary from the amounts shown. In fact, it may be expected, based on current trends, that the operating expenses, including fuel costs, utilities, maintenance and repairs, labor and other related expenses, will increase in the future.

In addition to these estimated charges, each Unit Owner will be responsible for paying: (i) the cost of electricity, which will be separately metered for each Unit; (ii) mortgage payments under any loan or loans obtained to finance the acquisition of his Unit; (iii) the cost of interior repairs to, and the maintenance, painting and decoration of, his Unit (including, without limitation, the equipment and appliances contained therein); and (iv) the cost of any insurance covering (a) furniture, belongings, equipment and other personal property and (b) liability to others for personal or property damage as a result of occurrences in his Unit.

(5) The columns under the headings "Projected Annual Real Estate Taxes with 421-a Benefits" and "Projected Annual Real Estate Taxes without 421-a Benefits" contain an estimate of the real estate taxes that will be payable by Unit Owners for the first year of condominium operation. The first such column estimates the real estate taxes on the basis that the Property will qualify for an exemption under Section 421-a of the Real Property Tax Law ("**Section 421-a**"), and the second column estimates the real estate taxes with the assumption that the Property will not qualify for such an exemption. See the "**Opinion of Real Estate Tax Counsel**" of Herrick, Feinstein LLP, a copy of which is set forth in Part II of the Plan as Document Number 6 for an explanation of the sliding scale used in applying the exemption and the conditions for the granting of the exemption.

The following facts form a basis for the estimate of real estate taxes as set forth herein.

(a) Sponsor will construct a new 21-story apartment building on the Property. After completion of construction and the establishment of a condominium, it will contain two commercial units and 207 residential units. Prior to construction, three one-story commercial structures will have been demolished.

(b) The site has 165 feet of frontage on the southerly side of East 23rd Street and extends 100 feet in depth.. It is irregularly shaped and contains approximately 16,819 square feet of ground area. It is currently identified on the city's tax records as Block 928, Lots 33 and 38.

(c) After completion of construction, the building will contain the following approximate square foot areas and will contain the units, mechanical areas and equipment, amenities and facilities described in the Description of Property and Specifications:

FLOORS	AREA
Cellar	16,820
1	16,526
2	10,443
3-15	143,328
16	8,471
17	8,471
18	8,162
19	7,953
20	7,028
21	5,896

(d) The property is assessed in Tax Class 4 for the 2005/06 tax year. After completion of construction and the establishment of a condominium, the Commercial Units will continue to be assessed in Tax Class 4, whereas the residential Units will be assessed in Tax Class 2 under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums).

(e) Tax Class 2 consists primarily of residential rental, cooperatives and condominiums containing more than ten units. Tax Class 4 includes most properties that have uses other than residential. The City's assessment ratio policy for properties in Tax Classes 2 and 4 is to assess at 45% of market value based upon value as an income-producing property. Increases to value are unlimited, but except for increases due to physical changes, are required to be phased in over a five-year period. The taxable value is the lower of the actual or transitional values. The Class 2 rate for 2005/06 is $12.396 per $100. The Class 4 tax rate is $11.558 per $100. Sponsor estimates the tax rates for 2006/07, 2007/08 and 2008/09 at $12.50 per $100 for Class 2 and $11.45 per $100 for Class 4.

(f) The recent history of assessed valuation of the Property is as follows:

2004/05	Land	Total
Actual	$2,281,500	$2,857,500
Transitional:	$1,975,500	$2,467,800

2005/06	Land	Total
Actual	$2,421,000	$2,974,500
Transitional:	$2,079,900	$2,628,000

2006/07	Land	Total
Actual	$2,556,000	$3,073,500
Transitional:	$2,176,000	$2,729,500

(g) Jerome Mazursky, MAI, CAE has estimated the assessed value of the Property. A copy of his estimate has been submitted to the Department of Law and will be made available by Sponsor to a Purchaser upon request. Mr. Mazursky

estimates that after construction is completed, the Property will be assessed as follows:

2007/08	Land	Total
Actual	$5,000,000	$5,000,000 P[1]
Transitional:	$2,760,900	$2,760,900 P[1]

2008/09	Land	Total
Actual	$10,500,000	$32,500,000
Transitional:	$ 4,445,000	$26,445,000

(h) It is the policy and practice of the New York City Department of Finance to assign separate tax lots and apportion the assessed valuation of a condominium among the various Units, after consideration of the percentage of Common Interest and relative projected sales prices contained in the Offering Plan. The estimates of the Property's post-conversion assessed value by Unit are set forth on Schedule A, and are based on the anticipated relative value.

(i) Mr. Mazursky has estimated that Commercial Unit #1 will be assessed at 7%, Commercial Unit #2 will be assessed at 16% and the Residential Units will be assessed at 77% of the total assessed valuation of the Property. The tax liability during the first year of operation beginning July 1, 2007, is estimated at $24,158 for Commercial Unit #1, $55,218 for Commercial Unit #2 and $265,737 for the Residential Units. The calculations are as follows:

First Year of Operation

Commercial Unit #1
7/1/01/07 - 6/30/08
$2,760,900[2] x .07[3] x .125[4] = **$ 24,158**

Commercial Unit #2
7/1/01/07 - 6/30/08
$2,760,900[2] x .16[3] x .125[4] = **$ 55,218**

Residential Units
7/1/01/07 - 6/30/08
$2,760,900[2] x .77[3] x .125[4] = **$265,737**

(j) Each unit will be given a separate tax lot number. Individual tax liability for each unit may be estimated by apportioning the total tax among the unit owners in proportion to the relative value of their space as indicated by the Purchase Prices set forth in Schedule A.

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1 "P" stands for progress assessment. The law provides that the initial increase for a new building in the course of construction, be removed from the final assessment roll if the construction is not substantially completed by April 15th

2 Estimated 2007/008 taxable Assessed Value.

3 Portion of value attributable to this space .

4 Estimated Class 4 Tax Rate.

(k) Sponsor is seeking a partial real estate tax exemption pursuant to Section 421-a. See the Section of the Plan entitled "**Real Estate Taxes**" and "**Opinion of Real Estate Tax Counsel**" contained in Part II of the Plan regarding the conditions for the granting of such an exemption. No guaranty is made by Sponsor, Mr. Mazursky or Herrick, Feinstein LLP that the Section 421-a exemption will be granted. If granted, the benefits provide a varied exemption of increases in assessed value over the 2004/05 base tax year. There may be up to a 100% exemption of building value during the construction period (not to exceed three years) and the first and second years of operation. In the third and fourth years, the exemption decreases to 80%, in the fifth and sixth years, it is reduced to 60% and to 40% in the seventh and eighth years. In the ninth and tenth years the exemption is further reduced to 20%, after which the Property will be fully taxed.

(l) The Section 421-2a exemption generally applies to the entire taxable assessed value over and above the "mini-tax." The "mini tax" is based on the current tax rate multiplied by the taxable assessed valuation for the tax year preceding the tax year in which construction of the new building commenced. In the first year of operation, the real estate tax after giving effect to Section 421-a exemption benefits is estimated as follows:

Commercial Unit #1		
$2,467,800[5] x .07 x .125	=	**$ 21,593**
Commercial Unit #2		
$2,467,800[5] x .16 x .125	=	**$ 49,356**
Residential Units		
$2,467,800[5] x. .77 x .125	=	**$237,526**

The above estimates do not take into account any future increases in the level of assessed valuation applied to residential and commercial property or any increase in the real estate tax rates. The real estate tax projections and discussion contained therein are based upon Mr. Mazursky's interpretation of the Real Property Tax Law and the Administrative Code of the City of New York applicable to the assessment of real property for real estate tax purposes. The potential applicability of these estimates is also based on Herrick, Feinstein LLP's discussion of the property's eligibility for the Section 421-a real estate tax exemption, which relied on Sponsor's description of the facts regarding the Property. The above estimates are not intended to be a guarantee or assurance of Sponsor, Mr. Mazursky or Herrick, Feinstein LLP that the Property will be eligible for the Section 421-a real estate tax exemption or that, even assuming eligibility, the actual tax assessments or actual taxes will be estimated at these levels. See "**Opinion of Real Estate Tax Counsel**" contained in Part II of the Plan.

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5 2004/05 taxable assessed value used to calculate the Section 421-a "mini-tax."

It should be noted that no assurances can be given that the assessed valuations or the tax rates estimated herein will be the same as finally determined by the New York City Department of Finance. If the assessed valuations or tax rates are greater than estimated or assumed, the real estate taxes payable will be higher.

No representation is made that the provisions of law or New York City Department of Finance policies or practices will apply at the time the construction of the Building is complete. The foregoing discussions are based on the Real Property Tax Law, the Administrative Code of the City of New York, and the applicable regulations in effect as of the date hereof. Each Purchaser should be aware that the laws, regulations, practices and positions of the Department of Buildings and the Department of Finance may in the future be revised in a manner adverse to a Purchaser's 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. Neither Sponsor, Mr. Mazursky nor Herrick, Feinstein LLP shall be liable if, because of any change of laws or regulations, adverse determination on any unsettled law, or changed interpretation by one or more agencies or courts of competent jurisdiction regarding said laws or regulations, the Condominium fails to obtain, in whole or in part, the Section 421-a benefits described above.

If on the date of the First Closing, the Units have not been separately assessed as independent tax lots, then until such time as 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.

After the Units are separately assessed as independent tax lots, each Unit will be taxed separately for real estate tax purposes, and each Unit Owner will be solely responsible for the payment of all real estate taxes on his Unit, but such Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

In the opinion of Sponsor's Counsel, the tax laws in effect on the date of this Plan generally permit an individual Residential Unit Owner who itemizes deductions on his tax returns to deduct from income for the purpose of federal, New York State and New York City income taxes, any real estate taxes paid by such Residential Unit Owner on his Residential Unit. The amount of such tax deductions, however, may vary in future years because of changes in the interest rate on the Residential Unit Owner's mortgage, if any, or changes in the allocation of constant debt service payments on such mortgage to interest and principal, or because of changes in real estate taxes resulting from the reduction or expiration of the Section 421-a exemption or changes in the assessed value of such Residential Unit, the tax rate or the method of assessing real property. See the Sections of the Plan entitled **"Income Tax Deductions to Unit Owners and Tax Status of Condominium"** and **"Opinion of Counsel"** for further discussion.

No warranties or assurances are given that the Governmental Authorities involved will assess the Units in the manner stated above or that the law on which the same is based will not change.

SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

July 1, 2007 - June 30, 2008

PROJECTED INCOME:

Common Charges Payable by Residential Unit Owners (Note A)	$1,840,930
Common Charges Payable by Commercial Unit Owners (Note B)	18,430
Total Projected Income (Note C)	**$1,859,360**

PROJECTED EXPENSES:

	Common Expenses	General Common Expenses Payable by Commercial Unit Owners	General Common Expenses Payable by Residential Unit Owners	Residential Common Expenses
Labor and Related Expenses (Note 1)	$781,175	$4,365	$776,810	
Heating and Hot Water (Note 2)	319,205			$319,205
Electricity and Gas (Note 3)	235,945			235,945
Water Charges and Sewer Rents (Note 4)	113,540	75	925	112,540
Repairs, Maintenance and Supplies (Note 5)	35,000	370	2,630	32,000
Service Contracts (Note 6)	50,700	570	7,130	43,000
Insurance (Note 7)	156,200	11,560	144,640	
Management Fee (Note 8)	85,050	890	11,110	73,050
Legal and Audit Fees (Note 9)	7,500	110	1,390	6,000
Other Expenses (Note 10)	10,000	40	460	9,500
Resident Manager's Unit (Note 11)	19,695			19,695
Contingency (Note 12)	45,350	450	23,625	21,275
Total Projected Expenses (Note 4)	**$1,859,360**	$18,430	$968,720	$872,210

FOOTNOTES TO SCHEDULE B

Amounts are projected on the assumption that the first year of condominium operation will be the 12-month period from July 1, 2007, through June 30, 2008. The actual first year of operation may be earlier or later than such 12-month period. If the beginning of the actual or anticipated first year of condominium operation is delayed by six months or more from the projected budget year, the Plan will be amended to include an updated budget with revised projections, if revised projections are necessary. If the aggregate of the revised projections exceeds the aggregate of the original projections by 25% or more, Sponsor will offer all purchasers the right, for a period of at least fifteen (15) days, to rescind their Purchase Agreements and have their Down Payments refunded promptly. The Common Charges payable by the Residential Unit Owners and the Commercial Unit Owners, except as expressly indicated in these Footnotes to Schedule B are based upon the opinion of Platinum Properties of New York Ltd. ("**Platinum**"), as contained in the Plan. The allocation of Common Expenses between the Residential Units and the Commercial Units have been made in accordance with the special allocation and apportionment provisions of Section 339-m of the Real Property Law. In the opinion of Platinum, such allocation of Common Expenses appears reasonable and adequate under existing circumstances to pay the anticipated budget expense items fairly and in a manner properly attributable to (a) the Residential Common Expenses and General Common Expenses; and (b) each category of Units (*i.e.*, Residential Units and Commercial Units).

Projected Income

Note A **Common Charges Payable by Residential Unit Owners ($1,840,930)**

The income projected to be required to meet Residential Common Expenses for the first year of condominium operation is $872,210, and the income projected to be required to meet the Residential Unit Owners' share of General Common Expenses for the first year of condominium operation is $968,720. General Common Expenses have been allocated between the Residential Units and the Commercial Units as described in the Note B below.

Note B **Common Charges Payable by Commercial Unit Owners ($18,430)**

The income projected to meet the Commercial Unit Owners' share of General Common Expenses for the first year of condominium operation is $18,430. It is not anticipated that there will be any Commercial Common Expenses during the first year of condominium operation. General Common Expenses have been allocated between the Residential Units and the Commercial Units on the basis of Common Interest, except as described otherwise in the notes below. Sponsor estimates that the Common Charges payable by the Commercial Unit Owners are sufficient to cover the Common Expenses fairly attributable to the Commercial Units. The amount of General Common Expenses allocated to the Commercial Units is the amount thereof estimated to be fairly and properly attributable to the Commercial Units based strictly upon (and limited and restricted to the extent only of): (1) those General Common Elements that actually serve or are actually utilized by the Commercial Units; (2) those services that are actually furnished by the

Condominium Board to the Commercial Units; (3) those items of projected General Common Expenses relating to the operation and affairs of the entire Property, namely: insurance (including the increase in premium, if any, caused by the non-residential use of the Commercial Units; management; legal (excluding legal services applicable only to the operation of the Residential Units and Residential Limited Common Elements); audit; and, certain administrative and miscellaneous expenses; and (4) the specially apportioned General Common Expense item for water and sewer services based on the amount of water consumed by the Commercial Units as measured by its separate submeter. The allocation of projected General Common Expenses to the Commercial Units are based on the amount reasonably anticipated to be fairly and properly attributable to the Commercial Units during the first year of condominium operation and may vary (possibly substantially) in subsequent years.

Note C **Total Projected Income ($1,859,360)**

This budgeted amount does not include any interest income that may be received by the Residential Board from its investment of the Working Capital Fund. All or part of these funds may be expended during the first or subsequent years of condominium operation. Nor does it include miscellaneous income that may be received by the Boards for such items as late fees on payments of Common Charges. These amounts cannot be determined exactly and, in any event, are not expected to be significant.

Projected Expenses

Note 1 **Labor and Related Expenses (Budget: $781,175)**

Residential Units	$776,810.00
Commercial Units	$4,365.00
Total	**$781,175.00**

The building staff will consist of a resident manager, two handymen, one concierges, four doormen and three porters; all of whom will be full-time employees. Such level of staffing complies with all applicable housing and labor laws The budget is predicated on the salaried employees becoming members of Local 32B-32J, Service Employees International Union, as this is the largest union serving residential buildings in New York City. It is possible that another union may be selected upon first hiring.

The base wages for each category of persons to be employed by the Condominium Association are projected as follows:

Position	Number of Employees	Total
Resident Superintendent	1	$80,000.00
Handymen	2	$82,070.00
Concierge	1	$39,553.00
Doormen	4	$158,211.00
Porters	3	$118,658.00
Doormen - overtime 8 hours/week		$11,868.00
Total		**$490,360.00**

The current union contract expires on April 20, 2010 (assuming ratification by the membership), for handymen, doormen, and porters. The budget is based upon the current contract. The budget includes eight hours of overtime per week in order to have full coverage at the door, and this option is given to the full-time doormen who are then paid at "time and a half."

The projected vacation, holiday, sick days, contingency, payroll taxes, and union benefits are as follows:

Item	Projected
Vacations, Holidays, and Sick Pay	$57,257.00
FICA and Medicare	37,513.00
Workers' Compensation and Disability	23,210.00
State and Federal Unemployment Insurances	4,356.00
Union Benefits	0
Health Fund	99,000.00
Pension Fund	28,600.00
Annuity Fund	6,864.00
Shortman Educational Fund	1,650.00
Legal Fund	2,750.00
Uniforms - Purchasing and Cleaning	29,615.00
Total	**$290,815.00**

The labor costs allocable to General Common Expenses are limited to the cost of the resident manager at 10 hours per week at $20,000 (rounded), and one porter at 20 hours per week at $19,775 (rounded), and, fringe benefits of $19,200 (rounded), for a total expense of $58,975 (rounded). This amount has been allocated, apportioned, and assessed to all Units pro rata in accordance with their Common Interests, or $54,610 (rounded), to all Residential Units (*i.e.*, $58,975 x 92.6%), and $4,365 (rounded) to the Commercial Units (*i.e.*, $58,975 x 7.4%).

Note 2 Heating and Hot Water (Budget: $319,205)

This cost is for the Residential Common Elements only and the estimate thereof is based on information contained in a letter dated September 8, 2006, from Lilker Associates, Consulting Engineers, P.C., 1001 Avenue of the Americas, New York, New York, 10018 (the "**Lilker Letter**"). The Commercial Units will be separately metered.

The estimated consumption is 11,200 lbs./year at $23.80/lb. or $266,560; to which has been added an inflationary factor of 15% and sales tax at 4.125%, for a total of $319,205 (rounded). The Building is in the planning stages at this time and no estimate has been included in this budget amount for the cost of hot water for the cleaning of the General Common Elements. This cost is included in Other Expenses or Contingency, which should be adequate to cover such cost.

The actual cost of steam will depend on the level of consumption and the rate. Consumption will be affected by various and unpredictable factors, including conservation measures (if any) adopted by the Residential Board.

The entire amount of this budget item is a Residential Common Expense.

Note 3 Electricity and Gas (Budget: $235,945)

Electric service to the Residential Units and the Commercial Units will be separately metered and billed directly by the utility company. The following estimates are based on information contained in the Lilker Letter.

The estimate for electricity for the Residential Common Elements is 1,100,000/kwh at $0.16/kwh (estimated by Platinum), or $176,000 (rounded). Added to such amount is an inflationary factor of 10%,or $17,600 (rounded), and sales tax at 4.125%, for a total of $201,585 (rounded).

The estimate for gas for the Residential Common Elements is 2,400,000 cu. ft. at $0.0125/cu. ft., or $30,000. An inflationary factor of 10%, or $3,000, and sales tax at 4.125% have been added, for a total of $34,360.

The budget amount for both utilities is $235,945.

The budget item for the estimated costs of the electric service to the General Common Elements is not included in this budget amount, as the Building is still in the planning stages. This cost is covered in the budget for Other Expenses or Contingency, which should be adequate to cover these costs.

The actual costs of electricity and gas will depend on the level of consumption and the rates. Consumption will be affected by various and unpredictable factors, including conservation measures (if any) adopted by the Condominium Board. The electric rate will be affected by numerous unpredictable variables that impact on the cost of oil used by the utility as its primary energy source to generate electricity.

The entire amount of this budget item is a Residential Common Expense.

See Schedule B-1 following this Schedule B for estimated Residential Unit Electric Costs.

Note 4 Water Charges and Sewer Rents (Budget: $113,540)

Residential Units	$113,465.00
Commercial Units	75.00
Total	**$113,540.00**

The Building's estimated annual consumption of domestic water in gallons is based upon information contained in the Lilker Letter; which estimates total residential water usage of 2,096,000 cu. ft. per year at a rate of $0.0181/cu. ft., for a total of $37,938; to which has been added an inflationary factor of 10%, or $4,794, and sales tax at 4.125%, for a total budget amount for water of $43,450. The Building's estimated annual sewer charge is based upon 2,096,000 cu. ft. per year at a rate of $0.02878/cu. ft., for a total of $60,321; to which has been added an inflationary factor of 10%, or $6,032, and sales tax at 4.125%, for a total budget amount for sewer of $69,090. The total water and sewer budget amount is $112,540.

Platinum's allocation to the General Common Elements is estimated usage for the employee's sink and washroom, cellar hallways and equipment rooms, sidewalk cleaning (exterior use) and, annual fire pump tests, at 18,700 cu. ft. per year at a rate of $0.0181/cu. ft., for a total of $338; to which has been added an inflationary factor of 10%, or $34, and sales tax at 4.125%, for an allocation to the General Common Elements of a budget amount for water of $385 (rounded). The estimated sewer charge is based upon 18,700 cu. ft./yr. at a sewer rate of $.02878/cu.ft.; for a total of $538; to which has been added an inflation factor of 10%, or $54, and sales tax at 4.125%, for an allocation to the General Common Elements of a budget amount for sewer of $615. Accordingly, this amount has been allocated pro rata to the Residential Units and the Commercial Units based upon their Common Interests. The allocation to the Residential Units is $925 (rounded) (*i.e.*, $1,000 x 92.6%); and the allocation to the Commercial Units is $75 (rounded) (*i.e.*, $1,000 x 7.4%). The Commercial Units will be submetered for usage and billed by the Condominium Board.

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

Note 5 Repairs, Maintenance and Supplies (Budget: $35,000)

Residential Units	$34,630.00
Commercial Units	370.00
Total	**$35,000.00**

This budget item has been estimated by Platinum based upon its experience in residential management and this estimate is fairly and properly attributable to the Residential Common Elements at a total estimated amount of $32,000. Such amount is a Residential Common Expense. Platinum projects an estimated $5,000 for repairs, maintenance and supplies with respect to the General Common Elements, and such amount is a General Common Expense This estimated

amount consists primarily of cleaning supplies for the General Common Elements. This expense has been allocated based upon Common Interests as follows: $4,630 (rounded) to the Residential Units (*i.e.*, $5,000 x 92.6%), and $370 (rounded) to the Commercial Units (*i.e.*, $5,000 x 7.4%).

During the first year of condominium operation, it will be necessary to purchase certain small equipment, including a vacuum cleaner, snow blower, wet-vac machine and various power tools. The cost of this equipment is to be paid from this budget item, the budget item for "Other Expenses" and the Working Capital Fund, to the extent sufficient.

Note 6 Service Contracts (Budget: $50,700)

Residential Units	$50,130.00
Commercial Units	570.00
Total	**$50,700.00**

The following service contracts are Platinum's estimates for the first year of condominium operation, and include sales tax (no service contracts have been signed as of this date):

Nature of Service	Projected Annual Cost
Elevator Maintenance	$38,000.00
Standpipe and Sprinkler Maintenance	$5,000.00
Exterminating	3,400.00
Landscaping	2,000.00
Water Treatment	2,300.00
Total	**$50,700.00**

In the opinion of Platinum, 50% of the estimated cost of the exterminating contract, or $1,700, and 50% of the estimated cost of the landscaping contract, or $1,000; and, the total estimated cost of the standpipe and sprinkler maintenance contract, or $5,000, are fairly allocable as General Common Expenses to be charged to all Units pro rata according to their Common Interests. Therefore, the amount of such General Common Expenses charged to the Residential Units is $7,130 (i.e., $7,700 x 92.6%); and the amount charged to the Commercial Units is $570 (i.e., $7,700 x 7.4%).

The remainder of the amount of this budget item, or $43,000, is a Residential Common Expense.

Note 7 Insurance (Budget: $156,200)

Residential Units	$144,640.00
Commercial Units	11,560.00
Total	**$156,200.00**

This budget amount is based upon the following insurance coverage recommended by Sterling & Sterling, Inc., 45 Crossbays Park Drive, P. O. Box 9017, Woodbury, New York 11797, by letter dated April 17, 2006:

Insurance Coverage	Limit
Property - Special Form, Replacement Cost, Agreed Value (no co-insurance)($10,000 deductible)	$80,000.00
Loss of Maintenance	$1,000,000.00
Boiler & Machinery ($10,000 deductible/24 hour	$50,000,000.00
General Liability	$1,000,000.00
Directors' and Officers Liability	$1,000,000.00
Umbrella Liability	$50,000.00
Fidelity	$250,000.00

Total Premium: **$142,000.00**

The property limits proposed in this letter are adequate to satisfy the policy requirements for Replacement Cost and Agreed Value coverage. Therefore, there will not be a co-insurance penalty applied to any claim presented under this insurance. This clause does not mean that the Condominium would necessarily receive proceeds sufficient to actually rebuild or restore the Building in the event of its substantial or total destruction. The Condominium Board should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage is sufficient. The property insurance also includes coverage for elevator collision.

The budget includes a 10% percent inflationary factor or $14,200, for a total amount of $156,200. The insurance cost is a General Common Expense and has been allocated, apportioned, and assessed to all Units pro rata in accordance with their Common Interests, as follows: $144,640 (rounded) to all Residential Units (*i.e.*, $156,200 x 92.6%); and $11,560 to the Commercial Units (*i.e.*, $156,200 x 7.4%).

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

Each Unit Owner should consider the desirability of obtaining, at such Unit Owner's sole cost, the following additional insurance, which is not included in the insurance described above:

(a) insurance against fire or casualty losses to the contents of such Unit Owner's Unit, including any replacements, additions, improvements and upgraded installations (that is, other than those installed by Sponsor); and

(b) liability insurance for personal injury or property damage as a result of occurrences within the such Unit Owner's Unit, or its appurtenant terrace, if any, including water damage legal liability insurance to cover damage arising from leaks or other conditions within the Unit or its appurtenant terrace, if any.

The opinion of Platinum with respect to this budget item has been given in reliance on information received from Sterling & Sterling, Inc.

Note 8 Management Fee (Budget: $85,050)

Residential Units	$84,160.00
Commercial Units	890.00
Total	**$85,050.00**

The budget amount is based upon the proposed management agreement with Residential Management Group, LLC, a Delaware limited liability company doing business as Douglas Elliman Property Management, having a principal office at 675 Third Avenue, New York, New York 10017. Such contract is for a term beginning with the First Closing, and at an annual fee of $80,000, payable in advance in equal monthly installments of $6,666.67 per month.

In the opinion of Platinum, an estimated 15% of the services of the Managing Agent are allocable to the General Common Elements and the cost thereof, $12,000, constitutes a General Common Expense. Accordingly, this amount has been allocated to the Residential Units and the Commercial Units based upon their Common Interests. The allocation to the Residential Units is $11,110 (rounded) (*i.e.*, $12,000 x 92.6%), and, to the Commercial Units is $890 (rounded) (*i.e.*, $12,000 x 7.4%).

The remainder of the amount of this budget item, or $68,000, is a Residential Common Expense.

Additional fees to be charged to the Residential Unit Owners as a Residential Common Expense are: (a) Real Estate Tax Rebate Program at $8.00/unit/year, or $1,656; (b) payroll fees at $8.50/employee/month, or $1,326; and (c) Window Guard and Fire Safety Compliance at $10.00/unit/year, or $2,070, for a total of $5,050 (rounded).

In addition to the management fee:

(a) the Managing Agent will be reimbursed certain costs and expenses (such as postage for mass mailings, payroll costs, etc.);

(b) the Managing Agent will receive commissions for placing insurance maintained by the Condominium Board and for renting space (if any) in the Common Elements, if authorized and retained for such purpose by the Condominium Board (Note: No such rentable space is contemplated or available); and,

(c) the Managing Agent will receive fees from Unit Owners (other than Sponsor or any Sponsor Successor) in connection with the following services:

(i) $600 on the sale or conveyance of a Residential Unit with a broker;

(ii) $650 on the sale or conveyance of a Residential Unit without a broker, that is subject to (and not exempt from) the Residential Board's right of first refusal under the By-Laws;

(iii) $150 for transfer of title;

(iv) $500 for unit alterations; and

(v) $300 for unit alterations (decorative).

The management contract also provides for an increase in the fee after the first year. Such increase will be in an amount equal to the management fee for the immediately preceding twelve-month period multiplied by a percentage equal to the percentage increase during the immediately preceding calendar year in the Consumer Price Index, Urban Wage Earners, New York/Northeastern New Jersey, as published by the Bureau of Labor Statistics, U. S. Department of Labor.

Note 9 Legal and Audit Fees (Budget: $7,500)

Residential Units	$7,390.00
Commercial Units	110.00
Total	**$7,500.00**

It is not anticipated that any of the Boards will retain an attorney during the first year of condominium operation, except possibly in connection with a real estate tax protest or remission proceedings (which are customarily performed on a contingency basis, other than for reimbursements of disbursements). Any expenses incurred for legal service for the first year of condominium operation are anticipated to be minimal in amount. This budget expense item does not include an allowance for potential legal expenses in the event the Residential Board elects to retain an attorney for legal services with respect to the operation, governance and affairs of the Residential Section (no legal services are anticipated with respect to operation, governance or affairs of the entire Property or the Condominium), as it is expected that such costs would be insignificant and thus are included in the Other Expense budget item (see Footnote 10).

The Condominium Board will incur auditing fees in connection with the preparation of the Condominium's audited financial statements and its federal, New York State and New York City tax returns. An estimated $7,000 has been budgeted for these services, based upon a proposal from Czarnowski & Beer LLP, Certified Public Accountants, 554 Fifth Avenue, New York, New

York 10036, as set forth in a letter dated April 13, 2006. No accountant has been engaged for these services as of this writing.

An estimated $1,500 of this Budget expense item has been allocated as a General Common Expense, based on the opinion of Platinum of the estimated amount to audit the Residential Common Expenses and the related accounting services attributable to the Residential Section, as compared to service attributable to the estimated amount to audit the General Common Expenses and the related accounting services attributable to the General Common Elements. Accordingly, such General Common Expense has been allocated to the Residential Units and the Commercial Units based upon their Common Interests. The amount of such General Common Expense allocated to the Residential Units is $1,390 (rounded) (*i.e.*, $1,500 x 92.6%), and the amount allocated to the Commercial Units is $110 (rounded) (*i.e.*, $1,500 x 7.4%).

The remainder of the amount of this budget item, or $6,000, is a Residential Common Expense.

Note 10 Other Expenses (Budget: $10,000)

Residential Units	$9,960.00
Commercial Units	40.00
Total	**$10,000.00**

This budget expense item includes: licenses and permits; annual elevator inspections (but excludes the two- and five-year inspections); corporate and franchise taxes; minor legal costs, doorman's telephone; office supplies; reproduction costs for notices, etc., for Unit Owners, staff, etc., a minor amount to purchase small equipment (for cleaning and snow removal) and hand tools; and a small allowance for potential interest on notes to pay closing apportionments if the net amount is in favor of Sponsor. This budget does not include the fees for future inspections such as standpipe and sprinkler five-year inspections.

$500 of the total amount of this budget item has been allocated as a General Common Expense and apportioned among the Units pro rata in accordance with their Common Interests. Accordingly, $460 (rounded) of this amount has been allocated to the Residential Units (*i.e.*, $500 x 92.6%), and $40 has been allocated to the Commercial Units (*i.e.*, $500 x 7.4%).

The remainder of the amount of this budget item, or $9,500, is a Residential Common Expense.

This projection is an estimate of Platinum based upon its experience in residential management and on its opinion of the reasonably anticipated customary miscellaneous expenses of the Boards for the projected first year of condominium operation under existing circumstances and assuming present trends and conditions, to the extent applicable, will continue.

Note 11 Resident Manager's Unit (Budget: $19,695)

The budgeted amount for the Resident Manager's Unit during the first year of condominium operation includes the following estimated costs: Common Charges of approximately $13,300 (rounded), real estate taxes of approximately $1,380 (rounded), assuming

Section 421-a benefits, the cost of electricity, estimated at $3,515, based on information contained in a letter dated April 5, 2006, from I. M. Robbins P.C., Consulting Engineers, 15 West 44th Street, New York, New York, 10036, and telephone charges of $1,500.

The entire amount of this budget item is a Residential Common Expense.

Note 12 Contingency (Budget: $45,350)

Residential Units	$44,900.00
Commercial Units	450.00
Total	**$45,350.00**

This budget expense item is to provide a fund for unanticipated contingencies during the first year of condominium operation, including an allowance for a possible increase in one or more expense items in this budget and/or to add to this budget one or more new expense items.

For budgeting purposes only, this contingency fund constitutes a General Common Expense. The amount of such General Common Expense allocated to the Residential Units is an amount equal to 2.5% of all Residential Common Expenses and 2.5% of the share of all General Common Expenses (other than this contingency fund) allocated to the Residential Units; and the amount of such General Common Expense allocated to the Commercial Units is an amount equal to 2.5% of the share of all General Common Expenses (other than this contingency fund) allocated to the Commercial Units The amount of such General Common Expense allocated to the Residential Units is $44,900 (rounded) (*i.e.*, ($850,935 x 2.5%) + ($945,095 x 2.5%)), and the amount thereof allocated to the Commercial Units is $450 (rounded) (*i.e.*, $17,980 x 2.5%).

This projection is an estimate of Platinum based on its experience in residential management and on its opinion of the reasonably anticipated customary contingency expenses of the Condominium for the projected first year of condominium operation under existing circumstances and assuming present trends and conditions, to the extent applicable, will continue.

General

The budget and any item contained in the budget may be modified from time to time prior to the commencement of, or during, condominium operation to add or delete budget items or to increase or decrease one or more budget items. The reserve for contingencies does not include a reserve for capital replacements or repairs, for which no provision is made under this budget. Reference should be made to the Section of the Plan entitled "**Working Capital Fund; Closing Adjustments with Condominium Boards; Reserve Fund**" for discussion of reserves that may be used for capital replacements.

Sponsor reserves the right to enter into additional or other service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium upon commencement of condominium operation. Sponsor shall not, however, enter into any binding service, maintenance, employment, concessionaire or other agreements that will materially increase the first year's projected Common Charges or that will be binding on the Condominium for a period of more than two (2) years, unless the Plan is amended.

IN THE OPINION OF PLATINUM, THE PROJECTED INCOME IS ADEQUATE TO MEET THE PROJECTED COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING JULY 1, 2007. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR OTHER INCOME AND EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY WILL BE AS SET FORTH IN SAID SCHEDULE, SINCE THE ANNUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE MAY VARY FROM AMOUNTS SHOWN IN THE SCHEDULE.

BUDGET FORECASTS ARE INHERENTLY UNCERTAIN AS OPERATING EXPENSES WILL BE AFFECTED BY MANY AND VARIABLE FACTORS AS WELL AS UNFORESEEABLE EVENTS. THE PROJECTED EXPENSES IN THIS BUDGET ARE GOOD FAITH ESTIMATES, BUT CANNOT BE, AND ARE NOT, ASSURED OR GUARANTEED. IN ALL LIKELIHOOD, THE ACTUAL EXPENSES WILL VARY FROM THEIR ESTIMATES.

IF THE TOTAL ACTUAL EXPENSES ARE HIGHER THAN PROJECTED, THEN THE COMMON CHARGES WILL INCREASE TO PAY THE DEFICIT. COMMON CHARGES OF UNIT OWNERS ARE THE SOLE SOURCE OF RECEIPTS AVAILABLE TO PAY THE PROJECTED EXPENSES IN THIS FIRST YEAR'S BUDGET.

SCHEDULE B-1

ESTIMATE OF RESIDENTIAL UNIT ELECTRICAL USAGE FOR FIRST YEAR OF CONDOMINIUM OPERATION

July 1, 2007 - June 30, 2008

I.M. Robbins P.C. ("**Robbins**"), by letter dated April 5, 2006, has estimated that the average annual cost of electricity for the Residential Units during the first year of condominium operation will be $3.25/square foot. Such estimate is based on the current Con Edison rate of $0.16/kwh.

Based on such estimate, Robbins has provided the following estimates for electrical costs for representative individual Residential Units.

Unit	Apartment Size (in sq. ft.)	Total Annual Kwh	Total Annual Cost
3A	614	12,475	$1,996
4L	768	15,600	$2,496
9D	1,082	21,975	$3,516
20I	1,855	37,681	$6,029
5M	1,613	32,762	$5,242

The projected electric costs set forth above are based on the current rates of Con Edison. It is not possible to predict how closely the projected figure will reflect the actual expense for electricity to be incurred by Unit Owner during the first year of Condominium operation, in part because such expenses will vary with the level of consumption and the applicable electric rates. Many factors affect the cost of electricity, (which has in the past been highly volatile and unpredictable). Historically, electric rates have been steadily increasing and the cost of electricity is likely to increase, although it is not possible to forecast with certainty the amount or timing of such increases.

OPINION RE APPORTIONMENT OF
COMMON INTERESTS

Platinum Properties Of New York Ltd.
c/o Michael Becher and Associates, Inc.
805 Third Avenue, 19th Floor
New York, New York, 10022

26 April 2006

Victor at E 23, LLC
c/o The Victor Companies
Allaire Corporate Center
3349 Highway 138
Building C, Suite C
Wall, New Jersey, 07719

Re: Condominium Offering Plan for
340 East 23rd Street
New York, New York, 10010

Ladies and Gentlemen:

We have reviewed for inclusion in the Condominium Offering Plan (the "Plan"), for the 340 East 23rd Street Condominium, 340 East 23rd Street, New York, New York, 10010, (the "Property"), this Opinion Re Apportionment of Common Interest. Platinum Properties Of New York, Ltd., is a real estate brokerage firm licensed in the State of New York. Our principal has been engaged in the sale and management of residential properties in New York, including condominiums for more than twenty-five (20) years, including associations with other real estate firms in New York City.

We have been involved in similar renderings of opinions of compliance with Real Property Law 339 (i) with the conversions to condominium or cooperative ownership of numerous buildings, including: 1600 Broadway, New York, New York, 10036; Bridge Tower Plaza (61st Street and 1st Avenue, NY, NY); 130 West 30th Street Condominium, NY, NY; The Heywood Building, 263 Ninth Avenue, New York, New York; Cathedral Tower Condominium (514 West 110th Street, NY, NY); 1628 Second Avenue Condominium, NY, NY; Charles Street Condominium, 95 Charles Street, NY, NY; 203 West 90th Street Condominium, NY, NY; and Stuyvesant Heights Condominium, 380-382 Lewis Avenue, Brooklyn, NY.

You have requested our opinion on whether the method used to determine the undivided percentage interest of each Unit in the Common Elements in the above-referenced matter complies with Real Property Law Section 339(i)(1)(iv). In connection with this opinion we have reviewed the Plan and have assumed and relied upon the statements and information contained therein (including the floor plans and the computations of square footages prepared by Gerner Kronick + Valarcel, Architects, PC, 443 Park Avenue South, New York, New York 10016 and calculations of Percentage Interest in the Common Elements prepared pursuant to Sponsor.

In our opinion the Common Interest allocation among the Residential Units and the Commercial Unit set forth in the Plan complies with Real Property Law Section 339(i)(1)(iv),

in that it was determined 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.

We have no beneficial interest in the Sponsor or in the profitability of the conversion of the Property to condominium ownership.

All capitalized terms not defined in this letter shall have the meaning ascribed to them in the Plan.

Very truly yours,

PLATINUM PROPERTIES
OF NEW YORK LTD.

Elizabeth A. Hurley,
President

COMMERCIAL UNITS

The Condominium will contain two Commercial Units, neither of which is currently offered for sale to the public. Sponsor reserves the right, however, to offer any one or more of the Commercial Units for sale to the public at a later date by amendment to the Plan.

Under the terms of the purchase and sale agreement pursuant to which Sponsor acquired from McDonald's Corporation a portion of the Land, McDonald's Corporation has the right to purchase from Sponsor, for nominal consideration, the Commercial Unit designated as Commercial Unit #1 on Schedule A. It is anticipated that at or about the time of the First Closing, Sponsor will convey title to Commercial Unit #1 to McDonald's Corporation (or its designee) in accordance with the terms of such purchase and sale agreement.

The Commercial Units may be used for any lawful purpose, except that they may not be used (i) for any illegal or pornographic purposes or (ii) as a commercial establishment in which are provided sex-related activities consisting of nude or semi-nude live performances, sex clubs, massage parlors, adult book stores, peep shows or (iii) as a homeless shelter or (iv) as a drug or alcohol rehabilitation facility. Sponsor makes no representation as to what the actual use of any Commercial Unit will be at any time. Neither any Board nor the Unit Owners will have any right to restrict or limit any lawful use of any Commercial Unit. No representation or warranty is made as to who the owners or tenants of the Commercial Units may be at any time or as to the uses to which such Commercial Units may be put at any time. Any and all rents, revenues and profits of any type whatsoever from a Commercial Unit shall belong to the Commercial Unit Owner who owns such Commercial Unit.

The Commercial Unit designated as Commercial Unit #2 on Schedule A has been leased by Sponsor to CVS Albany, L.L.C., for use as a retail store for the display and sale of health and beauty aids, non-prescription drugs, cosmetics, perfumes, and such other items or services as are from time to time sold or provided by CVS or other drug stores, including the right to operate a pharmacy prescription department.

Each Commercial Unit Owner and his respective tenants, employees, agents, licensees and invitees shall have an easement to use the sidewalks and ramps appurtenant to such Commercial Unit Owner's Commercial Unit for such purposes as may be permitted by law, including, without limitation, use as a sidewalk café, including, without limitation, food and beverage services and the placement of outdoor seating, tables and signage.

The Declaration and the By-Laws may not be amended or modified so as to adversely affect a Commercial Unit Owner without the prior written consent of the affected Commercial Unit Owner.

Each Commercial Unit Owner shall have the right to sell or lease all or any portion of such Commercial Unit Owner's Commercial Unit without complying with any right of first refusal contained in the Declaration or By-laws.

The Commercial Unit Owners, at an annual meeting to be held 180 days after the First Closing, will be entitled to elect or designate the members of the Commercial Board, which will

have three members, two of whom will serve as members of the Condominium Board. The members of the Condominium Board elected or designated by the Commercial Board may only be removed by the Commercial Board, which alone will have the right to elect or designate a replacement.

Each Commercial Unit Owner has certain special rights under the Declaration, including the right to make certain alterations, additions and improvements to his Commercial Unit and subdivide such Commercial Unit without the consent of any Board. The Commercial Unit Owner shall have an easement of ingress and egress through certain Common Elements, an easement for the installation, maintenance, repair and replacement of canopies, awnings and signs and the right to alter the existing facades and any store fronts appurtenant to such Units without the consent of the Commercial Board or the Condominium Board. Each of the foregoing easements shall be exercised in such a manner as to not unreasonably disrupt the use by other Unit Owners of their respective Units. See the Section of the Plan entitled "Rights and Obligations of Unit Owners and Boards of Managers."

Common Charges payable by the Commercial Unit Owners are based on the Common Interests of the Commercial Units as set forth on Schedule A, except as expressly indicated in the Footnotes to Schedule B. Relying on the certification of Platinum Properties of New York Ltd. contained in Part II of the Plan, Sponsor estimates that the Common Charges payable by the Commercial Unit Owners are sufficient to cover the Common Expenses fairly attributable to the Commercial Units. The allocation of Common Charges attributable to the Commercial Units shall also reflect special or exclusive use or availability or exclusive control of particular Common Elements.

The terms of the By-Laws authorize the Condominium Board to make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual), provided, however, that such allocations are reasonable under the circumstances and are in accordance with the provisions of Applicable Law.

The Condominium Board and the Commercial Board, at the request of Sponsor, will enter into one or more agreements with any tenant(s) with which Sponsor has entered into a lease for all or a portion of any Commercial Unit. Under the terms of such agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration, and the Condominium Board and the Commercial Board will agree that so long as there is no event of default under said lease as would entitle the 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 lien of either the Condominium Board or the Commercial Board on such Commercial Unit for Common Charges or any other sums of any sort, and the Condominium Board and the Commercial Board shall agree that the lease shall not be terminated in any foreclosure or other action or proceeding instituted in connection with any such lien or in the exercise of any rights of the Condominium Board or the Commercial Board, or, in case the Condominium Board or the Commercial Board takes possession of the Commercial Unit pursuant to any provision of the Declaration or the By-Laws, or otherwise; provided, however, that if the Condominium Board or the Commercial 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 attorn to such Board or party as its landlord.

The Boards will also be required to cooperate with a Commercial Unit Owner in connection with the sale, leasing or mortgaging of a Commercial Unit. Such cooperation shall include the execution and delivery by the Boards, without charge to the Commercial Unit Owner, of such documents as may reasonably or customarily be required in connection with the sale, leasing or mortgaging of a Commercial Unit.

Any dispute between the Residential Board and the Commercial Board as to which Board shall be entitled to make any determination shall be settled by arbitration to be conducted in New York City by the American Arbitration Association.

In Sponsor's opinion, the rights of the Commercial Unit Owners will not have a material adverse impact on the Condominium.

CHANGES IN PRICES AND UNITS

Changes in Price and Terms of Sale

Sponsor reserves the right to change the Purchase Price, the manner of payment thereof and any other term of sale of any Unit, at any time and from time to time, both before and after the recording of the Declaration, without prior notice or prior amendment to the Plan, except as set forth below, and without the consent or approval of the Selling Agent, the Managing Agent, any Board, any Unit Owner, any mortgagee or any other party.

Changes in the Purchase Prices set forth in Schedule A will be made pursuant to a duly filed amendment to the Plan when such change in price is (a) an across-the-board increase or decrease affecting one or more lines of Units or Unit models, or (b) is to be advertised, or (c) is a price increase for an individual Purchaser. As set forth in the Footnotes to Schedule A, Purchase Prices are negotiable, and Sponsor may enter into an agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment.

If Sponsor changes the Purchase Price of one or more Units, the Purchaser of such Unit may pay, or may have paid, more or less than other Purchasers of comparable Units having the same Common Interest. Such a price change, however, will not alter the Common Interest of, or the amount of the Common Charges payable by, the Unit Owners.

Changes in Size, Layout and Number of Residential Units

Except to the extent prohibited by law, Sponsor shall have the right, without the vote or consent of any Board, other Unit Owners or the Residential Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Unsold Residential Units; (b) change the use (subject to Section 6.13 of the By-Laws and provided that such use is permitted by law and does not violate the then-existing certificate of occupancy covering such Unsold Residential Unit or any other governmental regulations) 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 Residential Units; by combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units; by converting a Residential Unit or

any portion thereof to a Residential Common Element, a Residential Limited Common Element, a Commercial Unit, a Commercial Common Element or a Commercial Limited Common Element; or by altering the boundary walls between any Unsold Residential Units, or otherwise, including incorporating into an Unsold Residential Unit those Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) that exclusively benefit such Unsold Residential Unit; (d) designate a General Common Element, a Residential Common Element, a Residential Limited Common Element, a Commercial Common Element or a Commercial Limited Common Element as part of a newly created Residential Unit, Residential Common Element, Residential Limited Common Element, Commercial Unit, Commercial Common Element or Commercial Limited Common Element, or designate all or part of a Residential Unit as a newly created Commercial Unit, Residential Common Element, Residential Limited Common Element, Commercial Common Element or Commercial 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) Sponsor 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; and (iii) the soundness or structural integrity of any part of the Building or the safety of any Unit Owner, tenant or other Person shall not be jeopardized by reason thereof. 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.

Such rights may be exercised by Sponsor from time to time, both before and after the recording of the Declaration, without the consent or approval of the Selling Agent, the Managing Agent, any Board, any Unit Owner, any mortgagee or any other party. Sponsor, however, will first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by Applicable Law. In addition, if a Purchase Option Agreement has been executed and delivered to Sponsor with respect to a Residential Unit and the Purchaser thereunder is not in default, Sponsor will not materially change the size or layout of such Residential Unit or the percentage of its Common Interest without the written consent of such Purchaser. Further, Sponsor will not cause any material change to be made in the size or any material adverse change to be made in the quality of the Common Elements without the consent of all Purchasers.

It should be noted that as long as the layout and dimensions of a Residential Unit conform to the Floor Plans, subject to minor inaccuracies, a Purchaser will not be excused from purchasing his Residential Unit for such reason and will not have any claim against Sponsor as a result of such deviation.

If Sponsor changes the size or number of Unsold Residential Units, Sponsor will increase or decrease the Common Interests appurtenant thereto accordingly. The aggregate amount of the Common Interests of all the Units, however, will always remain at 100%. As a result of any

reapportionment of the Common Interests appurtenant to Unsold Residential Units, the amount of the Common Charges and the real estate taxes and assessments payable by the owners of the Unsold Residential Units affected thereby will be increased or decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the owners of Units unaffected thereby will not vary.

The Plan and, when applicable, the Declaration will be amended to reflect any change in the size or number of Residential Units or their respective Common Interests, or any material change in the size or quality of the Common Elements; however, the layout and number of rooms in Unsold Residential Units may be changed without prior notice or amendment of this Plan.

Once the Declaration is recorded, any change in the number of Units or number of rooms within a Residential Unit, or in the size of any Unit resulting from a subdivision or combination or alteration of boundary walls as aforesaid, or otherwise, or in the Common Interest of any Unit, shall be reflected in a duly recorded amendment to the Declaration. As more particularly provided in the Declaration, Sponsor, as the owner of an Unsold Residential Unit, will have the right itself to so amend the Declaration to effectuate such change, without any Board, any other Unit Owners, any mortgagee or any other party consenting to or executing such amendment. No change in a Unit's Common Interest will be made, however, without the prior written consent of the owner of such Unit having been obtained.

To the extent permitted by Applicable Law, if the size or configuration of a Unit is changed in compliance with the Plan and the Condominium Documents and, in connection therewith, a wall, space or other area forming a part of the Common Elements servicing and benefiting only such Unit is razed or incorporated in the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain unchanged.

Changes to Commercial Units

Except to the extent 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 Board, the Condominium Board, other Unit Owners or the 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 such Commercial Unit Owner's Commercial Unit and the Commercial Limited Common Elements appurtenant thereto; (2) change the layout or number of rooms in such Commercial Unit from time to time; (3) change such Commercial Unit by subdividing the same into any desired number of Commercial Units, combining any Commercial Units or altering the boundary walls between any Commercial Units resulting therefrom; (4) designate a Commercial Common Element or Commercial Limited Common Element as part of a newly created Commercial Unit, or designate all or part of a Commercial Unit as a newly created Commercial Common Element or a Commercial Limited Common Element, (5) reapportion among the newly created Commercial Units resulting from any subdivision, combination or otherwise, their percentage interests in the Common Elements, which such reapportionment shall be based upon floor space, subject to the location of such space, the 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 further

that in no case may such reapportionment result in a greater percentage of Common Interest for the total of the new Commercial Units than existed for the original Commercial Unit; and (6) change, alter or modify the facade and exterior portion of a Commercial Unit; provided, however, that (i) such Commercial Unit Owner 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, (ii) the soundness or structural integrity of any part of the Building or the safety of any Unit Owner, tenant or other Person shall not be jeopardized by reason thereof, and (iii) the percentage interest in the Common Elements of any portion of any Commercial Unit owned by another shall not be changed by reason thereof unless the owner of such Commercial Unit shall consent thereto. Notwithstanding the foregoing, the approval of the Commercial Board shall not be required for any of the foregoing actions with respect to any Commercial Unit that is owned by Sponsor. No reapportionment of the interests in the Common Elements appurtenant to any Commercial Unit shall be made unless there is first delivered to the Commercial 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. Such change in size an/or number shall be reflected in a duly recorded amendment to the Declaration, and any such changes shall be made in compliance with Applicable Law. Under no circumstances will the Common Interest of any Residential Unit be changed as a result of any such subdivision

INTERIM LEASES

Sponsor reserves the right to rent or lease vacant Units to Purchasers and non-Purchasers at any time, both before and after the First Closing. Once a Purchase Option Agreement is accepted for a vacant Residential Unit, however, and for so long as such Purchase Option Agreement is in effect, such Residential Unit may only be leased to the Purchaser thereof pursuant to a lease (an "**Interim Lease**") on the terms set forth in this Section of the Plan.

Units that are subject to Interim Leases will not be "rent controlled" or "rent stabilized"; that is, they will not be subject to the New York City Rent Law (rent control), the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law or the New York City Rent Stabilization Code, as such laws and regulations are currently in effect.

An Interim Lease shall be prepared on a form of lease that will be available for inspection at the office of Sponsor or the Selling Agent and shall contain the default provisions (including failure of the tenant to comply with its obligations under his Purchase Option Agreement) described below. The term of each such Interim Lease shall expire on the earliest to occur of (i) the date of closing of title to the Residential Unit covered by such Interim Lease, (ii) the date fixed in the Interim Lease for the expiration of the term, (iii) the date upon which the Interim Lease is terminated at the option of Sponsor by reason of a default by the Purchaser-tenant under the Interim Lease or a casualty or condemnation affecting the Unit or (iv) the date upon which the Interim Lease is terminated by the Purchaser-tenant or Sponsor as provided below. The rent payable under the Interim Lease shall be negotiated by the parties.

An uncured default by the Purchaser-tenant under the Purchase Option Agreement will constitute a default under the Interim Lease. An uncured default in the performance or observance

of the terms and conditions of the Interim Lease will also constitute a default under the terms of the Purchase Option Agreement and will permit Sponsor to cancel the Purchase Option Agreement in accordance with its terms. The Purchaser-tenant will be required to vacate the Residential Unit occupied pursuant to the Interim Lease within thirty (30) days after notice is sent of Sponsor's intent to cancel the Purchase Option Agreement, provided that the Purchaser-tenant fails to cure any such default within the applicable grace period, if any, with TIME BEING OF THE ESSENCE. Before a default under the Interim Lease may be declared a default under the Purchase Option Agreement, however, either: (i) Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser-tenant, or (ii) the Purchaser-tenant must have vacated the Residential Unit occupied pursuant to the Interim Lease.

If the Purchaser-tenant should exercise any right to terminate or rescind the Purchase Option Agreement or Interim Lease, such termination or rescission will be contingent upon his surrendering possession of the Residential Unit occupied pursuant to the Interim Lease and leaving the same vacant, in good condition and broom clean within thirty (30) days after he elects to terminate or rescind. He must also pay any rent then due and payable under the Interim Lease. Nothing contained herein shall relieve any Purchaser of liability for damage to his Unit or of any other liability under the Purchase Option Agreement or Interim Lease.

In no event will any portion of the rental paid under an Interim Lease be credited towards the Purchase Price of the Residential Unit subject to the Interim Lease.

PROCEDURE TO PURCHASE

General

A Person wishing to purchase a Residential Unit will be required to execute, in triplicate, a Purchase Option Agreement in the form set forth as Document Number 1 in Part II of the Plan. The Purchase Option Agreement contains the terms and conditions upon which the Unit will be sold and, before being executed, should be read carefully by the prospective Purchaser and his legal or financial representative.

Unless a Purchaser has been afforded at least three (3) business days in which to review the Plan and all filed amendments prior to executing a Purchase Option Agreement, such Purchaser shall have seven (7) days after delivering an executed Purchase Option Agreement together with the required Down Payment to rescind the Purchase Option Agreement and have the full Down Payment refunded promptly. Such Purchaser must either personally deliver a written notice of rescission to Sponsor or the Selling Agent within the seven (7)-day period or mail the notice of rescission to Sponsor or the Selling Agent and have the mailing postmarked within the seven (7)-day period.

Delivery of Purchase Option Agreement

A prospective Purchaser wishing to purchase a Residential Unit should deliver to the Selling Agent at 724 Fifth Avenue, New York, New York 10019, three (3) copies of the executed Purchase Option Agreement, together with such prospective Purchaser's unendorsed personal check, drawn on a bank to which checks are presented for payment through the New York

Clearing House Association, in a sum equal to ten percent (10%) of the Purchase Price, representing the first installment of the Down Payment. Said check is to be made payable to the order of "Linett, Schechter, Reicher & Ofsevit, LLP, as escrow agent."

Acceptance of Purchase Option Agreement

Within twenty (20) days after said delivery to the Selling Agent by the prospective Purchaser of three (3) copies of the executed Purchase Option Agreement, together with the first installment of the Down Payment, Sponsor shall either accept the Purchase Option Agreement by returning a fully executed counterpart thereof to the prospective Purchaser or reject the Purchase Option Agreement and refund the first installment of the Down Payment previously tendered. If Sponsor takes no action to accept or reject the Purchase Option Agreement within said twenty (20)-day period, the Purchase Option Agreement shall be deemed to have been rejected and the prospective Purchaser shall be entitled to receive immediately a full refund of the first installment of the Down Payment. Upon such refund being made, neither party will have any further rights, obligations or liabilities hereunder with respect to the other or any other party connected with the Plan. Sponsor has the right, without incurring any liability, to reject any Purchase Option Agreement without cause or explanation, so long as such rejection is not based upon race, creed, color, national origin, ancestry, sex or other ground prohibited by Applicable Law.

Delivery of Second Installment of Down Payment

Within five months from the date that a fully executed counterpart of the Purchase Option Agreement is returned to the Purchaser, the Purchaser will be required to pay a second installment of the Down Payment in the amount of five percent (5%) of the Purchase Price by delivering to the Selling Agent Purchaser's unendorsed personal check made payable to Said check is to be made payable to the order of "Linett, Schechter, Reicher & Ofsevit, LLP, as escrow agent" in such amount, and drawn on a bank to which checks are presented for payment through the New York Clearing House Association. TIME IS OF THE ESSENCE FOR THE PURCHASER TO PAY THE SECOND INSTALLMENT OF THE DOWN PAYMENT WITHIN SUCH FIVE-MONTH PERIOD. THE FAILURE TO MAKE SUCH PAYMENT IN A TIMELY MANNER WILL BE AN EVENT OF DEFAULT UNDER THE PURCHASE OPTION AGREEMENT. IF SUCH EVENT OF DEFAULT IS NOT CURED WITHIN THIRTY DAYS FOLLOWING WRITTEN NOTICE, AS TO WHICH TIME IS OF THE ESSENCE, SPONSOR SHALL HAVE THE RIGHT TO CANCEL THE PURCHASE OPTION AGREEMENT AND RETAIN AS AND FOR LIQUIDATED DAMAGES, ALL SUMS PREVIOUSLY PAID BY PURCHASER ON ACCOUNT OF THE DOWN PAYMENT. The amounts delivered as the first installment and the second installment of the Down Payment shall, together, constitute the "**Down Payment**" under the Purchase Option Agreement.

Notice of Exercise of Option

At or prior to the closing, as a condition of his purchase of the Unit, the Purchaser is required to deliver a notice of exercise of its option under the Agreement to purchase the Unit. Failure to give such notice (after a 10-day opportunity to cure as specified in the Agreement, **TIME BEING OF THE ESSENCE**) will result in Sponsor's having the right to cancel the Agreement and any option contained therein, in which event Sponsor will be entitled to retain the Down Payment as a non-refundable option fee and proceed to collect any portion of the Deposit that has not been paid.

Closing of Title

After an amendment declaring the Plan effective or confirming that the Plan has been declared effective has been accepted for filing, Sponsor will fix dates for closing title to all Residential Units for which Purchase Option Agreements have been executed by serving on each Purchaser a notice stating the date of the First Closing and setting the date, time and place (within the City of New York) of closing of title to the Residential Unit to be acquired by such Purchaser. Such notice will be served no less than thirty (30) days before the date set for the closing of title to such Residential Unit. A Purchaser who wishes to waive this thirty (30)-day notice requirement may do so in writing. The closing of title to each Residential Unit will occur in accordance with the terms of the applicable Purchase Option Agreement. See the Sections of the Plan entitled "**Terms of Sale**" and "**Unit Closing Costs And Adjustments**" for a more complete discussion of the events that will occur at each such closing of title.

Sponsor anticipates that the First Closing will occur on or about July 1, 2007. If the First Closing is delayed twelve (12) months or more beyond such date, Purchasers will be offered the right, for a period of at least fifteen (15) days from the Presentation Date of an amendment in which Sponsor discloses that the First Closing has not occurred within such twelve (12)-month period, to rescind their Purchase Option Agreements and have their Down Payments refunded promptly.

As a condition of the purchase of a Residential Unit, the Purchaser is required to deliver, on or before the date set for the closing of title thereof, a notice of exercise of its option under the Agreement to purchase the Unit. Failure to give such notice (after a 10-day opportunity to cure as specified in the Agreement, **TIME BEING OF THE ESSENCE**) will result in Sponsor's having the right to cancel the Agreement and any option contained therein, in which event Sponsor will be entitled to retain the Down Payment as a non-refundable option fee.

Terms of Purchase Option Agreement

The following is a summary of certain material provisions of the Purchase Option Agreement, but it is not intended as a complete statement of these or other important provisions of the same. For a complete statement of these provisions, please refer to the form of Purchase Option Agreement set forth as Document Number 1 in Part II of the Plan:

(a) Incorporation of Plan

The Plan (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) as well as all amendments to the Plan duly filed by Sponsor (including, but not limited to, amendments involving any changes, modifications or updating of the estimated Common Charges, the estimated real estate taxes to be paid by the Purchaser, or Schedule B) are incorporated into each Purchase Option Agreement by reference. Any conflict between the Purchase Option Agreement and the Plan will be resolved in favor of the Plan. The execution and submission of a Purchase Option Agreement constitutes the Purchaser's acceptance of the Plan and his agreement to be bound by the terms of the Plan, including all duly filed amendments thereto. Any such amendments shall not excuse the Purchaser from performing the Purchaser's obligations hereunder, nor shall they entitle the Purchaser to any offset or credit against the performance of the Purchaser's obligations hereunder, nor shall they entitle the Purchaser to any offset or credit against the Purchase Price. Any such amendments may be made by Sponsor

without the Purchaser's consent or approval; subject to the Purchaser's right to rescind in the event of a material amendment to the Plan or the Condominium Documents that adversely affects in any material respect the Purchaser's rights, obligations or liabilities under his Purchase Option Agreement or under the Plan as more specifically set forth in the Section of the Plan entitled "**General.**"

Nothing contained in the Plan, the Purchase Option Agreement or any modifications thereto shall be deemed to constitute a waiver of the Purchaser's rights or an abrogation of Sponsor 's obligations under Article 23-A of the GBL. The Purchase Option Agreement to be used by Eligible Tenants who purchase during the Exclusive Purchase Period may not be modified except by a duly filed amendment to the Plan.

(b) Payment of Purchase Price

As provided above, each Purchaser shall deliver his check in the amount of the first installment of the Down Payment simultaneously with the execution and delivery of the Purchase Option Agreement and shall deliver his check in the amount of the second installment of the Down Payment within five months from the date that a fully executed counterpart of the Purchase Option Agreement is returned to the Purchaser. The balance of the Purchase Price will be paid to Sponsor at the closing.

Except for the Down Payment, which is to be paid as provided above, any payments to be made by the Purchaser under the Purchase Option Agreement (including, without limitation, the payment of the balance of the Purchase Price), whether to, on behalf of or at the request of Sponsor, must be made by unendorsed certified check, or official bank check, drawn in either case on a bank to which checks are presented for payment through the New York Clearing House Association and made payable to the order of Sponsor; except that at the request of Sponsor made at or prior to the closing, the Purchaser will pay the balance of the Purchase Price to such payees as Sponsor directs.

If any check for any payment to be made by the Purchaser under the Purchase Option Agreement (including, without limitation, either installment of the Down Payment) shall be dishonored for any reason whatsoever, it shall be deemed a material default by the Purchaser under the Purchase Option Agreement and Sponsor may, in that event, cancel the Purchase Option Agreement and, notwithstanding such cancellation, be entitled to recover the amount of such check in addition to, without limiting the foregoing provisions, the costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) of collection of any such check or other instrument so dishonored.

(c) No Financing Contingency

Although a Purchaser may obtain financing from any lending institution or other source, the Purchaser's obligation to purchase a Residential Unit pursuant to a Purchase Option Agreement will not be contingent upon the Purchaser's obtaining such financing, so that a Purchaser will remain obligated under the Purchase Option Agreement whether or not such Purchaser has been able to obtain financing. Neither Sponsor nor the Selling Agent makes any representation whatsoever as to the terms or availability of any mortgage or other financing. Prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be limited and it could expire before the closing date; and Sponsor shall have no obligation to

schedule or conduct any closing prior to the expiration of any loan commitment and shall have no liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment.

(d) Trust Funds

Sponsor shall comply with the escrow and trust fund requirements of Sections 352-e(2-b) and 352-h of the GBL and the Attorney General's Regulations promulgated pursuant thereto, and all funds paid by Purchasers shall be handled in accordance with such statutes and Regulations. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the handling or disposition of Down Payments paid by such Purchasers. Nothing in the preceding sentence, however, will limit the obligation of any Purchaser to pay the fees and expenses of Sponsor's attorneys (to the extent such fees and expenses are expressly disclosed in the Plan) in connection with the purchase or closing of title to the Unit purchased by such Purchaser under the Plan.

Each Down Payment will be placed, within five (5) business days after the date on which the Purchase Option Agreement has been signed by all necessary parties, in a special escrow account of Linett, Schechter, Reicher & Ofsevit, LLP (hereinafter the "**Escrow Agent**"), whose address is 810 Seventh Avenue, New York, New York 10019, and whose telephone number is (212) 245-7700. The signatories on this escrow account, each of whom is a member of Linett, Schechter, Reicher & Ofsevit, LLP, and any one of whom is authorized to withdraw funds, are Martin Schechter, Irwin Reicher and Samuel M. Ofsevit. The name of the escrow account is "Linett, Schechter, Reicher & Ofsevit, LLP. as escrow agent under the Plan for Gramercy Star Condominium" (the "**Escrow Account**"), and such Escrow Account is located in JP Morgan Chase Bank, 1166 Avenue of the Americas, New York, New York 10036 (the "**Bank**"). The Bank is covered by federal bank deposit insurance generally to a maximum of $100,000 in the aggregate with respect to all funds deposited by any person in one or more deposit accounts (including, without limitation, amounts deposited directly by such person and the Down Payment held in escrow for such person by the Escrow Agent).

If a Purchaser makes a Down Payment in excess of $100,000 for the purchase of a Unit, or if the amount of such Purchaser's deposits at the Bank and such Down Payment exceed $100,000, the aggregate of such Down Payment and all other such deposits will generally not be federally insured in excess of $100,000. No representation or guaranty is made by the Escrow Agent or Sponsor that the Federal Deposit Insurance Corporation will insure any depositor's funds, if and when called upon to do so.

The Escrow Account will be interest bearing, and any interest earned on the Down Payment shall be delivered to a Purchaser at the closing of title to his Unit or other termination of the Purchase Option Agreement, unless the Purchaser has defaulted thereunder beyond any applicable grace periods, in which event Sponsor shall be entitled to retain the Liquidated Sum. The interest rate to be earned on the Down Payment will be the rate paid from time to time by the Bank for the same type of account as the Escrow Account, which was 1.8% per annum as of May 1, 2006. Interest will begin to accrue when the check for a Down Payment is collected, and provided there is no charge back or debit by the Bank against the amount deposited. Each Purchaser must indicate his or her social security or its federal taxpayer identification number on the Purchase Option Agreement. If there is more than one Purchaser, the social security or federal

taxpayer identification number of each Purchaser who will be receiving any interest earned on a Down Payment must be noted on the Purchase Option Agreement. A Purchaser's failure to provide this information with the Purchase Option Agreement will be deemed a waiver of such Purchaser's right to receive interest on such Down Payment.

All checks for Down Payments under the Plan shall be made payable to the order of "Linett, Schechter, Reicher & Ofsevit, LLP, as escrow agent." Within ten (10) business days after unconditional tender and delivery by a Purchaser to Sponsor or the Selling Agent of a check for the initial installment of the Down Payment, the Escrow Agent will notify the Purchaser that such funds have been deposited into the Escrow Account and will provide the account number and the initial interest rate. Subject to the provisions of the next sentence, if such Purchaser does not receive notice of such deposit within fifteen (15) business days after unconditional tender and delivery to Sponsor or the Selling Agent of such initial installment of the Down Payment, then such Purchaser may rescind his Purchase Option Agreement, so long as such right to rescind is exercised within ninety (90) days after such Purchaser's unconditional tender and delivery of such initial installment of the Down Payment to Sponsor or the Selling Agent. A Purchaser shall not, however, be entitled either to rescind his Purchase Option Agreement or to receive a refund of his Down Payment where proof satisfactory to the Attorney General is submitted establishing that such initial installment of the Down Payment was timely deposited and notice as provided above was timely mailed to such Purchaser in conformity with the Attorney General's Regulations. The receipt of the Down Payment by the Escrow Agent and the deposit of the Down Payment in the Escrow Account will not be deemed acceptance of the Purchase Option Agreement by Sponsor, which acceptance can only occur as provided in the subsection entitled "**Acceptance of Purchase Option Agreement**," above.

Before funds are transferred to a new Escrow Account, or if the Escrow Agent is replaced, the Plan will be amended to provided the same disclosure with respect to the new account, the Escrow Agent and the Escrow Agreement as is originally provided. A bond, letter of credit or other security may not be substituted for the Escrow Account, unless a special exemption under exceptional circumstance is first requested by Sponsor and is granted by the Attorney General, following the procedures set forth in the Attorney General's Regulations.

Under no circumstances shall Sponsor apply for release of the Down Payment of a defaulting Purchaser until after consummation of the Plan. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to Section 352-h of the GBL.

The Escrow Agent will hold a Purchaser's Down Payment in escrow until: (a) otherwise directed in one or more writings signed by each of Sponsor and such Purchaser; (b) otherwise directed in a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's Regulations; (c) a judgment or order of a court of competent jurisdiction permits or requires the release of such Down Payment; (d) such Down Payment is paid by the Escrow Agent into a court of competent jurisdiction; (e) such Down Payment is paid to Sponsor as provided below; or (f) such Down Payment is paid to such Purchaser as provided below.

If there is no written agreement between Sponsor and a Purchaser to release the Down Payment paid by such Purchaser, the Escrow Agent will not pay such Down Payment to Sponsor until after ten (10) business days following the date that the Escrow Agent has given such

Purchaser written notice that the Escrow Agent intends to pay such Down Payment to Sponsor. Thereafter, such Down Payment may be paid to Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's Regulations, and the Escrow Agent has received, within such ten (10)-business-day period, notice from such Purchaser that such application has been made.

Notwithstanding the foregoing provisions, a Purchaser shall 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 if, as and when the closing of title occurs under the Purchaser's Purchase Option Agreement.

Sponsor will not object to the release to any Purchaser of the Down Payment paid by such Purchaser, provided that such Purchaser has timely rescinded such Purchaser's Purchase Option Agreement in accordance with an offer of rescission contained in the Plan or an amendment to the Plan; nor shall Sponsor object to the release of their Down Payments to all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department Law.

A Purchaser or the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment paid by any Purchaser. Sponsor must avail itself of this procedure if there is a dispute that needs to be resolved between Sponsor and a Purchaser of a Unit under the Plan relating to such Purchaser's Down Payment. A form for this purpose is attached as an exhibit to the Purchase Option Agreement in Part II of the Plan. The party applying for a determination must send all other parties a copy of the application.

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

If the application permitting release of the Down Payment is granted, the Down Payment and any interest earned thereon will be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.

The Attorney General is required to act upon any such application within thirty (30) days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons.

If the application seeking the release of the Down Payment is denied, the Escrow Agent will continue to hold the Down Payment and any interest earned thereon until:

(i) both Sponsor and the Purchaser direct payment to a specified party in accordance with a written direction signed by both Sponsor and the Purchaser; or

(ii) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or

(iii) the Escrow Agent deposits the disputed amount into court.

In no event shall the Escrow Agent release funds in dispute, other than by paying such funds into court, until the dispute is finally resolved either by determination of the Attorney

General, by order or judgment of a court of competent jurisdiction or by written agreement of Sponsor and the Purchaser.

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 shall be absolutely void.

Included as Document Number 9 in Part II of the Plan is a copy of the escrow agreement between Sponsor and Escrow Agent (the "**Escrow Agreement**"), which is subject to the terms of the Attorney General's Regulations. In the event of any conflict between the Escrow Agreement and either any other provision of the Plan or any Purchase Option Agreement, the terms of the Escrow Agreement shall control.

The Escrow Agent will maintain all records concerning the Escrow Account for seven (7) years after the closing of such account.

The Escrow Agent may from time to time, upon notice to Sponsor and all Purchasers, change the depositary in which the Down Payments are held to another lending institution in New York City without the necessity of amending the Plan.

(e) Events of Default

If a Purchaser (i) defaults in paying the balance of the Purchase Price on the date scheduled by Sponsor for closing title to his Unit, (ii) defaults in performing some other obligation under the Purchase Option Agreement, or (iii) is or becomes a tenant or occupant of the Building and is evicted for failure to pay rent or to perform some other lease or tenancy obligation (whether by voluntary removal or by court order), Sponsor's sole remedy under the Purchase Option Agreement is to cancel said Purchase Option Agreement by sending written notice to such Purchaser and, if such Purchaser shall fail to cure such default within thirty (30) days after the giving of such notice, to retain, as and for liquidated damages, the Liquidated Sum. Any payments received by Sponsor in excess of the Liquidated Sum, together with interest earned on such excess payments, if any, shall be refunded to the Purchaser with reasonable promptness after cancellation. **THE CURING OF SUCH DEFAULT WITHIN SAID THIRTY (30)-DAY PERIOD IS OF THE ESSENCE OF THE PURCHASE OPTION AGREEMENT. THIS MEANS THAT, UPON THE PURCHASER'S FAILURE TO CURE HIS DEFAULT WITHIN SUCH PERIOD, THE PURCHASE OPTION AGREEMENT SHALL BE DEEMED CANCELED AND SPONSOR MAY RETAIN THE LIQUIDATED SUM AS DAMAGES.** If a Purchaser is or becomes a tenant or occupant of the Building and fails to pay rent or otherwise to comply with his lease or tenancy obligations or vacates or abandons his Unit, then Sponsor may cancel his Purchase Option Agreement as set forth above whether or not such Purchaser is evicted from the Building by reason thereof. If, however, such person is not evicted from the Building by reason of such default, vacating or abandonment, Sponsor shall return to such Purchaser all monies deposited under his Purchase Option Agreement, together with the interest earned thereon, if any.

If a Purchase Option Agreement is canceled, both Sponsor and the Purchaser shall be relieved of all further obligations and liabilities thereunder and under the Plan, and Sponsor shall be free to sell the Unit to another as though such Purchase Option Agreement had never been made and without accounting to the Purchaser for the proceeds received on such sale.

(f) Fixtures, Appliances and Personal Property

Only those appliances, fixtures, furnishings and items of personal property that are described in the Plan as being part of the Residential Unit and are actually located in the Residential Unit on the Closing Date are included in the sale of the Residential Unit. Furniture, wall coverings, furnishings, decorations and the like in or about any model apartment are for display purposes only and are not included in the sale. Any floor plans or sketches shown to a Purchaser are only approximations of the Residential Unit's dimensions and arrangement, and the Purchaser should not rely thereon. There shall be no modifications or extras unless agreed to in writing by both the Purchaser and Sponsor. All modifications, alterations and additions to the Residential Unit must be approved by Sponsor in writing and, if approved, shall be performed by the Sponsor at the Purchaser's expense (payable in the manner to be set forth in an addendum to the Agreement or in a separate agreement).

(g) Access to Unit

A Purchaser of a Residential Unit shall not be entitled to have access thereto prior to the closing of title without obtaining Sponsor's prior written consent. A Purchaser permitted such access shall release Sponsor and the Selling Agent from any and all liability, loss, cost, expense or damage, foreseen or unforeseen, resulting from any injuries sustained by any person or damage to any property resulting from such access, even if such injury results from the negligence of Sponsor, the Selling Agent or any of their respective agents, employees, contractors or representatives. In addition, any such Purchaser shall indemnify and hold Sponsor and the Selling Agent and their respective agents, employees, contractors and representatives harmless from and against any and all liability, loss, cost, expense or damage, foreseen or unforeseen, resulting from such access, including without limitation reasonable attorneys' fees and expenses.

(h) Delivery of Deed

Upon delivery to Sponsor at the closing of (i) the balance of the Purchase Price, (ii) a Residential Unit Owner's Power of Attorney in favor of the Condominium Board, the Residential Board and Sponsor, (iii) transfer tax returns in the forms required to be filed with the City and State of New York, (iv) any real estate reporting return or statement required by the Internal Revenue Code or the regulations thereunder, (v) all other documents required by Applicable Law, and (vi) all other documents reasonably required by Sponsor, all of which documents must be executed, and, if required, acknowledged, sworn to or affirmed by the Purchaser. Sponsor will execute, acknowledge and deliver to the Purchaser the Unit Deed (which shall be countersigned and acknowledged by Purchaser), conveying title to the Residential Unit subject only to the Permitted Encumbrances and such other title conditions as consented to by Purchaser, if any.

(i) Risk of Loss or Damage to Units Prior to Closing

As set forth in more detail in the subsection entitled "**Risk of Loss or Damage to Units Prior to Closing**" in the Section of the Plan entitled "**Terms of Sale**," the risk of loss from fire or other casualty remains with Sponsor unless and until the Purchaser becomes the tenant or occupant of a Residential Unit before the closing or legal title to the Residential Unit has been conveyed to the Purchaser.

(j) Broker

The Purchaser shall represent to Sponsor that he has not dealt with any broker in connection with the acquisition of his Residential Unit other than the Selling Agent and the co-broker, if any, identified in the Purchase Option Agreement and approved and consented to in writing by Sponsor, and the Purchaser shall indemnify Sponsor against the claims of any other broker.

(k) No Lien

Neither the Purchase Option Agreement nor any monies deposited thereunder shall constitute a lien against the Residential Unit or any other part of the Property.

ASSIGNMENT OF PURCHASE OPTION AGREEMENTS

A Purchaser may not assign his Purchase Option Agreement without first obtaining the express written consent of Sponsor, which consent may be granted or withheld in Sponsor's sole and absolute discretion.

EFFECTIVE DATE

Sponsor's offer to sell the Residential Units is contingent upon the Plan being declared effective and upon compliance with the relevant conditions and time periods described in the Plan. The following provisions will determine whether, when and how the Plan will be declared effective:

(a) The Plan may be declared effective by (i) an amendment to the Plan or (ii) by service on each Purchaser, by personal delivery or mail, of notice stating that the Plan is declared effective and by submitting an amendment to the Department of Law within five (5) days thereafter confirming that the Plan was declared effective on a specified date. The First Closing shall not occur until the amendment declaring the Plan effective or confirming that the Plan has been declared effective is accepted for filing by the Department of Law.

(b) The Plan may not be declared effective until written Purchase Option Agreements have been executed and delivered for at least fifteen percent (15%) of all Residential Units.

(c) The Plan will not be declared effective based on Purchase Option Agreements:

(i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or

(ii) if the Purchaser was not afforded the seven (7)-day period to rescind the Purchase Option Agreement or the three (3)-business-day period to review the Plan and all filed amendments in accordance with the provisions set forth above in the Section of the Plan entitled "**Procedure to Purchase**"; or

(iii) with any Purchaser who is Sponsor, the Selling Agent or the Managing Agent, or who is a principal of Sponsor, the Selling Agent or the Managing Agent, or is related to

Sponsor, the Selling Agent or the Managing Agent or to any principal of Sponsor, the Selling Agent or the Managing Agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder, a member or a limited partner, except that such a Purchaser other than Sponsor or a principal of Sponsor may be included if Sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is bona fide.

(d) When Purchase Option Agreements have been executed and accepted for sale to Purchasers of at least eighty percent (80%) of the Units offered under the Plan, Sponsor must declare the Plan effective.

(e) Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever, provided that the Plan has not been declared effective and the Plan is not required to be declared effective as set forth in paragraph (d), above. After the Plan is declared effective or so required to be declared effective, but before the First Closing, Sponsor may not abandon the Plan except if (i) one or more defects in title exist that cannot reasonably be cured without litigation or cannot be cured for less than $1,100,000 in the aggregate (as reasonably estimated by Sponsor); or (ii) there is any substantial damage to or destruction of the Building by fire or other casualty; or (iii) there is a taking of any material portion of the Property by condemnation or eminent domain. The aforementioned $1,100,000 amount does not include any attorneys' fees or any title defect, violation or determination of any authority or regulatory association that exists on the Presentation Date of the Plan and that is either known to Sponsor or a matter of public record.

(f) If the Plan is withdrawn or abandoned, all Purchasers will be so notified in writing. Within twenty (20) days thereafter, all Down Payments paid to Sponsor pursuant to Purchase Option Agreements then in effect (together with any interest earned thereon) will be returned to the Purchasers thereunder.

TERMS OF SALE

Prerequisites to Closing of Title

The closing of title to each Residential Unit shall take place only after, or concurrently with, the latest of the following events to occur:

(a) The Plan having been declared effective by Sponsor and an amendment to the Plan stating that it has been declared effective having been accepted for filing;

(b) The recording and filing in the Register's Office of the Declaration, By-Laws and Floor Plans in accordance with the Condominium Act or other Applicable Law and such other documents as may be required by Applicable Law in connection with the submission of the Property to condominium ownership pursuant to the Condominium Act;

(c) The release of such Residential Unit and its appurtenant Common Interest from the lien of all mortgages, unless Sponsor has obtained from the holders of all such mortgages an agreement pursuant to which each such mortgage holder has either (i) consented to the formation of the Condominium and acknowledged that its lien will be limited to Unsold Residential Units and Commercial Units or (ii) subordinated the lien of its mortgage to the Declaration;

(d) If the Purchaser of such Residential Unit so requests, the issuance of a title insurance binder insuring fee title to such Unit in the Purchaser, at the Purchaser's expense, subject only to the Permitted Encumbrances and any other title matters subject to which Purchaser consents to take title, which binder will also insure that a valid condominium has been created pursuant to the terms of the Condominium Act (see the Section of the Plan entitled "**Unit Closing Costs and Adjustments**" for an estimate of the cost to the Purchaser to obtain such title insurance); and

(e) Delivery to the Purchaser, in proper form for recording, of a duly executed bargain and sale deed with covenant against grantor's acts conveying title to such Residential Unit (the "**Unit Deed**"). A form of the Unit Deed is set forth in Part II of the Plan as Document Number 3.

State of Title

Title to each Residential Unit and its Common Interest will be conveyed at the closing of title to such Residential Unit free and clear of all liens, encumbrances, and title exceptions other than those described in the proposed Unit Deed and the title exceptions and other matters set forth below (collectively the "**Permitted Encumbrances**"):

(a) State of facts shown on survey made with respect to that portion of the Property consisting of Tax Lot 33 by Fehringer Surveying P.C. dated February 1, 2005, and any additional state of facts that an accurate survey and inspection made on the date of closing of title to such Unit would show; provided such additional state of facts does not prohibit the existence and use of such Residential Unit;

(b) State of facts shown on survey made with respect to that portion of the Property consisting of Tax Lot 38 by Fehringer Surveying P.C. dated February 1, 2005, as updated by visual examination made by Fehringer Surveying P.C. dated April 28, 2005, and any additional state of facts that an accurate survey and inspection made on the date of closing of title to such Unit would show; provided such additional state of facts does not prohibit the existence and use of such Residential Unit;

(c) Zoning regulations, ordinances, building restrictions and regulations;

(d) Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets that the Property may abut;

(e) Encroachments of the Building, walls, stoops, steps, balconies, ornamental columns, windows, door caps, keystones, ledges, pilasters, coping, trim and cornices, and any other part thereof, if any, upon any street or highway or upon any adjoining property and similar encroachments upon the Property;

(f) Sewer, water, electric, plumbing, heating, gas, telephone and other utility easements and consents, if any, then or thereafter recorded, including the right to maintain and operate lines, wires, cables, amplifiers, transformers, pipes, conduits, poles, meters and distribution boxes in, over, under and upon the Property and the Building;

(g) The lien of any mortgage, lien or other encumbrance granted, created, or obtained by the Purchaser;

(h) Easements for ingress and egress for construction, installation, operation and maintenance of municipal service facilities and utilities;

(i) Party Wall Agreement recorded in the Register's Office in Liber 4682, at cp. 526 (which affects only the portion of the Property consisting of Tax Lot 38;

(j) Any other covenants, restrictions, easements, or any other encumbrance (other than for the payment of money), provided that they do not prohibit the existence and use of such Residential Unit;

(k) Revocability or rights, if any, to maintain vaults or chutes under any sidewalks or streets;

(l) The lien of any Common Charges and Special Assessments, real estate taxes, water frontage and/or meter charges, sewer rents, vault charges and assessments, provided that apportionment of such items is made as provided in the Section of the Plan entitled "**Unit Closing Costs and Adjustments**";

(m) Service, labor, concessionaire and maintenance agreements contemplated under the Plan;

(n) Any Interim Lease with the Purchaser for such Residential Unit and any other leases, tenancies and occupancies permitted by the Purchase Option Agreement for such Residential Unit;

(o) Any lien, notice of pendency or other encumbrance either (i) for which the instrument required to remove said lien, notice of pendency or other encumbrance of record is delivered at or prior to the date of closing of title to the Residential Unit, together with the required recording or filing fee, to the proper party or to the Purchaser's title insurance company, or (ii) as to which the Purchaser's title insurance company will insure that the lien, notice of pendency or other encumbrance will not be collected out of or enforced against the Residential Unit;

(p) The lien of any assessment or assessments that are or may become payable in annual installments of which any installment is then a charge or a lien, provided that apportionment thereof is made as provided in the Section of the Plan entitled "**Unit Closing Costs and Adjustments**";

(q) Party wall agreements, if any;

(r) Judgments, bankruptcies or other returns against other persons having names the same as or similar to that of Sponsor or any of its principals, provided Sponsor or any such principals, as the case may be, deliver to the Purchaser or the Purchaser's title insurance company an affidavit showing that such judgments, bankruptcies or other returns are not against Sponsor or any such principals, as the case may be;

(s) Uniform Commercial Code financing statements or conditional bills of sale, provided that (i) such statements were filed on a date more than five years prior to the closing of title to the Unit, (ii) Sponsor executes and delivers to the Condominium an affidavit setting forth

that the property covered thereby is no longer in the Residential Unit or is fully paid for, or (iii) a tenant is the debtor thereunder;

(t) Sidewalk violations and any other violations against the Property that are the obligation of any Board or another Unit Owner to correct.

(u) All of the terms, burdens, easements, covenants, restrictions, conditions and rules and regulations set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Residential Unit Owner's Power of Attorney and the Floor Plans, all as may be amended from time to time; and

(v) The standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring Purchaser's title to the Residential Unit.

Sponsor will have no obligation to cause the Purchaser's title company, if any, to omit any exceptions to title. In the event Purchaser's title company fails or refuses to issue title insurance in accordance with the terms of the Purchase Option Agreement, then the Purchaser shall accept such title as any other reputable title insurance company selected by the Seller and reasonably acceptable to the Purchaser shall approve and insure, subject to the provisions herein.

Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense in excess of its obligations under the Plan to cure any inability to deliver title to a Residential Unit in accordance with the Plan and the terms of the Purchase Option Agreement for such Residential Unit. If Sponsor notifies a Purchaser of its refusal to cure any such inability, then such Purchaser's sole remedy will be either (a) to take such title as Sponsor is able to deliver without abatement in or credit against the Purchase Price for the Residential Unit and without any claim or right of action against Sponsor for damages or otherwise or (b) to terminate his Purchase Option Agreement and receive a refund of his Down Payment and any interest earned thereon. A Purchaser must notify Sponsor in writing as to which option such Purchaser elects within ten (10) days after the giving of Sponsor's notice of refusal to cure such inability, with **TIME BEING OF THE ESSENCE.** If a Purchaser fails to timely deliver such notice, it will be conclusively deemed that such Purchaser has elected to acquire title to the Unit subject to such inability as set forth in clause (a).

Except as otherwise provided in the Plan, all personal property that is owned by Sponsor and that is located within a Residential Unit on the date the Purchase Agreement for such Residential Unit is signed or is located within the Common Elements on the date the Declaration is recorded, is included in the conveyance.

Risk of Loss or Damage to Units Prior to Closing

If the Purchaser is or becomes the tenant or occupant of a Residential Unit before the closing of title thereto and before such closing the Residential 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 the Residential Unit and did not result from the acts or omissions of such Purchaser or other occupant of the Residential Unit or such Purchaser's or other occupant'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 or restore the same. If Sponsor or (in the event the Declaration has

been filed) the Unit Owners do not elect to repair the damage (except for damage that is the Purchaser's obligation to repair as provided above), the Purchase Option Agreement will be canceled and be of no further force or effect. Thereafter, the Down Payment, together with interest earned thereon, if any, shall be disbursed as discussed in the subsection entitled "**Trust Funds,**" above. If Sponsor (or the Unit Owners, if the Declaration has been filed) elects to repair or replace the loss or damage so as to restore the Unit substantially to its condition immediately preceding such loss or damage, the Purchase Option Agreement shall continue in full force and effect; in which event the Purchaser shall not have the right to reject title to the Residential Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor (or the Unit Owners) shall be entitled to a reasonable period of time to complete such repairs or replacement.

UNIT CLOSING COSTS AND ADJUSTMENTS

The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Residential Unit are set forth below. SPONSOR MAKES NO REPRESENTATION OR WARRANTY AS TO SUCH COSTS WHICH ARE ONLY ESTIMATES AND WHICH ARE SUBJECT TO CHANGE.

At the closing of title to each Residential Unit, Sponsor and the Purchaser shall apportion, as of midnight of the day preceding the closing: (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, and any escrows for real estate taxes; (ii) Common Charges for the month in which title closes; and (iii) rent and other charges, if any, pursuant to the lease for, or tenancy of, such Residential Unit. If the Unit has not been separately assessed for the then-current fiscal tax year at the time of closing title, the apportionment of real estate taxes shall be based on the Unit's *pro rata* share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. Installments for tax assessments due after delivery of the deed (if any) shall be paid by the Purchaser and shall not be considered a defect in title.

At the time of title closing, each Purchaser of a Residential Unit will pay certain closing costs in addition to any legal fees of such Purchaser's counsel and the amount of any net credit in favor of Sponsor resulting from the closing apportionments described above. Such closing costs will include the following, the amounts of which are subject to change without prior notice or amendment (except for fees required to be paid to Sponsor's counsel as set forth in subdivision (g), below, the amount of which fees may only be changed by a duly filed amendment):

(a) If the Purchaser elects to obtain fee title insurance, he will pay a premium therefor, which will vary depending upon the Purchase Price. The premium for fee title insurance, if ordered from Big Apple Abstract Corp., 42-40 Bell Boulevard, Bayside, New York 11361, telephone: (718) 428-6100, will be in accordance with the schedule of rates filed with the New York State Insurance Department. The rates for fee title insurance in effect as of February 2006 are listed below. Additionally, if the Purchaser obtains a mortgage, the lender will most likely require the Purchaser to pay the cost of mortgage title insurance. The rates for mortgage title insurance in effect as of May 2006 (assuming that the Purchaser elects to obtain both fee title insurance and mortgage title insurance simultaneously, and further assuming that the amount of the mortgage policy does not exceed the amount of the fee policy) are also listed below.

SPONSOR MAKES NO REPRESENTATION OR WARRANTY AS TO SUCH COSTS, WHICH ARE ONLY ESTIMATES AND ARE SUBJECT TO CHANGE.

Amount of Insurance	Owner's Policy	Mortgage Policy
FIRST $35,000 OR LESS (minimum premium):	$282	$73
For each $1,000 of insurance (or part thereof), add:		
$35,001-$50,000	$4.67	$1.17
$50,001-$100,000	$3.81	$0.96
$100,001-$500,000	$3.06	$0.77
$500,001-$1,000,000	$2.79	$0.70
$1,000,001-$5,000,000	$2.57	$0.65

Each Purchaser is free to obtain title insurance from a title insurance company other than Big Apple Abstract Corp.; however, Sponsor makes no representation or warranty as to the cost, terms or availability of such other title insurance.

(b) Each Purchaser will, in all events, pay a fee for recording the Unit Deed and the Residential Unit Owner's Power of Attorney (at present, such fee is $32.00 for each instrument plus $5.00 per page), together with a service charge to the title company for such recording.

(c) If the Purchaser obtains a mortgage loan, such Purchaser will pay a mortgage recording tax in the amount provided by Applicable Law (at present, the rate is 2.05% of the principal amount of the mortgage for mortgages of less than $500,000.00 and 2.175% for mortgages of $500,000.00 or more) and a fee and service charge to the title company for recording the mortgage at the same rates given above for recording the Unit Deed and the Residential Unit Owner's Power of Attorney; and will also pay to Sponsor a sum equal to the partial mortgage tax credit, if any, to which the Purchaser is entitled under Section 339-ee(2) of the New York Condominium Act.

(d) Each Purchaser will be required to pay the New York City Real Property Transfer Tax (the rate of which is, at present, 1% of the purchase price if the purchase price is $500,000 or less, or 1.425% of the purchase price if the purchase price is greater than $500,000), and New York State Real Estate Transfer Tax (the rate of which is, at present, $2.00 per $500.00 of purchase price); additionally, if the purchase price is greater than $1,000,000, the Purchaser will be required to pay an additional New York State Real Estate Transfer Tax known as the "mansion tax," the rate of which is, at present, 1% of the purchase price.

(e) Each Purchaser will be required to pay to Sponsor such Purchaser's share of the purchase price of the Resident Manager's Unit, which shall be an amount equal to the $1,270,000

purchase price of the Resident Manager's Unit multiplied by the Residential Common Interest of such Purchaser's Residential Unit.

(f) Each Purchaser will be required to pay an amount equal to one month's Common Charges as a contribution to the Working Capital Fund.

(g) If the Purchaser obtains a mortgage loan, then the Purchaser will be responsible for paying all closing costs and expenses in connection therewith in amounts determined by the lender. Generally, such costs include but are not necessarily limited to: a fee charged by the lender's attorney; an appraisal fee; an inspection fee; a fee for recording the mortgage; and an origination fee, or "points." Sponsor makes no representation or warranty as to such closing costs and expenses or as to the availability of such financing.

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

(i) Each Purchaser shall pay the fees and expenses of Sponsor's counsel, as follows:

(i) Basic fee for closing of sale, with or without financing (including, without limitation, preparation of the Unit Deed and Power of Attorney, and coordinating and attending the closing as set forth in the Plan) -- $1,500.

(ii) Administrative expenses of $100 plus the cost of $100 for preparation and filing of the applicable real estate transfer tax returns on the Automated City Register Information Service forms required by the Register's Office.

(iii) Additional fee if Purchaser finances the purchase of the Unit -- $350.

(iv) Additional fee if the closing is adjourned for any reason other than at Sponsor's request -- $250 for each time the closing is so adjourned.

(v) Additional fee if the Purchaser assigns the Purchase Option Agreement (which assignment cannot be made without Sponsor's consent) -- $250 for each time the Purchase Option Agreement is so assigned.

(vi) Additional attendance fee if the closing does not occur at the office of Sponsor's attorney -- $400 (in no event shall Sponsor or Sponsor's attorneys be required to close at a location other than the office of Sponsor's attorneys).

(vii) Additional fee if (A) the Purchaser or its lender fails at the request of Sponsor's counsel at the commencement of the closing or at any time thereafter to produce the requisite certified or official bank checks necessary for payment in full of the balance of the Purchase Price, or (B) the Purchaser's lender fails to have in its possession at the commencement of the closing execution copies of all of the documents it requires in order to make its loan to the Purchaser -- $250.

Certain of the foregoing closing costs, such as the New York City Real Property Transfer Tax and the New York State Real Estate Transfer Tax, are customarily borne by the seller. Under the Plan, however, they are required to be paid by the Purchaser. For the purpose of determining the amount of the New York City Real Property Transfer Tax, New York State Real Estate Transfer Tax and any "mansion tax" to be paid by the Purchaser (and solely for such purpose), the amount of the New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax that Sponsor would have been required to pay if Sponsor were paying such taxes will be added to the purchase price for the Residential Unit as set forth in the Purchase Option Agreement.

By way of example, with respect to a typical Unit having a Purchase Price of $980,000, a mortgage of $784,000 and a Residential Common Interest of 0.4370%, a Purchaser may estimate his closing costs as follows (all amounts are approximate):

(1) Premium for fee and mortgage title insurance, assuming the discount for obtaining both policies simultaneously: $3,750.

(2) Miscellaneous fees charged by the title company for departmental searches, lien searches, bankruptcy searches and service charges: $750.

(3) Recording fees for the Unit Deed and the Unit Owner's Power of Attorney: $150.

(4) New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax: $18,215.

(5) Mortgage recording tax: $15,065.

(6) Fee for recording mortgage: $150.

(7) Fee to Sponsor's attorney: $1,500.

(8) Purchaser's share of the purchase price of the Resident Manager's Unit: $5,550

(9) Contribution to Working Capital Fund: $835.

Mortgage Tax Credit

If a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit will inure to the benefit of Sponsor. Accordingly, at closing, a Purchaser who elects mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the closing, Sponsor will be reimbursed to the extent of any mortgage tax credit allowed.

Amounts Subject to Change

Note should be taken that the recording charges, fees and taxes above are based on rates in effect on the date the Plan was accepted for filing and are subject to change without notice (except for Sponsor's counsel's fees, which may be changed only by amendment to the Plan). Premiums for title insurance will vary depending upon the Purchase Price and the amount of any mortgage

loan. No representations are made as to the amounts of any charges, fees and taxes at the time of closing or as to the availability, cost or terms of financing.

RIGHTS AND OBLIGATIONS OF SPONSOR

Reservation by Sponsor of the Right to Rent Residential Units; Sale to Investors

Although Sponsor intends to sell the Residential Units to Purchasers who are buying for their or their families' personal occupancy, Sponsor is reserving the unconditional right to rent rather than sell Residential Units after the construction loan described in the subsection entitled "**Construction Loan**," below, has been repaid or the prohibition against renting Residential Units contained in the terms of the construction loan is no longer in effect. Because Sponsor is not limiting the conditions under which it will rent rather than sell the Residential Units, Sponsor is not committed to sell more than the fifteen percent (15%) of the Residential Units necessary to declare the Plan effective. Furthermore, because Sponsor has reserved the right to rent Units, this Plan may not result in the creation of a condominium in which a majority of the Units are owned by owner-occupants or investors unrelated to Sponsor.

Sponsor also reserves the unconditional right to sell Residential Units to investors who intend to rent and not to occupy their Residential Units.

Construction Loan

Sponsor has obtained a construction loan, the terms of which do not require Sponsor to market Residential Units for sale as they become vacant or require that a minimum number or percentage of Residential Units must be under contract before the Plan can be declared effective. Nor do the terms of the construction loan contain any limits of requirements for Sponsor to rent rather to sell Residential Units under specified market conditions; to the contrary, the terms of the construction loan prohibit Sponsor from renting Residential Units. At the closing of title to each Unit, Sponsor will be required to pay the holder of the mortgage securing the construction loan a minimum release price in order for the holder of such mortgage to release the Unit from the lien of the mortgage.

Sponsor's Work

No bond or other security has been furnished to secure performance of the following obligations.

Sponsor has undertaken the following obligations in connection with the construction of the Building:

(1) Sponsor will, at Sponsor's sole cost and expense and with reasonable diligence, perform or cause to be performed such work, and will supply or cause to be supplied all materials, which are necessary to complete the construction of the Building substantially in accordance with the description contained in the Section of the Plan entitled "**Description of Property and Specifications.**"

(2) Sponsor will cause any mechanic's liens arising out of the construction of the Building that affect a Unit to be discharged prior to the date of closing of title to such Unit, or in the alternative, Sponsor may elect to make arrangements with the title company insuring the Purchaser's title to the Unit to affirmatively insure against collection thereof out of or enforcement against the Unit or any portion thereof by providing an indemnity, posting a bond or escrowing a sum deemed sufficient by such title company or otherwise causing such title company to omit any exception in its title insurance policy relating to such mechanic's lien.

(3) If only a temporary certificate of occupancy for the Building or a Residential Unit for which title has closed shall have been issued, then Sponsor will use reasonable diligence to cause the local building department to renew continually the temporary certificate of occupancy until the permanent certificate of occupancy covering all Residential Units offered under this Plan shall have been issued. Sponsor will, at Sponsor's sole cost and expense, do and perform or cause to be performed all work and supply or cause to be supplied all materials necessary to renew the temporary certificate of occupancy and to obtain such permanent certificate of occupancy. If, however, any Unit Owner is performing or causing to be performed any work in his Residential Unit, Sponsor shall have no obligation to obtain or renew a partial, temporary, or permanent certificate of occupancy with respect to such Residential Unit if the issuance of such certificate of occupancy is delayed or prevented by such work. Prospective Purchasers are advised that a permanent certificate of occupancy is required for permanent use of the Building. A temporary certificate of occupancy may only be renewed, pursuant to current laws and practices, for a total of up to two years from the date of its original issuance. If the temporary certificate of occupancy expires prior to the issuance of a permanent certificate of occupancy, occupancy of the Units will be a violation of law, subjecting the occupants to legal penalties, including possible eviction. Sponsor anticipates obtaining a permanent certificate of occupancy for the Building by no later than two years from the date of the First Closing and shall use reasonable efforts to obtain such permanent certificate of occupancy.

(4) If a permanent certificate of occupancy for the Building has not been issued as of the date of the First Closing and Sponsor has obtained at least a temporary certificate of occupancy for the Building, Sponsor will cause to continue to be held in escrow all monies previously deposited and being held in escrow pursuant to Section 352-e(2-b) of the General Business Law, unless Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy. Any sum of money exceeding the amount certified by Sponsor's engineer or architect will be released to Sponsor. Upon the issuance of the permanent certificate of occupancy, such escrow deposit will be released to Sponsor without the consent of any other party. Alternatively, Sponsor may deposit with an escrow agent any one or a combination of the following: cash or an unconditional, irrevocable letter of credit or Sponsor may post a surety bond or maintain unfunded a portion of the construction loan available to Sponsor for construction purposes (each of which shall be deemed to be acceptable alternate collateral) or other collateral acceptable to the Department of Law in an amount, in the aggregate, equal to or greater than the amount certified by Sponsor's engineer or architect. Sponsor shall have the right to draw down the remaining portions of any such letter of credit, cash, construction loan or other collateral, provided the amount thereof is at all times no less than the amount that Sponsor's architect or engineer from time to time certifies is adequate to complete the work necessary to obtain a permanent certificate of occupancy.

(5) Sponsor will deliver and assign to the Condominium Board, the Residential Board and the Commercial Board, as the case may be, upon the recording of the Declaration all manufacturers' and contractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the General Common Elements, the Residential Common Elements and the Commercial Common Elements, if any, to the extent made by such manufacturers and contractors and to the extent such warranties and bond are assignable. Sponsor will deliver to the Condominium Board a copy of the building plans reflecting the Building substantially as-built, filed with the Department of Buildings and a copy of the Floor Plans filed with the recording of the Declaration. At or prior to the closing of each Unit, Sponsor shall deliver and assign to each Purchaser any manufacturer's warranties with respect to equipment and appliances installed in such Purchaser's Unit to the extent made by the manufacturer and to the extent such warranties are assignable.

SPONSOR'S OBLIGATION TO THE BOARDS WITH RESPECT TO THE COMMON ELEMENTS AND TO EACH UNIT OWNER WITH RESPECT TO HIS UNIT SHALL BE LIMITED TO AN OBLIGATION TO CORRECT MATERIAL DEFECTS IN THE CONSTRUCTION OF THOSE COMMON ELEMENTS OR SUCH UNIT THAT ARE REQUIRED TO BE CONSTRUCTED IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS. Purchasers are advised that Article 36-B of the New York General Business Law does not apply to this offering since the Building exceeds five stories. Sponsor makes no warranties, express or implied, in connection with this offering and all such warranties are expressly excluded, except as expressly set forth in the limited warranty contained in this subsection (5). Sponsor has no obligation to make any repairs to the Common Elements or the Units except as expressly set forth in the Plan. Written notice of any warranty claim by any Board or any Unit Owner must be received by Sponsor no later than the first business day after the expiration of the applicable period as set forth below, failing which Sponsor shall have no duty to respond to the complaint set forth in such notice. TIME IS OF THE ESSENCE AS TO THE RECEIPT BY SPONSOR OF SUCH NOTICE NO LATER THAN THE FIRST BUSINESS DAY AFTER THE EXPIRATION OF THE APPLICABLE PERIOD AS SET FORTH BELOW.

EXCEPT AS EXPRESSLY PROVIDED IN THE PLANS AND SPECIFICATIONS, SPONSOR SHALL HAVE NO OBLIGATION TO PERFORM ANY CONSTRUCTION OR ANY OTHER WORK IN OR TO THE BUILDING, THE COMMON ELEMENTS, OR ANY UNIT.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN OR THE AGREEMENT, SPONSOR SHALL NOT BE RESPONSIBLE FOR CORRECTING OR REPAIRING ANY DEFECTS IN CONSTRUCTION (INCLUDING, WITHOUT LIMITATION, DEFECTIVE MATERIALS OR DEFECTIVELY CONSTRUCTED COMPONENTS OR PORTIONS OF THE BUILDING OR UNIT) OR DEFECTS IN THE INSTALLATION OR OPERATION OF ANY APPLIANCES (INCLUDING, WITHOUT LIMITATION, KITCHEN APPLIANCES), EQUIPMENT OR FIXTURES, TO THE EXTENT COVERED BY ASSIGNABLE WARRANTIES OR OTHER UNDERTAKINGS (HOWEVER DENOTED) FROM MANUFACTURERS, CONTRACTORS, MATERIALMEN, OR OTHERS, THAT ARE ASSIGNED TO EITHER ONE OR MORE PURCHASERS OR BOARDS.

Sponsor or its representatives will make periodic visits to the Property at reasonable intervals and, except as hereinafter provided, Sponsor will correct or cause to be corrected patent

defects in the construction of the Common Elements and the Units, and in the installation or operation of any mechanical equipment therein, but only if such patent defects are due to substantially improper workmanship or material substantially and materially at variance with the Plans and Specifications; and only if (a) in the case of a Unit, Sponsor is notified of such defects in the Purchaser's Inspection Statement completed, dated, signed and delivered to Sponsor prior to the closing of title to such Unit or (b) in the case of any Common Element, Sponsor is notified of such defects in writing by a majority of the members of the applicable Board (exclusive of those members designated by Sponsor) within six (6) months from the First Closing. TIME IS OF THE ESSENCE AS TO THE OBLIGATION TO NOTIFY SPONSOR WITHIN SUCH PERIOD.

Sponsor will correct or cause to be corrected latent defects (that is, defects that are not apparent upon ordinary inspection) in the construction of the Building and the Units and in the installation or operation of any mechanical equipment therein but only if such latent defects are due to substantially improper workmanship or material that is substantially and materially at variance with the Plans and Specifications; and only if (a) in the case of a Unit, Sponsor is notified of such defects in writing by the Unit Owner within six (6) months from the closing of title to such Unit; or (b) in the case of any Common Element, Sponsor is notified by a majority of the members of the applicable Board (exclusive of those members designated by Sponsor) within six (6) months of the First Closing under the Plan; TIME IS OF THE ESSENCE AS TO THE OBLIGATION TO NOTIFY SPONSOR WITHIN THE APPLICABLE PERIOD.

Sponsor, in its sole discretion, shall select the method of correcting any defect. On one (1) day's notice from Sponsor, the Board or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and the Managing Agent access to the Building (or portion thereof) or the Unit in question on any weekday to inspect and/or correct such defect. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the Plans and Specifications.

Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) Sponsor is not notified in the Purchaser's Inspection Statement or within the applicable time periods specified herein, as to which periods time is of the essence, or (ii) the Board or the Unit Owner in question prevents Sponsor, Sponsor's contractors or the Managing Agent access to the Building (or portion thereof) or the Unit in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's general contractor, architect or engineer, in its sole discretion.

Except as expressly set forth above in this subsection (5), Sponsor has no obligation to correct or repair any other defect or conditions in the Units, the Common Elements or the Building, or any other installations, apparatuses, fixtures or appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Except as provided in this Plan or under Applicable Law, each Purchaser of a Unit shall be required to complete the payment of the purchase price (without the provision of an escrow) and accept title at the time of closing, notwithstanding Sponsor's failure to complete the construction, finishing and decorating of such Unit or other Units or hallways or the Common Elements, so long as a temporary or permanent certificate of occupancy has been issued covering such Unit and

such Unit's kitchen and bathroom appliances and fixtures are operable and its windows, interior walls and floors are installed in accordance with this Plan.

Notwithstanding any provisions to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of (a) any insubstantial variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Section entitled "**Description of Property and Specifications**" contained in Part II of this Plan or (ii) variations from the Plans and Specifications or description of the Building or a Unit set forth in the Section entitled "**Description of Property and Specifications**" contained in Part II of this Plan that neither are in violation of applicable building codes nor require approval of any governmental authority having jurisdiction, provided such variations are of substantially equal or better quality and design.

In addition, in no event shall Sponsor or any contractor or supplier be responsible for correcting or repairing any of the following: (i) any condition resulting from normal wear and tear or natural deterioration or from the normal settling or shifting of the Building, (ii) defects of an insubstantial nature, such as, without limitation, nail pops, ridging on sheet-rock walls and ceilings, lumber shrinkage, door or window sticking due to weather, door warpage, including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size, weight and quality, slight scratches in plastic laminate, porcelain, or other surfaces, imperfect bath and kitchen tile grouting, adjustment of bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation in joints of flooring or between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom, including, without limitation, cracks in concrete roof pavers (if any), or concrete cracks (if any) which do not impair the structural soundness of the Building, (iv) variations in floor levels, (v) ceiling imperfections, (vi) painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing, elevator, trash chute, heating and air-conditioning noises, (x) normal floor noises and creaking, (xi) floor discoloring, (xii) variations in width, length or tone of wood floors, (xiii) repair of chips, scratches, mars, breaks or other defects in any windows, window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, medicine cabinets, ceramic tile, marble floors and walls, resilient flooring, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the closing of title to the Unit, paint touch-ups, repairs of dented appliances, carpet discoloration, stretching or shrinkage, or replacement of fluorescent light ballasts in such Unit, (xv) variations in tone or color of marble or stone used in bathrooms or variations in tone or color of vanity tops or other marble or stone aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, (xviii) cracks in pressure treated wood used or intended for use outside the Building, (xix) seepage through masonry walls, (xx) the partial or total death of any trees, shrubs, bushes, ground cover, grass or other landscape improvements including any such landscape improvements in the garden, (xxi) damage to walkways or other concrete areas caused by the application of deicers, (xxii) water problems caused by ice dams, normal plumbing and heating noises, (xxiii) carpet stretching, normal settlement cracks on concrete foundations, patios, terraces, sidewalks and other flat work, (xxiv) basement leaks resulting from acts of God or alteration of landscaping or grading, leakage resulting from "ice dams" forming on roofs, shading variations of the exterior siding straining (on the face surface or grooves), and shading variations on fascias from staining. Sponsor shall be obligated to repair abnormal scratches by filling any plastic laminate scratches or

refinishing any porcelain scratches but Sponsor shall not be obligated to replace such plastic laminate or porcelain surfaces. References in this Section or elsewhere this Plan to excluded repairs or excluded conditions with respect various items listed shall not be construed to imply an obligation on the part of Sponsor to do any work or construction or to install any equipment, fixtures or appliances or other items except, in each case, as expressly provided in the Section entitled "**Description of Property and Specifications**" contained in Part II of this Plan.

Nothing contained herein shall be construed to render Sponsor liable for consequential damages (whether based on negligence, breach of contract, warranty or otherwise), it being intended that Sponsor's sole obligations pursuant to this Section of the Plan shall be to repair or replace, at Sponsor's option, any defective item of construction (arising as a result of substantial and material defects in material or as a result of improper workmanship substantially at variance with the Plans and Specifications) subject to the terms and conditions (and within the time limits) set forth in this Section of the Plan.

Sponsor reserves the right to modify the Plans and Specifications and to substitute equipment or materials and make modifications of layout or design, provided however, that Sponsor may not: (i) substitute equipment or materials of lesser quality or design; or (ii) change the size or the location of the Building, other capital improvements, or any of the Common Elements if any such change would affect the Common Interest of any Unit or adversely affect the value of any Unit either to which title has closed or for which a Purchase Option Agreement has been executed and is in effect, unless all of the directly affected Unit Owners and Purchasers under any such Purchase Option Agreements consent in writing to such change. All such modifications, substitutions and changes may be made without prior notice or amendment to this Plan.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of insubstantial variations in the dimensions or arrangement of rooms, walls, ceiling heights or other areas within Units, or in the Plans and Specifications, or in the description of the Building or a Unit set forth in the Plan.

Except as otherwise provided in this Plan, where alternatives are specified or where a particular practice, method, or design of construction, equipment, material or supply is not specified, the choice and decision of Sponsor shall be determinative.

The foregoing undertakings set forth the entire obligations of Sponsor hereunder with respect to completion of construction and repair of any defects, and no other warranties or undertakings shall be implied. The construction obligations of Sponsor under this Section of the Plan shall survive the transfer of the Units to the Unit Owners until the expiration of the periods heretofore set forth. Sponsor shall not be liable for, or obligated to defend, any suits with respect to the Building or any Unit arising out of any occurrence taking place after the closing of title to such Unit, except claims stemming from the negligence of Sponsor or its agents, employees, or contractors. All construction and other obligations of Sponsor shall be enforceable only by one or more Boards (depending upon which portions of the Property such obligations affect) and not by the individual Unit Owners, unless the alleged construction defect relates to one (1) Residential Unit only and is not a common defect affecting two (2) or more Residential Units or the Common Elements.

Sponsor's Right of Access

Sponsor and its contractors, subcontractors, agents and employees will have a right of reasonable access to each Unit and to the Common Elements for purposes of completing construction of the Building or performing certain alterations and repairs in or about Units owned by Sponsor and in fulfilling Sponsor's obligations under the Plan, provided (i) Sponsor repairs any resulting damage to the Unit and restores it to substantially the condition it was in prior to Sponsor's entry, and (ii) Sponsor provides reasonable prior notice to the Owner of the Unit to which access is required.

Sponsor and its invitees, licensees, contractors, subcontractors, agents and employees will have a right of access to each Unit and all of the Common Elements for purposes of completing construction of the Building or performing repairs in or about Units owned by Sponsor or in fulfilling Sponsor's obligations under the Plan or for any lawful purpose, provided (i) Sponsor repairs any resulting damage to the Unit or the Common Elements, as the case may be, and restores the Unit or the Common Elements, as the case may be, to substantially the condition they were in prior to Sponsor's entry and (ii) Sponsor provides reasonable prior notice to the owner of the Unit to which access is required or the applicable Board in the case of the Common Elements.

For additional special rights of Sponsor under the Declaration with respect to the combining and subdividing of Units, designation of any of the Common Elements and other matters, please see the Section of the Plan entitled "**Rights and Obligations of Unit Owners and Condominium Board; Summary of By-Laws**" and the copy of the Declaration and By-Laws contained in Part II of the Plan.

Sponsor's Liability

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to the Units that remain unsold from time to time (for so long as Sponsor owns same), the foregoing sets forth the entire extent of the obligations of Sponsor under this Plan and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers relative to their Units under their respective Purchase Option Agreements.

Sponsor makes no undertakings or warranties except as hereinabove set forth and none should be implied. Sponsor does not warrant or guarantee the materials, workmanship or any other aspect of the Units or the Common Elements, any personal property or any portion thereof, except to the extent expressly provided in this Plan.

Survival of Sponsor's Obligations

Sponsor's obligations and representations under the Plan or under the GBL that are to be performed subsequent to the closing of title to a Unit shall survive delivery of the deed to the Unit affected by such obligation for the limited time periods set forth in the Plan. However, except for those obligations and representations under the Plan or under the GBL that are to be performed subsequent to the closing of title to a Unit as described in the preceding sentence, all obligations of Sponsor under the Plan with respect to any Unit or Unit Owner and under the Purchase Option Agreement for such Unit with such Unit Owner shall not survive, and shall be deemed satisfied upon, the delivery of the deed for such Unit, unless otherwise expressly provided in the Plan or such Purchase Option Agreement.

Sponsor's Obligations for Retained Units

So long as Sponsor retains title to any Units, Sponsor shall pay all Common Charges, Special Assessments and real estate taxes with respect to such Units. Sponsor represents that its financial resources will be sufficient to meet its obligations described above and its other obligations described in this Plan. Sponsor intends at present to meet its financial obligations under the Plan through profits generated from sales of Unsold Residential Units and income generated from the rental of Unsold Residential Units and Commercial Units. Sponsor has not furnished any bond or other security for the performance of its obligations under the Plan., however, and Sponsor's ability to perform its obligations hereunder will depend solely upon its financial condition if and when called upon to perform. No warranty is made that Sponsor will be financially able to perform any or all of such obligations, provided that if at any time while Sponsor is making an offering or making sales pursuant to the Plan Sponsor's financial condition does not permit it to perform its obligations hereunder, Sponsor will amend the Plan to disclose such change in financial condition and to offer Purchasers with outstanding Purchase Option Agreements a right to rescind such Purchase Option Agreements and will cease making sales pursuant hereto until Sponsor's financial condition shall again permit it to perform its obligations hereunder. If Sponsor shall be dissolved or liquidated or shall transfer in bulk ten (10) or more Units or twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less, Sponsor shall provide one or more financially responsible entities or individuals who will assume the status and obligations of Sponsor under the Plan and Applicable Law.

Insurance Described in Condominium Budget

Sponsor shall cause the Condominium to obtain and have in effect as of the date of the First Closing the insurance described in the Footnotes to Schedule B.

CONTROL BY SPONSOR

Sponsor will control the Residential Board until the expiration of the Initial Control Period. During the Initial Control Period, so long as Sponsor owns the Commercial Units, Sponsor will also control the Commercial Board and the Condominium Board. The By-Laws provide that after the expiration of the Initial Control Period a majority of the members of the Residential Board must be Residential Unit Owners who occupy their Residential Units or members of such Residential Unit Owners' households who are unrelated to Sponsor or its principals.

Until Sponsor no longer designates a majority of the Residential Board, Sponsor, (x) through its control of the Residential Board, will have control of the maintenance and operation of the Residential Section and the services to be provided by the Residential Board to the Residential Unit Owners and will determine the Residential Common Charges and any Residential Special Assessments to be paid by the Residential Unit Owners; and (y) so long as Sponsor owns the Commercial Units, through its control of the Condominium Board, have control of the maintenance and operation of the General Common Elements and the services to be provided by the Condominium Board to the Unit Owners and will determine the General Common Charges and any Special Assessments to be paid by the Unit Owners.

Under the By-Laws, owner-occupants of Residential Units will be unable to control the Residential Board and the Condominium Board until the Initial Control Period has elapsed; moreover, owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts as to how the Residential Section and the General Common Elements should be managed because of their different purposes in owning Residential Units (*i.e.*, for use as a home as opposed to a business or investment).

After the Initial Control Period has elapsed, so long as Sponsor owns Residential Units to which are appurtenant 15% or more of the Residential Common Interests, Sponsor will have the right to designate two members of the Residential Board, and so long as Sponsor owns one Residential Unit, Sponsor will have the right to designate one member of the Residential Board.

Within 30 days after the expiration of the Initial Control Period, the appropriate number of members of the Residential Board designated by Sponsor shall resign and their replacements shall be selected by a majority vote of the members of the Residential Board (excluding members of the Residential Board designated by Sponsor) at a regular meeting of the Residential Board or at a special meeting of the Residential Board held for such purpose.

As long as Sponsor continues to own at least 25% of the Units, during the five (5) years following the First Closing,

(a) the Condominium Board may not, without Sponsor's prior written consent:

(i) make any addition, alteration or improvement to the General Common Elements, unless required by Applicable Law;

(ii) assess any General Common Charges or General Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency or surplus fund in excess of five percent in the aggregate of the estimated General Common Expenses for any one fiscal year of operation, provided the same does not violate Applicable Law, in which event the maximum assessment permitted hereunder shall equal the minimum required by Applicable Law;

(iii) increase the number or change the type of employees of the Condominium from that described in Schedule B;

(iv) enter into any service or maintenance contracts for work, labor or services not covered in Schedule B; or

(v) borrow money on behalf of the Condominium; and

(b) the Residential Board may not, without Sponsor's prior written consent:

(i) make any addition, alteration or improvement to the Residential Common Elements, the Residential Limited Common Elements or to any Residential Unit, unless required by Applicable Law;

(ii) assess any Residential Common Charges or Residential Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve,

contingency or surplus fund in excess of five percent in the aggregate of the estimated Residential Common Expenses for any one fiscal year of operation, provided the same does not violate Applicable Law, in which event the maximum assessment permitted hereunder shall equal the minimum required by Applicable Law;

(iii) increase the number or change the type of employees of the Residential Section from that described in Schedule B;

(iv) enter into any service or maintenance contracts for work, labor or services not covered in Schedule B;

(v) borrow money on behalf of the Residential Section; or

(vi) exercise a right of first refusal to lease or purchase a Residential Unit.

(c) the Commercial Board may, not without Sponsor's prior written consent:

(i) make any addition, alteration or improvement to the Commercial Common Elements or to any Commercial Unit, unless required by Applicable Law;

(ii) assess any Commercial Common Charges or Commercial Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency or surplus fund in excess of five percent in the aggregate of the estimated Commercial Common Expenses for any one fiscal year of operation, provided the same does not violate Applicable Law, in which event the maximum assessment permitted hereunder shall equal the minimum required by Applicable Law;

(iii) increase the number or change the type of employees of the Commercial Section from that described in Schedule B;

(iv) enter into any service or maintenance contracts for work, labor or services not covered in Schedule B;

(v) borrow money on behalf of the Commercial Section; or

(vi) exercise a right of first refusal to lease or purchase a Commercial Unit.

Notwithstanding the foregoing, Sponsor may neither exercise a veto over nor direct any member of the Residential Board appointed or otherwise chosen by Sponsor to vote against expenditures that: (a) conform to Schedule B and are for the period covered by Schedule B Budget; or (b) are required to comply with Applicable Law, including expenditures necessary to cure any notices of violations; or (c) are necessary to remedy any work order by an insurer that is the responsibility of the Condominium Board or the Residential Board to remedy. See also the Section of the Plan entitled "**Rights and Obligations of Unit Owners and Boards of Managers.**"

BOARDS OF MANAGERS

The affairs of the Condominium shall be governed by a Condominium Board; the affairs of the Residential Section shall be governed by a Residential Board; and the affairs of the Commercial Section shall be governed by a Commercial Board. The duties of the respective Boards are set forth in the By-Laws. The Residential Board shall initially consist of two members designated by Sponsor. The Commercial Board shall initially consist of one person designated by Sponsor. The Condominium Board shall initially consist of three members: the two members of the Residential Board designated by Sponsor and the Member of the Commercial Board designated by Sponsor. At present, Sponsor anticipates that the initial members of the Residential Board will be Moshe Shuster and Ran Korolik and that the initial member of the Commercial Board will be Moshe Schori. The three initial members of the Boards will be designated by Sponsor after the Plan is declared effective and prior the First Closing and will, thereafter, be identified in an amendment to the Plan. Within 180 days after the date of the First Closing, the Residential Board and the Commercial Board will call for the first annual meetings of the Residential Unit Owners and the Commercial Unit Owners for the purpose of electing new Boards in accordance with the provisions of Section 3.1 of the By-Laws.

At the first annual meeting of the Residential Unit Owners and at each annual meeting of the Residential Unit Owners thereafter, the incumbent Residential Board shall resign and the Residential Unit Owners shall elect a new Residential Board consisting of five members. Except for Board members designated by Sponsor or any Successor Sponsor, all members of the Residential Board must be either Residential Unit Owners or interested parties (*e.g.*, directors or shareholders of Unit Owners) as described in the By-Laws. After the expiration of the Initial Control Period, a majority of the Residential Board must be Unit Owners who own Residential Units and who occupy their Residential Units or members of such Unit Owners' households and must not be related to Sponsor or its principals. No member of the Residential Board shall continue to serve on the Residential Board if, during such Unit Owner's term of office, said member shall cease to be a Residential Unit Owner or an interested party.

At the first annual meeting of the Commercial Unit Owners and at each annual meeting of the Commercial Unit Owners thereafter, the incumbent Commercial Board shall resign and the Commercial Unit Owners shall elect a new Commercial Board consisting of three members.

From and after the first annual meeting of the Residential Unit Owners and the Commercial Unit Owners, the Condominium Board shall consist of seven persons: all five members of the Residential Board and two of the three members of the Commercial Board, who shall be selected from the members of the Commercial Board by a vote thereof within 10 days of the annual meeting of the Commercial Unit Owners at which such Commercial Board was elected Meeting. 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, facsimile or e-mail 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 each such Board by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place (which shall be in the Borough of Manhattan) and purpose of the meeting.

The terms of each member of the Residential, Commercial, and Condominium Boards shall expire annually, except that members of the Boards shall serve until their respective successors shall be duly elected and qualify. There shall be no limit on the number of successive terms a Board member may serve. All Board members shall serve without compensation for their services in such capacity. 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 in such notice of resignation.

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 Residential Unit Owners having more than 50% of the total authorized votes of all Residential Unit Owners who are present at a meeting of the Residential Unit Owners at which a quorum is present; provided, however, that a Residential Board member designated by Sponsor may only be removed for cause, in which event he shall be replaced by another Sponsor designee. No member of the Residential Board shall continue to serve on the Residential Board if, during such Unit Owner's 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 Successor Sponsor.

The number and composition of the Residential, Commercial, and Condominium Boards may not be changed except in accordance with the procedures described in the By-Laws. 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 that affect only the Residential Section and do not adversely affect the Commercial Section, Commercial Unit Owners or the business of the tenants or occupants thereof shall be made by the Residential Board. Similarly, all determinations that 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. Generally, all other determinations with respect to the administration of the affairs of the Condominium, including those that (i) relate to or affect both the Residential Section and the Commercial Section 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, all determinations required to be made by the Residential Board or the Commercial Board shall, with certain exceptions, be by a 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 the 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 the Residential Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At such meetings, the Residential Unit Owners shall elect the five-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 of the Residential Unit Owners 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 Unit Owners to all Residential Unit Owners of record. The notice, which shall be given at least five business 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 the Declaration, at all meetings of the Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning Residential Units to which are appurtenant, in the aggregate, more than 50% of the Residential Common Interests 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 Owners is held, the presence in person or by proxy of Unit Owners owning Units to which are appurtenant, in the aggregate, more than 50% of the Common Interests 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 such Unit Owner's proxy) entitled to vote thereat (including Sponsor and any Successor Sponsors with respect to Unsold Residential Units) shall be entitled to cast one vote for each .0001% of Common Interest attributable to such Unit Owner's Unit or Units.

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 Commercial Board shall be a president, vice president, secretary and treasurer, all of whom shall be elected by the Commercial Board. The principal officers of the Condominium 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. All officers of the Residential Section and the Commercial Section shall be elected annually at the annual meetings of such Boards. Except as otherwise provided by the Board for which such officer 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 or the Commercial 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 Board.

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.

Generally, subject to certain exceptions concerning, among other things, Sponsor, the Commercial Section, and Unsold Residential Units, and provided that the required consents of 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 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 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 and any Successor Sponsor 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 any Successor Sponsor, or otherwise adversely affecting Sponsor or any Successor Sponsor 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 or the offering for sale or lease of all or any portion of the Commercial Units. In connection therewith, the Commercial Board may, subject to compliance with Applicable Law, 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.

Every contract made by or on behalf of the Condominium Board, the Residential Board, or the Commercial Board shall state that (a) it is made only as agent for all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, respectively, and such Board members shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to any contract regarding the Condominium, the Residential Section or the Commercial Section, as the case may be, 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, Residential Unit Owners, or Commercial Unit Owners, as the case may be, and (ii) to the extent permitted by law, such Unit Owner's interest in such Unit Owner's Unit and its Appurtenant Interest. To the extent permitted by Applicable Law, Board members shall have no liability to Residential or Commercial Unit Owners, except that a Board member shall be liable for such Board member's own bad faith or willful misconduct. All

Residential Unit Owners and Commercial 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 arising out of or relating to such Board member's actions in his capacity as a Board member, except those arising out of such Board 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 any Successor Sponsor, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARDS OF MANAGERS

Sales and Leases of Units

Each Residential Unit Owner may sell his Residential Unit, together with its Appurtenant Interest, or lease its Residential Unit, provided such Unit Owner (the "**Offeree Unit Owner**") first gives the Residential Board written notice of such Offeree Unit Owner's intention to sell or lease such Unit accompanied by a fully-executed, original counterpart of the contract of sale for the Unit or lease, as the case may be, and an opportunity for the Residential Board, on behalf of all Residential Unit Owners, to purchase or lease such Unit at the same price or rental and on the same terms as are contained in such contract of sale or lease with such prospective purchaser or lessee, as more specifically provided in Article 8 of the By-Laws. If the Residential Board fails to accept the offer made by the Offeree Unit Owner pursuant to Article 8 of the By-Laws or does not notify the Unit Owner of its election to purchase or lease the Unit within 30 days after receipt of notice by Purchaser, the Offeree Unit Owner will have ninety (90) days after the expiration of the thirty (30)-day period to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease appended to the notice. After the expiration of the ninety (90)-day period, the Offeree Unit Owner will again be required to offer the Residential Unit to the Residential Board as provided above; provided that the Residential Board shall be entitled to waive, or to permit an extension of, either or both of such periods. The Residential Board may not exercise its option to purchase or lease any Residential Unit without the prior approval of Residential Unit Owners having more than 50% of the total authorized votes of all Residential Unit Owners who are present at a meeting of the Residential Unit Owners at which a quorum is present. The Offeree Unit Owner shall have the right to vote in any such vote of Residential Unit Owners held for the purpose of determining whether the Residential Board shall exercise its right of first refusal to purchase or lease the Offeree Unit Owner's Unit. Any deed given by an Offeree Unit Owner in connection with such sale shall provide that the acceptance of such deed 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 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 the then-current form of apartment lease recommended by the Real Estate Board of New York, Inc., except for such changes therein as

provided in the By-Laws, and must expressly provide that such lease may not be amended, modified or extended without the prior written consent of the Residential Board and that the tenant thereunder may not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Residential Board; and that the Residential Board will have the power to terminate such lease or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act. Under Applicable Law in effect on the Presentation Date of this Plan, such lease will not be subject to rent control, rent stabilization or any other state or local law or regulation as to rentals or continued occupancy.

Any purported sale or lease of a Unit in violation of this Section of the Plan shall be voidable at the election of the Residential Board.

A Residential Unit Owner, without complying with the foregoing restrictions, may: (i) lease, sell or convey its Residential Unit to a spouse, adult child or grandchild, parent, grandparent, or adult sibling, or any other related or controlled individual or entity, as more particularly set forth in the By-Laws; (ii) convey its Residential Unit by gift; (iii) devise its Residential Unit by will; or (iv) have its Residential Unit pass by intestacy; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit shall be subject to, the Residential Board's right of first refusal and the procedures relating thereto, as set forth above and more particularly in Article 8 of the By-Laws.

The foregoing restrictions upon the sale and lease of Residential Units shall not apply to the Residential Board, Sponsor or a Successor Sponsor or to Residential Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure. Such restrictions shall also be inapplicable to the Commercial Units, whether owned by Sponsor or a Successor Sponsor or holder of Unsold Units or by any subsequent owner or by any mortgagee, and, subject to compliance with applicable laws and governmental regulations, if any, the Commercial Unit Owners shall be free to sell, lease, mortgage or otherwise transfer or hypothecate all or any part of the Commercial Units.

A Residential Unit Owner may sell his Residential Unit only if such sale includes the Residential Unit's Appurtenant Interest.

A Residential Unit Owner may not convey or lease his Residential Unit unless he has paid in full to the appropriate Board all unpaid Common Charges and Special Assessments theretofore assessed by such Board against such Residential Unit and has satisfied all unpaid liens against such Residential Unit, other than liens of Permitted Mortgages. 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 for which a signed Purchase Option Agreement for a Unit has been submitted to Sponsor under this Plan, the Purchaser may not, under the terms of such Purchase Option Agreement, list such Unit for resale with any broker or advertise or otherwise offer, promote or publicize the availability of the Unit for sale, without Sponsor's prior written consent.

The Residential Board shall have the right to impose a reasonable charge to cover its expenses, including payment of any fees due to the Managing Agent or any attorney retained by the Residential Board, in connection with the sale or lease of a Unit. If such charge is adopted, it shall be added to and constitute Common Charges payable by the transferor Unit Owner.

If not prohibited by Applicable Law, the Residential Board, with the consent of two-thirds of its members, shall have the right to impose a transfer fee (or so-called "flip-tax") to be payable upon the sale of a Residential Unit, in such amount as shall be determined from time to time by the Residential Board, with the consent of two-thirds of its members, except that no such fee shall be payable on a sale or transfer that is exempted under Article 8 of the By-Laws. If any such fee is adopted, it shall be added to and constitute Residential Common Charges payable by the transferor Residential Unit Owner.

No transfer fee or other charge payable to the Residential Board or the Managing Agent as described above shall be payable in connection with a sale or lease of a Residential Unit by Sponsor or any Successor Sponsor or in connection with any other sale or lease with respect to which the Residential Board does not have a right of first refusal.

Use of Units.

As more particularly set forth in the By-Laws, and except as expressly provided therein and below, Residential Units may be used for residential purposes only. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, the United States government or any instrumentality thereof and foreign governments or any embassy, consulate or other instrumentality thereof), may be occupied only by such individual; or by an officer, director, stockholder, or employee of such corporation; or by a partner or employee of such partnership; or by a member or employee of such limited liability company; or by such fiduciary, if an individual (or by an officer, director, stockholder, or employee of a corporate fiduciary, or by a partner or employee of a partnership fiduciary, or by a member or employee of a limited-liability-company fiduciary), or by the beneficiary of any such fiduciary; or by a principal or employee of such other entity; or by family members or guests of any of the foregoing. A Residential Unit may be used for lawful purposes that are not residential purposes, subject, however, to (1) the terms and conditions of the then-existing certificate of occupancy covering 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 or imposing undue burdens on any building systems or staff, and (4) the prior written permission of the Residential Board, which permission shall in no event be granted unless the Residential Board affirmatively finds that the conditions in (1) through (3) above have been met.

Notwithstanding the foregoing, the owner of an Unsold Residential Unit may, without the permission of the Residential Board, (1) grant permission for the use of such Unsold Residential Unit as a professional office or for any other purpose, provided that such use is permitted by law, and does not violate the then-existing certificate of occupancy covering such Residential Unit or any other governmental regulations and (2) use such Unsold Residential Unit as a model unit or sales or promotion office in connection with the sale or rental of the Units, subject only to compliance with applicable governmental laws and regulations.

A Commercial Unit may be used for any lawful purpose, including, without limitation, as a parking garage, department or other retail store or outlet, storage facility, theater, bank, restaurant or commercial or professional office or studio; except that no Commercial Unit may be used (1) for any illegal or pornographic purposes or (2) as a commercial establishment in which are provided sex-related activities consisting of nude or semi-nude live performances, sex clubs, massage parlors, adult book stores, peep shows or (3) as a homeless shelter or (4) as a drug or alcohol rehabilitation facility. No sale of any Commercial Unit or lease, sublease or use of all or any portion of any Commercial Unit shall be deemed to adversely affect the Residential Section.

Each Residential Unit Owner shall notify the Managing Agent in writing when a child or children under the age of ten years lives or resides (even temporarily) in the Residential Unit owned by such Residential Unit Owner. Each Residential Unit Owner shall install at such Residential Unit Owner's expense, the required window guards in all windows of the Residential Unit owned by such Residential Unit Owner. The Residential Unit Owner shall maintain all window guards installed in the Residential Unit and shall not remove them until permitted by Applicable Law and, in any event, without the prior written approval of the Managing Agent.

The current New York City Zoning Resolution permits a person who resides in a Residential Unit to use up to 25% of the floor area of such Unit Owner's Residential Unit (but in no event to exceed 500 square feet) for certain home occupations.

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.

Rules and Regulations

No Unit Owner will cause or permit any Hazardous Materials to be used, stored, transported, released, handled, produced or installed in, on or from its Unit or the Property, other than substances used in *de minimis* quantities in household cleaning products and generated, stored, handled and used in compliance with Applicable Law. It will be the obligation of each Unit Owner to comply (at its sole cost and expense) with all Applicable Laws with respect to Hazardous Materials in its Unit or in connection with any Work performed by or on behalf of such Unit Owner at the Property.

The Rules and Regulations are annexed to the By-Laws and contain rules and regulations governing the among other things, the conduct of Residential Unit Owners and the their family members and guests in the General Common Elements and Residential Common Elements, including the lobby, entranceway and hallways, restriction on use of window guards and decorations, limitations on pets, restriction on additional air-conditioning, heating or ventilation equipment, persons required to use service elevators for ingress and egress to the Residential Units, disposal of refuse, restrictions on flammable substances, signage, telecommunications aerials and other receivers, velocipedes, bicycles, scooters and similar vehicles. The following is a summary of illustrative rules and regulations:

No pets other than caged birds, cats and fish 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 employed by the Residential Board (or if no such Managing Agent exists, then the Managing Agent employed by the Condominium). Although pets are permitted to be kept in Residential Units, each Unit Owner (other than Sponsor or any Successor Sponsor) who keeps any type of pet in his or her Residential Unit will be required to (a) indemnify and hold harmless the Condominium, all other Unit Owners and the Managing Agent from all claims and expenses resulting from the acts of such pet; and (b) abide by any and all reasonable Rules and Regulations of the Condominium adopted with respect thereto. The Condominium Board may require that pet owners enter into an agreement with the Board confirming such owners' obligations with respect to their pets and, in any event, the Condominium Board may require the removal of a pet that causes a nuisance, health hazard or unsanitary condition.

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.

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 Units. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers of the Residential Section or the Commercial Section.

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 employed by the Residential Board (or, if there is none, the Managing Agent employed by the Condominium), which approval shall not be unreasonably withheld or delayed. Without limiting the foregoing, all window curtains or shades shall be white-backed.

All refuse from the Units must be deposited by Unit Owners in those areas of the Buildings provided for that purpose at such times and in such manner as the Condominium Board directs. Nothing may be hung or shaken from any doors, windows or roofs, or placed upon the window sills of the Buildings, and no Unit Owner may sweep or throw or permit to be swept or thrown, any dirt, debris or other substance therefrom.

There will be no playing or lounging in the entrances, passages, public halls, vestibules, corridors or stairways of the Buildings, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.

All service and delivery persons shall be required to use the service entrance and deliver all packages, whenever feasible to the package room in the lobby, where such packages will be held for pick-up by Residential Unit Owners. Deliveries will be made from the package room to the individual Residential Units by building personnel only. If the Residential Unit is not 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 must first register with building personnel and, upon being

approved by the Residential Unit Owner, will be permitted to make deliveries directly to individual Residential Units.

No Residential Unit Owner or any of such Unit Owner's agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit. Unless expressly authorized by the Condominium Board in each instance, not less than eighty (80%) percent of the floor area of each Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

Nothing shall be done or kept in any Residential Unit or in the General Common Elements or Limited Common Elements that 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 such Unit Owner's Unit or in the General Common Elements or Limited Common Elements that will result in the cancellation of insurance on the Building or that would be in violation of any law. No waste shall be committed in or to the General Common Elements or Limited Common Elements.

Servants, messengers and tradespersons visiting or residing in the Residential Section may be required to use the elevators designated by the Residential Board for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses, nurses' aides, nannies and babysitters in the employ of the Residential Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, family members, guests or tenants.

Each Unit Owner shall keep such Unit Owner's 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 such Unit Owner's own Unit in accordance with the provisions of the By-Laws, including, without limitation, the Rules and Regulations, as well as the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations Units may be amended from time to time by the respective Boards in accordance with the By-Laws, provided that copies thereof are furnished to Unit Owners prior to the time that they become effective (except that no amendment thereof affecting the Commercial Units or Unsold Residential Units may be made unless agreed to by the Commercial Unit Owners or Sponsor and any Successor Sponsor, 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.

Resident Manager's Unit

At the First Closing, Sponsor will sell and convey Unit 2E, a Residential Unit, to the Residential Board, on behalf of all Residential Unit Owners, to be used as the resident manager's residence (the "**Resident Manager's Unit**"). The purchase price of the Resident Manager's Unit is $1,270,000. At the closing to each Residential Unit sold by Sponsor, the Purchaser will be required to pay his share of the purchase price of the Resident Manager's Unit by paying to Sponsor an amount equal to the $1,270,000 purchase price multiplied by the Residential Common Interest of such Residential Unit.

All Common Charges and Special Assessments assessed against the Resident Manager's Unit, together with all other expenses of ownership thereof, including, but not limited to, the cost of utilities, real estate taxes and the cost of repairs, alterations and improvements to the Resident Manager's Unit undertaken by the Residential Board, shall borne by the Residential Unit Owners as a Residential Common Expense.

See the Footnotes to Schedule B for a further discussion of the costs involved in maintaining the Resident Manager's Unit.

The Residential Board shall be responsible for the payment of all closing costs relating to its purchase of the Resident Manager's Unit, including, but not limited to, recording taxes, transfer taxes, title insurance premiums and other fees due in connection with the purchase of the Resident Manager's Unit. Such payment shall be made at the First Closing as part of the closing adjustments described in the subsection entitled "**Closing Adjustments With Boards**" in the Section of the Plan entitled "**Working Capital Fund; Closing Adjustments with Condominium Boards; Reserve Fund.**"

Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Unit 2E to sell to the Residential Board as the Resident Manager's Unit for a purchase price not to exceed the purchase price set forth above for Unit 2E by more than 25%; provided, however, that such sale shall only be made pursuant to an amendment to the Plan and shall not result in the Residential Board's incurring Common Charges and real estate taxes the sum of which exceed the costs of owning the Resident Manager's Unit during the first year of condominium operation, as set forth in Schedule B, by more than 25%.

Mortgages of Units by Unit Owners

Each Residential Unit Owner may mortgage his Unit, provided that he first complies with the conditions with respect thereto set forth in the By-Laws. As more fully set forth in therein, 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, or such other form customarily used by lenders making loans secured by individual residential condominium units; (b) the Residential Board is notified in writing of the making of such mortgage; and (c) the owner making such mortgage first satisfies all unpaid liens against such Unit Owner's Unit, other than Permitted Mortgages. A Commercial Unit Owner shall have the right to mortgage a Commercial Unit without any restriction or limitation.

In certain instances the consent of the Residential Mortgage Representative(s) is necessary in order to amend the Declaration, By-Laws or Rules and Regulations. The By-Laws provide that the holders of mortgages (a) that were initially held by (i) Sponsor, (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 and (b) which satisfy the general conditions for mortgages set forth in the By-Laws may appoint up to three Residential Mortgage Representatives.

Common Charges: Determination and Assessment

General Common Expenses will be determined by the Condominium Board and will be borne by all Unit Owners. General Common Expenses will generally be allocated among Unit

Owners and in proportion to their respective Common Interests. General Common Expenses 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.

Residential Common Expenses will be determined by the Residential Board and will be borne solely by the Residential Unit Owners. In addition, the Residential Common Charges include the Residential Unit Owners' allocable portion of the General Common Expenses. Residential Common Expenses will generally be allocated among Residential Unit Owners in proportion to their respective Residential Common Interests. 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 as otherwise provided for in the By-Laws. 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. Notwithstanding anything to the contrary, the costs of repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, any Residential Limited Common Element (except in connection with a casualty or condemnation) shall be borne solely by those Residential Unit Owners who benefit from such Residential Limited Common Element in the proportion that the Residential Common Interest appurtenant to the Residential Unit owned by each benefiting Residential Unit Owner bears to the Residential Common Interests appurtenant to the Residential Units of all benefiting Residential Unit Owners.

Commercial Common Expenses will be determined by the Commercial Board and will be borne solely by the Commercial Unit Owners. In addition, the Commercial Common Charges include the Commercial Unit Owners' allocable portion of the General Common Expenses. Commercial Common Expenses will generally be allocated among Commercial Unit Owners in proportion to their respective Commercial Common Interests. Commercial 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 Commercial Common Elements. Commercial Common Expenses may include amounts for certain other items as the Commercial Board may deem proper, such as amounts for reserves. Notwithstanding anything to the contrary, the costs of repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Limited Common Elements (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from such Commercial Limited Common Element in the proportion that the Commercial Common Interest appurtenant to the Commercial Unit owned by each benefiting Commercial Unit Owner bears to the Commercial Common Interests appurtenant to the Commercial Units of all benefiting Commercial Unit Owners.

Notwithstanding anything to the contrary set forth above, instead of making allocations based on Common Interests, Residential Common Interests or Commercial Common Interests, the Condominium Board, the Residential Board and the Commercial Board may make allocations of General Common Expenses, Residential Common Expenses and Commercial Common Expenses,

respectively, 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 the provisions of Applicable Law.

The Common Interest of each Unit 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.

At least annually (a) the Condominium Board will prepare a budget for General Common Expenses and allocate, as aforesaid, and assess the General Common Charges to the Unit Owners to meet such expenses, (b) the Residential Board will prepare a budget for Residential Common Expenses and allocate, as aforesaid, and assess to the Residential Unit Owners the Residential Common Charges to meet (i) the Residential Common Expenses and (ii) the Residential Unit Owners' share of General Common Expenses and (c) the Commercial Board will prepare a budget for Commercial Common Expenses and allocate, as aforesaid, and assess among all Commercial Unit Owners the Commercial Common Charges to meet (i) the Commercial Common Expenses, if any, and (ii) the Commercial Unit Owners' 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, Residential Common Charges and Commercial Common Charges will be payable monthly in advance on the first day of each month. Each Unit Owner will be solely responsible for the payment of all Common Charges and Special Assessments assessed against him.

Common Charges: Collection and Lien for Non-Payment; Attachment of Rent

Pursuant to a grant made pursuant to Section 339-z of the Condominium Act, and under the provisions of the By-Laws: (a) the Condominium Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid General Common Charges and General Special Assessments, together with interest thereon, assessed against such Unit; (b) the Residential Board, on behalf of all Residential Unit Owners, will have a lien on each Residential Unit for unpaid Residential Common Charges and Residential Special Assessments, together with interest thereon, assessed against such Residential Unit; and (c) the Commercial Board, on behalf of all Commercial Unit Owners, will have a lien on each Commercial Unit for unpaid Commercial Common Charges and Commercial Special Assessments, together with interest thereon, assessed against such Commercial Unit. All such liens, however, to the extent permitted by Applicable Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges or Special Assessments against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall occur sooner. If unpaid Common Charges or Special Assessments are due, any member of the appropriate Board may file a notice of lien as described above if no notice of lien has been filed within sixty days after the unpaid Common Charges or Special Assessments

became due. Upon such payment of the Common Charges or Special Assessments, the Unit Owner will be entitled to an instrument duly executed and acknowledged by the appropriate Board certifying to the fact of payment. 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 or all Commercial 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 or Special Assessments without foreclosing such lien. While Sponsor controls the appropriate Board, it will cause such Board to file such a lien to file a lien as provided for in Section 339-aa of the Real Property Law on Units with respect to which Sponsor is more than 30 days in arrears of General Common Charges or General Special Assessments, Residential Common Charges or Residential Special Assessments, or Commercial Common Charges or Commercial Special Assessments, as the case may be.

No Unit Owner may exempt himself from liability for such Unit Owner's Common Charges by waiving the use of any of the Common Elements or by the abandonment of such Unit Owner's Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a permissible sale, transfer or other conveyance by him of such Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying such Unit, together with its Appurtenant Interest, to the Residential Board, the Commercial Board, or the Condominium Board for no consideration and by complying with certain conditions in connection therewith, exempt himself from Residential Common Charges, Commercial Common Charges or General Common Charges, as the case may be, thereafter accruing.

On a resale of a Unit, the purchaser thereof will be liable for the payment of Common Charges and Special Assessments accrued and unpaid against such Unit prior to such purchaser's 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 from the Residential Board, setting forth the amount of the unpaid Common Charges and Special Assessments accrued against the Unit, and neither such seller nor such purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges or Special Assessments 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 any Board of its lien on a Unit for unpaid Common Charges and Special Assessments, 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. Notwithstanding anything to the contrary above, however, neither a Permitted Mortgagee acquiring title to a Unit at foreclosure sale nor 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 or Special Assessments 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 and Special Assessments 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.

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 (excluding Common Elements included therein except as otherwise provided in the By-Laws), including 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 Unit Owners as a General Common Expense, (c) 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, (d) in or to the Residential Limited Common Elements shall be made by the Residential Board, and the cost and expense thereof shall be charged as a Residential Common Expense to the Residential Unit Owners who benefit from such Residential Limited Common Elements; (e) in or to the Commercial Common Elements shall be made by the Commercial Board, and the cost and expense thereof shall be charged as a Commercial Common Expense to all Commercial Unit Owners; and (f) in or to the Commercial Limited Common Elements shall be made by the Commercial Board, and the cost and expense thereof shall be charged as a Commercial Common Expense to the Commercial Unit Owners who benefit from such Commercial Limited Common Elements.

The interior and exterior 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 negligent Unit Owner, as the case may be). No replacement of, or modification or alteration to the windows (other than replacement of the window panes) may be made without the written consent of the Condominium Board.

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 such Unit Owner's 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 subsection entitled "**Rights of Access**," below. A Residential Unit Owner shall not permit excessive noise or vibrations to emanate from the Unit.

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 by such Unit Owner or Board in conformity with the dignity and character of the Building.

Alterations and Improvements of Units and Common Elements

No Residential Unit Owner may make any structural alteration, addition, improvement or repair in or to such Unit Owner's 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. Such Board may impose fees upon such Unit Owner to obtain reimbursement 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, Applicable Law. 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 with respect to the Unsold Residential Units, the Commercial Units and the 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 Applicable 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 a 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 Unit Owners 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, the Commercial Common Elements, or the Commercial Limited 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 and the By-Laws. 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 the rental of any Unsold Residential Unit or Commercial Unit or the operation of any business of a tenant or occupant of the Commercial Units, 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, any Managing Agents, the resident manager or superintendent and other persons authorized by any of the foregoing, will have a right of access to any Unit for the purposes of: making inspections of, or removing violations noted or issued by any governmental authority against, the General Common Elements or the Limited Common Elements or any other party of the Property; curing defaults by a Unit Owner; correcting any conditions originating in any Unit and threatening another Unit or any Common Element, or correcting any condition that violates the provisions of any Permitted Mortgage covering another Unit; provided that requests for entry for any such access (except in emergency situations) are made not less than one day 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 any 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 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.

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, in proportion to their respective Commercial Common Interests. 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 Residential 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 such 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 Units 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. No payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of

such Unit Owner's share of such funds such amounts as may be necessary to reduce unpaid liens on such Unit Owner's Unit, other than mortgages that are not Permitted Mortgages, in the order of priority of such liens.

Unless the Unit Owners have elected not to restore the Building as provided below, damage or destruction to a Unit or a Residential Limited Common Element or Commercial Limited Common Element as a result of fire or other casualty shall be promptly repaired and reconstructed by the owner of the affected Unit(s), unless, with respect to any such Residential Limited Common Element or Commercial Limited Common Element, such repair or reconstruction is the obligation of the Condominium Board, the Residential Board or the Commercial Board under the Declaration and the By-Laws. If such Unit Owner fails to repair or reconstruct such Unit Owner's Unit or any such Residential Limited Common Element or Commercial Limited Common Element the repair of reconstruction of which is the obligation of such Unit Owner, the appropriate Board may cause such Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be a charged to such defaulting Unit Owner as a Special Assessment.

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 such Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on such Unit Owner's Unit (other than mortgages that 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 the 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 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, 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) loss of income insurance

(Common Charges); (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 to be necessary; (f) water damage insurance to the extent, if any, determined by the Condominium Board to be necessary; (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; (j) commercial umbrella insurance; and (k) such other insurance as the Condominium Board may from time to time determine to be necessary or appropriate.

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 meeting of the Condominium Board 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.

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 officers thereof, the Managing Agents, the employees of each Board and the Condominium, each Board member and each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's Unit or within the Residential Limited Common Elements or the Commercial Limited Common Elements, if any, appurtenant to such Unit Owner's 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 the 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, the combined single limit. The comprehensive general liability insurance discussed in this paragraph shall also cover 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 Unit Owners and the Commercial Unit Owners 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 carrier, agent, broker or other such parties designated by the Condominium Board). If any such insurance carrier, agent, broker or other party fails to make such determination regarding premiums 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. Pursuant to the By-Laws, each 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 combined single limits of liability of $1,000,000 for bodily injury or death arising out of any one occurrence plus at least $2,000,000 umbrella liability coverage. The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time.

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 because of damage or destruction resulting from a fire or other casualty, 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 of all Unit Owners both in number and in aggregate Common Interest. Such vote shall not be effective, however, unless written consent is obtained from the Residential Mortgage Representatives, if any. Sponsor shall not vote the aggregate Common Interests appurtenant to its Units for such withdrawal unless at least 80%, both in number and in aggregate Common Interests, of all other Unit Owners so elect for such withdrawal, at which time Sponsor may choose to vote either in favor of or against withdrawal from condominium ownership, as it sees fit.

In the event that such withdrawal is so authorized, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

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 all 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 all 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 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 or expense accounts of the Residential Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Residential Board may levy a Residential Special Assessment against the Residential Unit Owners in proportion to their respective Residential Common Interests and/or the Residential Board may, in its discretion, finance the acquisition of such Residential 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 Residential Unit to be purchased together with its Appurtenant Interests.

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 such Unit Owner's 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 Owners 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 Common Elements or Limited Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the individual 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 Common Elements 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 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 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. 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 Residential Unit

Owner to use the General Common Elements and the Residential Common Elements, 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 Units 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 lights and lighting fixtures and to erect maintain and replace satellite communication equipment and similar equipment, as permitted by law, on the roofs and facade of the Property and elsewhere on the Common Elements that shall entitle Sponsor to utilize such easement for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. In addition, Sponsor and any Successor Sponsor 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 "Gramercy Star Condominium." Any and all rights and interests appurtenant to such name, if they 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 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

Sponsor intends to apply to the New York City Department of Housing Preservation and Development ("**HPD**") for a partial exemption under Section 421-a of the Real Property Tax Law ("**Section 421-a**") from any increase in the assessed value of the Property above the assessed value of the Land and any improvements thereon during the tax year preceding the commencement of construction of the Building. NEITHER SPONSOR NOR SPONSOR'S COUNSEL, HERRICK, FEINSTEIN LLP, MAKES ANY REPRESENTATION OR WARRANTY THAT A PARTIAL TAX EXEMPTION FROM REAL ESTATE TAXES UNDER SECTION 421-A WILL BE GRANTED OR AS TO THE AMOUNT, IF ANY, OF THE MINIMUM TAX THAT WILL BE ASSESSED AGAINST THE UNITS OR THE AMOUNT OF REAL ESTATE TAXES PAYABLE AT ANY TIME BY ANY UNIT OWNER. There is no guaranty or assurance that the criteria for Section 421-a benefits will be satisfied and neither Sponsor nor Herrick, Feinstein LLP offers any opinion with respect to the eligibility of the Units for Section 421-a benefits. If, for any reason, the applicable credit certificates that must be submitted to HPD cannot be obtained by Sponsor or an application is not approved by HPD, the Units will be subject to full taxation and will receive no benefits under Section 421-a. See Schedule A for projected monthly real estate taxes for each Unit with and without the benefits under Section 421-a. See **"Opinion of Real Estate Tax Counsel"** set forth in Part II of the Plan for a discussion by Sponsor's counsel of the conditions of eligibility for the Section 421-a real estate tax exemption.

The real estate taxes that will be payable by the Unit Owners for future years will vary in accordance with the amounts of the Units' assessed valuations (transitional and actual) and the real estate tax rate. If the partial exemption from any increase in the assessed value of the Property pursuant to Section 421-a is granted and maintained, the percentage of exemption will decrease and real estate taxes payable by the Unit Owners will increase periodically over a period of ten years. The ten-year exemption from taxation consists of two years of full exemption, followed by two years of exemption from 80% of such taxation, followed by two years of exemption from 60% of such taxation, followed by two years of exemption from 40% of such taxation, followed by two years of exemption from 20% of such taxation.

Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits that can result in the reduction or revocation of benefits if proper documentation is not provided. Upon recording of the Declaration, Sponsor will make all tax-benefit documents available to the Condominium Board for inspection and copying for the life of the benefits, and Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

The By-Laws provide that the Condominium Board has the power to act as an agent of each Unit Owner who has given his written authorization to complain or apply to the local and county real estate tax assessment agency or board of review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Condominium Board may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and assess as a Common Charge against all such Unit Owners a pro rata share of expenses, disbursements and legal fees paid or incurred in connection with any such complaint or application.

Sponsor reserves the right both (i) to prosecute any tax certiorari proceedings challenging the assessed valuation of the Property, in the tax year in which the First Closing takes place, and any preceding tax year, in its own name or the name of the Condominium, the Condominium Board or the Unit Owners, by attorneys selected by Sponsor and (ii) to settle any such proceedings in its sole discretion and without the consent of the Condominium Board or the Unit Owners. After deducting the cost of such proceedings including, without limitation, attorney's fees, all benefits obtained, including, without limitation, any tax refunds, attributable to either: (a) any tax year ended prior to the date of the First Closing, shall be paid to the Sponsor, or (b) any tax year commencing after the Closing Date, may be retained by the Condominium or the appropriate Unit Owners as the case may be, or (c) the tax year in which the Closing Date occurs shall be apportioned between the Sponsor and the Condominium as of the Closing Date.

Sponsor has not instituted a tax certiorari proceeding to protest the assessed valuation for the 2006-2007 tax year.

Each Unit Owner is advised to consult with an attorney regarding the advisability of filing real estate tax certiorari proceedings with respect to his Unit.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following summary is for informational purposes only and is based upon information provided by Sponsor's counsel, Herrick, Feinstein LLP, in its opinion set forth in the Section of the Plan entitled "**Opinion of Counsel.**"

Deductibility of Mortgage Interest and Property Taxes.

Each Unit Owner who owns a Residential Unit will own such Residential Unit, together with its appurtenant Common Interest, in fee simple, and each Residential Unit will be a separate tax lot for purposes of local real estate taxes and assessments. Because each such Unit Owner will own his Residential Unit in fee simple, the owner may mortgage such Residential 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 Herrick, Feinstein LLP that, under present law, Residential Unit Owners will, for federal income tax purposes, be entitled to a deduction for mortgage interest and property taxes in the taxable year in which the same are paid or accrued. It is also the opinion of Herrick, Feinstein LLP that, under present law, each Residential Unit Owner will, for New York State income tax purposes, be entitled to the same deduction that is allowed for federal income tax purposes for the mortgage interest and property taxes paid or accrued during the taxable year.

The aforesaid deductions, however, are subject to certain exceptions and limitations, which are more particularly discussed in the income tax opinion set forth in the Section of the Plan entitled "**Opinion of Counsel.**"

Tax Status of the Condominium

Under Section 528 of the Internal Revenue Code, a condominium board of managers may be eligible to elect to be exempt from federal income tax on common charges collected from owners of condominium units.

In order for such an election to be made,

(1) the condominium must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property;

(2) 60% or more of the gross income of the board of managers for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of units in the condominium;

(3) 90% or more of the net expenditures of the board of managers for the taxable year must be for the acquisition, construction, management, maintenance and care of the property;

(4) no part of the net earnings of the board of managers may inure (other than by acquiring, constructing or providing management, maintenance and care of the property and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any private shareholder or individual; and

(5) substantially all of the units must be used by individuals as residences.

According to the Treasury Regulations, substantially all of the Units will be treated as used by individuals for residences if at least 85% of the total square footage of all Units is used by individuals for residences. While it is anticipated that at least 85% of the Building's total square footage will be used for residential purposes, no warranty or guaranty is made to such effect.

It should be noted that if an election were permitted to be made under Section 528 of the Code, the Boards would still be required to pay a tax on any taxable income they may receive. For this purpose, "taxable income" is defined as the excess, if any, of (a) the gross income for the taxable year over (b) the deductions allowed by the Code that are directly connected with the production of such gross income, calculated with certain modifications provided in Section 528. For the purpose of determining "taxable income," excluded from gross income are amounts received as membership dues, fees or assessments from owners of Units in the Condominium.

If an election under Section 528 is not available, the tax status of the Boards will be governed by the rules in effect prior to the enactment of Section 528, under which their tax status is uncertain. Because the By-Laws provide that the Boards will act as agent of the Unit Owners they represent, the Condominium Board may take the position that the Boards are not separate taxable entities. In such a case the Unit Owners would include in their gross income, and be taxed on, income derived by the Boards. This income may include interest earned from investments on the amounts that are assessed and collected from the Unit Owners, or rental income, if any.

The Internal Revenue Service may contend, however, that for purposes of those matters administered through the Boards, such as assessment and expenditure of Common Charges, the Boards constitutes associations separately taxable as corporations. In that event, the Boards may be deemed to be subject to federal corporate income tax on the amount, if any, by which Common Charges (together with any income earned from other sources, such as interim investments of funds by the Boards) exceed the current expenses paid or incurred by the Boards that are deductible for federal income tax purposes. The Boards may likewise be subject to the New York State corporation franchise tax and the New York City general corporation tax.

For a further discussion of the tax status of the Condominium, see the Section of the Plan entitled "**Opinion of Counsel.**"

NO WARRANTIES ARE MADE THAT THE INTERNAL REVENUE SERVICE OR THE NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE OF THE STATE OF NEW YORK WILL ALLOW INCOME TAX DEDUCTIONS. FURTHER NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE TAX LAWS UPON WHICH SPONSOR'S COUNSEL BASES ITS OPINION WILL NOT CHANGE, AND IN NO SUCH EVENT WILL SPONSOR, THE SELLING AGENT, SPONSOR'S COUNSEL, THE CONDOMINIUM BOARD, COUNSEL TO THE CONDOMINIUM BOARD OR ANY OTHER PERSON CONNECTED WITH THIS OFFERING BE LIABLE IF FOR ANY REASON IT SHALL BE DETERMINED THAT UNIT OWNERS DO NOT MEET OR AT ANY FUTURE TIME CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE, THE NEW YORK TAX LAW OR ANY AMENDMENT TO EITHER OF THEM. MOREOVER, NONE OF THE AFORESAID MAKES ANY REPRESENTATIONS, GUARANTIES OR WARRANTIES WITH RESPECT TO THE TAX CONSEQUENCES OF THE OWNERSHIP OF ANY UNIT OFFERED UNDER THE

PLAN, EXCEPT AS EXPRESSLY SET FORTH HEREIN, AND NO ONE ELSE HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS, GUARANTIES OR WARRANTIES OTHER THAN THOSE CONTAINED HEREIN.

EACH PURCHASER SHOULD CONSULT HIS OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF UNIT OWNERSHIP.

May 4, 2006

Victor at E 23, LLC
3349 Highway 138, Building C
Suite C
Wall, New Jersey 07719

Re: Condominium Offering Plan for The 340 East 23rd Street Condominium, 340 East 23rd Street, New York, New York (the "Plan")

Ladies and Gentlemen:

The opinions contained herein are based upon our review of applicable statutory law and judicial precedent existing as of the date hereof, and we express no opinion as to the effect of any law that is hereafter enacted or any court case that is hereafter decided. We assume no obligation to update or supplement this opinion to reflect any changes in statutory law or judicial precedent, or any changes in fact or circumstances, that may hereafter come to our attention pertaining to the subject matter hereof.

You have requested our opinion concerning (i) the availability of certain deductions for federal, New York State and New York City income tax purposes to persons who purchase condominium units in The 340 East 23rd Street Condominium (the "Condominium") for residential use under the Plan (the "Unit Owners"), (ii) the treatment for such income tax purposes of the Common Charges paid or borne by the Unit Owners, and (iii) whether the method used to determine the undivided percentage interest of each Unit in the Common Elements of the Condominium complies with Real Property Law Section 339-i ("Section 339-i"). Except where otherwise indicated herein, the capitalized terms used in this opinion have the same meanings as in the Plan.

In this connection, we have reviewed the Plan, the relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder, Section 339-i, and such other materials as we deemed relevant.

This opinion was written to support the promoting or marketing of condominium units. This opinion was not intended or written to be used and may not be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under the U.S. federal

tax law. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

A. Deductibility of Mortgage Interest and Real Estate Taxes.

Pursuant to the Plan, a Unit Owner will own his Unit and its appurtenant interest in the Common Elements in fee simple, and, once each Unit is separately assessed for real estate taxes as provided in the Plan, each Unit will be taxed as a separate tax lot for real estate tax purposes. Each Unit Owner may mortgage his Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. In our opinion, under Sections 163 and 164, respectively, of the Code, a Unit Owner will, for federal income tax purposes, be entitled to a deduction for interest paid with respect to such mortgage indebtedness and for real estate taxes paid with respect to a Unit during a taxable year, subject, however, to the conditions and limitations discussed below. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

An individual owner of a Unit who uses such Unit for personal purposes may only deduct interest on debt secured by such Unit if such debt was incurred to acquire, construct or substantially improve his principal residence or designated secondary residence but only to the extent the principal amount of all such debts do not exceed $1,000,000 ($500,000 for married persons filing separately) in the aggregate and such debts are secured by such residence. In addition, an individual may deduct, generally, the interest on other debt secured by such residences to the extent the principal amount is not in excess of $100,000 ($50,000 for married persons filing separately).

The deductions for real estate taxes and mortgage interest incurred with respect to a Unit that the Unit Owner uses for personal purposes are itemized deductions that are subject to the overall limitation on itemized deductions imposed by Section 68 of the Code. Pursuant to Section 68, if a taxpayer's adjusted gross income exceeds the applicable amount (as discussed below) set forth in Section 68(b) of the Code (the "Applicable Amount"), such person's itemized deductions are reduced by the lesser of (1) three percent of the amount by which such taxpayer's adjusted gross income exceeds the Applicable Amount, or (2) eighty percent of the amount otherwise allowable as an itemized deduction. The Applicable Amount is $100,000, adjusted for inflation (for 2006 the inflation adjusted Applicable Amount is $150,500). The Applicable Amount for married persons filing separately is one-half of the foregoing amount.

A taxpayer who intends to use a Unit in a trade or business or to hold a Unit for the production of rental income may be subject to the passive activity loss rules of Section 469 of the Code. A taxpayer who intends to hold a Unit for investment will be subject to the investment interest rules of Section 163(d) of the Code. Such taxpayers should consult their personal tax advisers as to the effect of Sections 469 or 163(d) of the Code on their deductions.

It is also our opinion that an individual Unit Owner will, for New York State income tax purposes (and if such Unit Owner is a New York City resident, for New York City resident income tax purposes), likewise be entitled to a deduction equivalent to that which is allowed for federal income tax purposes for such mortgage interest and real estate taxes paid or accrued during the taxable year. See, Section 615 of the Tax Law. New York imposes its own limitation on itemized deductions. If a taxpayer's adjusted gross income is more than $100,000 but not more than $475,000, New York itemized deductions are reduced by up to 25% (50% if adjusted gross income exceeds $525,000).

The Tax Reform Act of 1986 modified the alternative minimum tax ("AMT") to which a taxpayer may be subject if the tax computed on that basis exceeds the regular income tax. Certain deductions are not allowed in computing a taxpayer's income for AMT purposes, including, generally, deductions both (1) with respect to mortgage interest on a personal residence that is not "qualified housing interest" and (2) with respect to real estate taxes payable in connection with such residence. Interest in connection with debts incurred to acquire, construct or substantially improve a principal residence or designated secondary residence used by the taxpayer is "qualified housing interest" that can be deducted in full in computing taxable income for AMT purposes.

B. **Common Charges.**

As further set forth in the By-Laws of the Condominium, Common Charges will be borne by all Unit Owners and assessed and collected by three Boards of Managers (collectively, the "Boards"): the Condominium Board, which represents all Unit Owners; the Residential Board, which represents the Residential Unit Owners; and the Commercial Board, which represents the Commercial Unit Owners. Under Section 528 of the Code ("Section 528"), a condominium board may be eligible to elect to be exempt from federal income tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met.

Section 528 permits a condominium management association to elect its benefits only if (a) substantially all of the condominium units are used by individuals for residences, and (b) the condominium management association is:

(1) organized and operated to provide for the acquisition, construction, management, maintenance and care of association property;

(2) sixty percent or more of the gross income of the association for the taxable year must consist solely of amounts received as membership dues, fees, or assessments from owners of residential condominium units;

(3) ninety percent or more of the expenditures of the organization for the taxable year are expenditures for the acquisition, construction, management, maintenance and care of association property; and

(4) no part of the net earnings of the organization may inure (other than by acquiring, constructing, or providing management, maintenance and care of the association property, and other than rebate of excess membership dues, fees or assessments) to the benefit of any private shareholder or individual.

Treasury Regulation Section 1.528-4(b) provides that substantially all of the condominium units will be treated as used by individuals for residences only if at least 85% of the total square footage of all condominium units is used as residences. It is our understanding that you plan to develop the Condominium in accordance with the Plan as a property consisting of 207 Residential Units (including one Resident Manager's Unit) and two Commercial Units. According to the Plan, approximately 175,739 square feet will be used for residences and approximately 14,022 square feet will be used for commercial space.

Therefore, if the Residential Units are used as contemplated and the Condominium is developed in accordance with the plan, the 85% test set forth in Treasury Regulation Section 1.528-4(b) should be satisfied. It is presumed that if the 85% test is met, the Condominium Board will make the election to apply Section 528. If, however, the Condominium does not meet the 85% test, the Boards will be governed by the rules in effect prior to the enactment of Section 528, under which the tax status of the Boards is uncertain.

It should be noted, however, if the Condominium Board is permitted to make an election under Section 528, the Boards will still be required to pay a tax for any taxable income that they may receive. For this purpose, "taxable income" is defined as the excess, if any, of (a) the gross income for the taxable year (other than "exempt function income" as defined below) over (b) the deductions allowed by the Code which are directly connected with the production of such gross income (excluding "exempt function income") computed with certain modifications provided in Section 528. "Exempt function income" is defined as any amount received as membership dues, fees or assessments from owners of condominium housing units.

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 provide that the Boards will act as agents of Unit Owners, the Condominium Board may take the position that the Boards are not separate entities. In such a case, the Unit Owners would include in their gross income, and be taxed on, income derived by the Boards, which may include interest or similar income which is earned from interim investments of the amounts which are assessed and collected from the Unit Owners, and may also include income from any concession and other rental income.

However, the Internal Revenue Service may contend that, for purposes of those matters administered through the Boards, such as assessment and expenditure of Common Charges, the Boards constitute associations separately taxable as corporations. See, Code Section 7701(a)(3); Treasury Regulation §301.7701-2. In such event, the Boards may be deemed to be

subject to federal corporate income tax on the Common Charges, which in such case would be deemed to constitute gross income of the Boards to the extent that the Common Charges (together with any income earned from other sources, such as interim investments of funds by the Boards) exceed the current expenses paid or incurred by the Boards that would be deductible for federal income tax purposes. In such case, the Boards may likewise be subject to the New York State Corporation Franchise Tax. See, e.g., Department of Taxation and Finance Advisory Opinion TSB-A-97(24)C (September 30, 1997). In FLR 92-120 (October 28, 1992) and FLR 92-11 (July 29, 1992) the New York Department of Finance interpreted Section 11-602.1 of the Administrative Code as requiring an unincorporated association to issue stock in order to become subject to the General Corporation Tax. Those rulings suggest that the Boards would be subject, however, to the unincorporated business tax on any income that is not exempt from federal taxation pursuant to Section 528 of the Code. However, subsequent to the issuance of those rulings, the Administrative Code was amended, and the General Corporation Tax now applies to all associations taxable as corporations for federal income tax purposes, whether or not shares of stock are issued.

Even if the Boards are treated as separate taxable entities, published rulings indicate that Common Charges assessed by the Boards should not constitute gross income of the Boards to the extent that they are designated for use solely to make specified capital improvements and are maintained in a separate bank account, because either the Boards are deemed to receive and hold such Common Charges as agents for the Unit Owners from whom the assessments were collected (Rev. Rul. 75-370, 1975-2 C.B. 25) or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the Boards (Rev. Rul. 75-371, 1975-2 C.B. 52; cf., Concord Village, Inc., 65 T.C. 142 (1975)). It should be noted, however, that if they are treated as contributions to capital, the Internal Revenue Service may contend that to the extent that such amounts (together with any other funds accumulated by the Boards) are expended for capital improvements, such expenditures benefit the Unit Owners, and that each Unit Owner should therefore be subject to tax on his *pro rata* share of the amount expended to the extent of the earnings of the Boards

If the Boards are required to pay any federal, New York State or New York City income or franchise taxes and an additional assessment is made in order to meet such tax liability, the additional amount collected through such assessment may itself be subject to tax. See, Old Colony Trust Co. v. Commissioner, 279 U.S. 716 (1929); Rev. Rul. 74-75, 1974-1 C.B. 19.

C. **Compliance with Real Property Law Section 339-i.**

Section 339-i(1) requires that the Common Interest of each Unit be based on any one of the following methods of calculation:

(i) the approximate proportion that the fair value of the Unit at the date of the Declaration bears to the then aggregate fair value of all the units;

(ii) the approximate proportion that the floor area of the Unit at the date of the Declaration bears to the then aggregate floor area of all of the Units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all Units in a part or parts of the Common Elements;

(iii) in equal percentages, one for each Unit as of the date of filing the declaration, or in equal percentages within separate classifications of Units as of the date of filing the Declaration;

(iv) 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.

Article 11 of the Declaration states that the percentage interest of each Unit in the Common Elements has been calculated in accordance with Section 339-i(1)(iv) and is "based upon floor space, subject to the location of such space and the additional factors of relative value of such space 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 Declaration also provides that the aggregate Common Interests of all Units equal one hundred percent (100%).

In connection with this opinion, we have reviewed the opinion of Orsid Realty Corp. included in Part I of the Plan, the information provided by you on Schedule A and the Floor Plans and have assumed the statements and information contained therein are correct and accurate. We have not reviewed or verified the calculations of floor areas used in determining the sizes of Units or the Limited Common Elements, which calculations have been furnished by you.

Based on the foregoing factors and the factual opinion of Platinum Properties of New York, Ltd., with respect to the allocation of the Common Interest among the Units made by the Sponsor, it is our opinion that the requirements of Section 339-i have been met.

We express no views as to any federal, New York State or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan under the laws of any other United States or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences that may arise if Units are acquired and/or leased by the Condominium Board. Purchasers must also be aware that

under certain circumstances a Unit Owner, by virtue of his ownership of a Unit, may be deemed to become a resident of New York City and that no opinion is expressed herein as to the circumstances under which this may occur, or with respect to the income, estate or other tax consequences that may arise therefrom. Each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

WE MAKE NO WARRANTY THAT THE INTERNAL REVENUE SERVICE OR THE NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE WILL ACCEPT ANY OR ALL OF THE VIEWS STATED ABOVE. MOREOVER, THE FEDERAL AND STATE TAX LAWS AND REGULATIONS (AND THE RULINGS AND DECISIONS THEREUNDER) MAY CHANGE AND THEREBY AFFECT THE VIEWS STATED ABOVE IN WHOLE OR IN PART.

Part C of the foregoing opinion is confined to the matters addressed herein with respect to Section 339-i and is not intended, nor should be construed, as an opinion on other aspects of the Plan, such as the valid creation of a condominium, which is to be determined by a title insurance company.

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

Very truly yours,

Herrick, Feinstein LLP

HERRICK, FEINSTEIN LLP

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WORKING CAPITAL FUND; CLOSING ADJUSTMENTS WITH CONDOMINIUM BOARDS; RESERVE FUND

Working Capital Fund

At the closing of title to each Residential Unit sold by Sponsor to a Purchaser, such Purchaser shall contribute to the Residential Board for its working capital a sum equal to one month's Common Charges (the "**Working Capital Fund**").

The Working Capital Fund may be held or used for working capital, to make repairs and/or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Condominium Board in its sole discretion. While Sponsor is in control of the Residential Board, the Working Capital Fund may not be used to reduce projected Common Charges in the Plan.

No representation is made that the Working Capital Fund will be, or is intended to be, adequate to cover the expenses of the Residential Section for the first or any subsequent year of condominium operation, including, without limitation, the cost of any necessary repairs or replacements. If additional funds are required over and above the Working Capital Fund, it may be necessary to increase the Residential Common Charges.

THE PROPERTY IS OFFERED IN ITS CURRENT CONDITION AS SET FORTH IN THE PLAN, WITHOUT ANY OBLIGATION ON THE PART OF SPONSOR OR THE SELLING AGENT OR MANAGING AGENT TO MAKE ANY REPAIRS OR IMPROVEMENTS. NO GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND OR UPON THE PHYSICAL CONDITION OF THE BUILDING.

Closing Adjustments With Boards

At the First Closing, Sponsor shall apportion the following items with the appropriate Boards as of the day immediately preceding the First Closing:

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

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

(c) Charges for electricity for the Common Elements and gas for the common Elements and for cooking in the Units;

(d) Water and sewer charges;

(e) Payments under service and maintenance contracts and concession agreements;

(f) Real estate taxes on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);

(g) Cost of supplies on hand at Sponsor's cost;

(h) Premiums for transferable insurance policies, provided coverage of the policies conforms to that set forth in Schedule B; and

Additionally, at the First Closing, an adjustment shall be made, resulting in a credit in favor of Sponsor, in an amount equal to the amount of the closing costs relating to the purchase of the Resident Manager's Unit by the Residential Board as described in subsection entitled "**Resident Manager's Unit**" in the Section of the Plan entitled "**Rights and Obligations of Unit Owners and Boards of Managers.**"

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. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended, shall apply to the apportionments described above, except as otherwise provided herein.

If the result of the closing apportionments and adjustments made with the Condominium Board or the Commercial Board is a net credit in favor of Sponsor, the amount of such net credit shall be paid to Sponsor by such Board, without interest, in twelve equal consecutive monthly installments pursuant to the terms of a negotiable promissory note to be executed at the First Closing by such Board, on behalf of all Unit Owners or all Commercial Unit Owners, as the case may be.

If the result of the closing adjustments made with the Residential Board is a net credit in favor of Sponsor, the amount of such net credit shall be paid to Sponsor at the time of the First Closing, to the extent available, out of the Working Capital Fund. If, because insufficient funds are available from the Working Capital Fund, Sponsor is not paid the full amount of the net credit to which it is entitled at the time of the First Closing, the unpaid balance of the net credit in favor of Sponsor shall be paid to Sponsor by the Residential Board, without interest, in twelve equal consecutive monthly installments pursuant to the terms of a negotiable promissory note to be executed at the First Closing by the Residential Board, on behalf of all Residential Unit Owners; except that all contributions to the Working Capital Fund made by Purchasers after the First Closing shall be immediately paid over to Sponsor in repayment of said promissory note and applied to payment of such monthly installments in the inverse order in which they become due.

Reserve Fund

No funds will been set aside by Sponsor as a reserve for capital expenditures. Since no reserve fund is being provided by Sponsor under this Plan and Schedule B does not provide for yearly contributions to a reserve fund for capital expenditures, Sponsor does not represent or warrant that the Condominium will have sufficient funds for any such capital expenditures within five years following the Closing Date should such capital expenditures be needed. Because the building is being newly constructed, Sponsor does not anticipate that there will be a need for major capital expenditures during such five (5)-year period. Schedule B provides for an amount for contingencies, which the Condominium Board may elect to use to apply to some or all of the costs of any needed capital expenditures. The Condominium Board, in its discretion and subject to the provisions of the By-Laws, may decide in the future to create a reserve fund by special assessment or increase in the Common Charges.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Management Agreement

It is, at present, contemplated that before the First Closing, the Condominium Board will enter into a management agreement with the Managing Agent for an initial term of three years from the date of the First Closing. After the expiration of the initial term, the management agreement will be automatically renewed for successive 60-day periods until canceled by either party at the end of a calendar month on 60 days' prior written notice. The management agreement may be assigned by the managing agent under certain circumstances and may be canceled by any party for cause upon 30 days' prior written notice, except in certain instances of failure to comply with law or maintain such insurance as is required under the management agreement, in which case the management agreement may be terminated on five days' prior notice.

The Managing Agent will receive an annual fee of $80,000, payable in equal monthly installments of approximately $6,666.67 in advance on the first day of each month (which fee shall be increased annually in an amount equal to the percentage increase in the Consumer Price Index). The Managing Agent will be entitled to additional fees and commissions for certain special services performed by it. All such fees will be paid by the Condominium Board and will be charged to all Unit Owners as a General Common Expense (see Footnote 8 to Schedule B).

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

(1) billing and collecting Common Charges;

(2) causing the Common Elements to be serviced, maintained, repaired and altered in the manner deemed advisable by the Condominium Board, except that the Managing Agent shall not, without the prior approval of the Condominium Board, make any expenditure in excess of $2,500 for any one item of ordinary repairs or alterations (other than emergency repairs)

(3) entering into any contract in the name of the Condominium Board, except that the Managing Agent shall not, without the prior approval of the Condominium Board, enter into any such contract having a term longer than one year or requiring annual payments in excess of $2,500;

(4) supervising such employees of the Condominium Board as are charged with operation and management of the Condominium;

(5) maintaining in full force and effect all insurance required by the Condominium Board;

(6) maintaining records of cost and expenses incurred and income and receipts received in connection with the operation of the Property;

(7) furnishing to the Condominium Board statements of operations of the Property and an annual operating budget setting forth the anticipated income and expenses of the Condominium for the coming year;

(8) accepting applications and obtain references from all prospective Unit Owners, tenants and subtenants; and obtaining credit reports, if deemed advisable, relating to and at the expense of prospective Unit Owners, tenants and subtenants of proposed space, unless otherwise directed by the Condominium Board;

(9) scheduling the moving in and out of units owners, tenants and subtenants;

(10) paying, out of the Condominium's account, bills and invoices for the costs and expenses of operating the Condominium; and

(11) sending notices to the Board members and Unit Owners regarding, preparing agendas for, and causing a representative of its own organization to attend meetings of the Condominium Board and Unit Owners, if requested by the Condominium Board.

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners as a General Common Expense. In addition, the Condominium Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful misconduct.

Other Contractual Agreements

Upon commencement of condominium operation, the Property will be subject to the then existing union employment agreement affecting the building staff and maintenance, service and concession agreements (see the Footnotes to Schedule B for full details of the agreements that will be binding on the Condominium).

IDENTITY OF PARTIES

Sponsor

Sponsor is Victor at E 23, LLC, a New York limited liability company, having an office at 3349 Highway 138, Building C, Suite C, Wall, New Jersey 07719. The principal of Sponsor is Moshe Shuster.

Mr. Shuster, who has an office at 3349 Highway 138, Building C, Suite C, Wall, New Jersey 07719, has been active in real estate for approximately 25 years in both the United States and Israel, as an investor, developer and owner.

Sponsor has not previously offered properties for sale in New York as cooperatives, condominiums, planned unit development homes or time shares.

Except for Lumiere, a condominium located at 350 West 53rd Street, New York, New York 10019, with respect to which Mr. Shuster acted as a principal of the sponsor, Mr. Shuster has not previously offered properties for sale in New York as cooperatives, condominiums, planned unit development homes or time shares.

Sponsor's Attorneys

Sponsor has retained the law firm of Herrick, Feinstein LLP, having offices at 2 Park Avenue, New York, New York 10016, to represent it in connection with the Plan. Mitchell G. Bernstein, Esq., of such firm has had primary responsibility for the preparation of the Plan.

Samuel Ofsevit, Esq., of the firm of Linett, Schechter, Reicher & Ofsevit, LLP, having an office at 810 Seventh Avenue, New York, New York 10019, will represent Sponsor in connection with individual Unit closings.

The Selling Agent

The Selling Agent is Shvo Marketing, which maintains an office at 724 Fifth Avenue, New York, New York 10019. Shvo Marketing has acted as the selling agent for 20 Pine Street, New York, New York; Lumiere, 350 West 53rd Street, New York, New York; Fultonhaus, 119 Fulton Street, New York, New York; Bryant Park Tower, 100 West 39th Street, New York, New York; Aurora, 556 Third Avenue, New York, New York; and Meridian, 260 West Broadway, Long Beach, New York. A principal of the Selling Agent has a beneficial interest of less than 10% in Victor East Mezz, LLC, the sole member of Sponsor.

The Managing Agent

It is anticipated that Douglas Elliman Property Management will be the Managing Agent for the Condominium. The Managing Agent, which has offices at 675 Third Avenue, New York, New York 10017, is a licensed real estate management firm and has been in the business of managing residential properties, including cooperatives and condominiums, for more than 50 years. Currently, the Managing Agent is the managing agent for more than 240 residential buildings in New York City, including the following cooperatives and condominiums: Lumiere, 350 West 53rd Street, New York, New York; 400 East 51st Street, New York, New York; 350 West 50th Street, New York, New York; 1001 Fifth Avenue, New York, New York; and 1185 Park Avenue, New York, New York.

Architect

The report on the physical condition of the Building and the floor plans included as part of the "**Description of Property and Specifications**" contained in Part II of this Plan as Document Number 4 were prepared by Sponsor's architect, Gerner Kronick & Valcarcel Architects, PC, having an office at 443 Park Avenue South, New York, New York 10016. Sponsor's architect has been involved for nearly 30 years in residential and commercial developments including: Sunnyside Quadrangle, New York; Luminaria, on Fifth Avenue, New York, New York; Lumiere, on West 53rd Street, New York, New York; West Milford Senior Housing, New Jersey; Opus, New York, New York; and the Bear Sterns headquarters on Madison Avenue, New York, New York.

Relationship of Parties

Except as stated above in the subsection entitled "**Selling Agent**," neither Sponsor nor its principal has any financial affiliation with the Selling Agent, the Managing Agent, Sponsor's

architect or any other person or firm who will provide services to the Condominium after the First Closing, other than Sponsor's obligation to pay fees for services rendered.

REPORTS TO UNIT OWNERS

Pursuant to the By-Laws, it is the obligation of:

(a) the Condominium Board

(i) to submit to the Residential Board and the Commercial Board and, if so requested, to any Permitted Mortgagee within four (4) months after the end of each fiscal year of the Condominium an annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant;

(ii) to give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting no later than five (5) business days prior to the date fixed for the meeting; and

(iii) to prepare and distribute to all Unit Owners, at least annually, a budget setting forth its projection of the General Common Expenses for the coming fiscal year of the Condominium not later than ten (10) days prior to the date upon which the first installment of newly determined General Common Charges is due;

and

(b) the Residential Board

(i) to submit to the Residential Unit Owners within four (4) months after the end of each fiscal year of the Condominium an annual report of the receipts and expenditures of the Residential Section, certified by an independent certified public accountant;

(ii) to give notice of each annual or special meeting of the Residential Unit Owners to all Residential Unit Owners then of record entitled to vote at such meeting no later than five (5) business days prior to the date fixed for the meeting; and

(iii) to prepare and distribute to all Residential Unit Owners, at least annually, a budget setting forth its projection of the Residential Common Expenses for the coming fiscal year of the Condominium not later than ten (10) days prior to the date upon which the first installment of newly determined Residential Common Charges is due;

and

(c) the Commercial Board

(i) to submit to the Commercial Unit Owners within four (4) months after the end of each fiscal year of the Condominium an annual report of the receipts and expenditures of the Commercial Section, certified by an independent certified public accountant;

(ii) to give notice of each annual or special meeting of the Commercial Unit Owners to all Commercial Unit Owners then of record entitled to vote at such meeting no later than five (5) business days prior to the date fixed for the meeting; and

(iii) to prepare and distribute to all Commercial Unit Owners, at least annually, a budget setting forth its projection of the Commercial Common Expenses for the coming fiscal year of the Condominium not later than ten (10) days prior to the date upon which the first installment of newly determined Commercial Common Charges is due.

DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all exhibits submitted to the Department of Law in connection with the filing of the Plan on file and available for inspection without charge and copying at a reasonable charge at the office of the Selling Agent for a period of six (6) years from the date of the First Closing. Sponsor will deliver to the Condominium Board a copy of all Condominium Documents filed with the appropriate recording office at the time of the First Closing.

The Declaration and the By-Laws will be recorded in the Register's Office prior to or concurrently with the First Closing. In addition, a set of the 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 as conforming to the official tax lot number for each such Unit, will be filed with the Register's Office when the Declaration is recorded.

GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. The Plan does not contain a full summary of all the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents and, in the case of any such documents 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.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding against Sponsor that could materially affect this offering, the rights of Purchasers, the Property, the Condominium, or the operation thereof.

To Sponsor's actual knowledge, the Property has not been the subject of any prior cooperative or condominium offering plans.

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 because of sex, race, creed, color, national origin, ancestry, or other ground proscribed by Applicable Law in the sale of the Units offered by Sponsor pursuant to the Plan or in the leasing of any such Units or any other portion of the Building.

As of the date the Plan was accepted for filing, Sponsor had not entered into any contract or agreement, written or oral, for the sale or transfer of any of the Units offered under the Plan, and no funds had been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Units.

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise the Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers, or prospective Purchasers, without obtaining the consent of such Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Option Agreement, except as therein provided (such as in case of uncured default), nor unilaterally change the Purchase Price or the payment terms contained in such a Purchase Option Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. In the case of a material revision adversely affecting in any material respect the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given the right to rescind their Purchase Option Agreements and be refunded all monies paid thereunder, with interest earned thereon, if any, within thirty (30) days after the Presentation Date of the amendment. However, such rescission, as to a Purchaser who is then a tenant in the Building, will be conditioned on the cancellation of any Interim Lease and surrender of possession of his Unit within thirty (30) days thereafter.

All statements and representations made in the Plan with respect to items prepared by others have been made by Sponsor in reliance upon the Persons responsible for the preparation of such items and their authority as experts.

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

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

SPONSOR'S STATEMENT OF SPECIFICATIONS

Sponsor adopts the report prepared by Gerner Kronick & Valcarcel Architects, PC, and included as part of the "**Description of Property and Specifications**" contained as Document Number 4 in Part II of the Plan. Sponsor represents that, to the best of its knowledge, said report accurately states the description and specification or building condition as of the date it was prepared. Sponsor represents that it has no knowledge of any material defects or need for major repairs to the property except as set forth in the Description of Property and Specifications as of such date.

DOCUMENT NUMBER 1

PURCHASE OPTION AGREEMENT

VICTOR AT E 23, LLC,
as Seller,

with

_____,
as Purchaser.

For Unit Number _____

at

Gramercy Star Condominium
340 East 23rd Street
New York, New York 10010

TABLE OF CONTENTS

1. The Plan 2
2. Definitions 2
3. Option to Purchase 3
4. Payment of the Purchase Price 3
5. No Financing Contingency 3
6. Closing Date and Place 4
7. Deed and Power of Attorney 4
8. State of Title 5
9. Closing Adjustments 5
10. Closing Costs 6
11. Down Payment to be Held in Trust 7
12. Duties of Escrow Agent 8
13. Agreement Subject to Mortgage 10
14. Default by Purchaser 10
15. Seller's Inability to Convey Title 11
16. Transfer Taxes 12
17. Agreement Subject to Plan Being Declared Effective 12
18. Construction 12
19. Fixtures, Appliances and Personal Property 13
20. Acceptance of Unit 13
21. Damage to the Unit 14
22. No Representations 15
23. Broker 15
24. Assignment 16
25. Purchaser's Representations 16
26. Access to Unit 16
27. Liability of Seller 16
28. Acceptance of Agreement 17
29. Notices 17
30. Seller's Right to Make Changes in Materials, etc 17
31. Joint Purchasers 18
32. Survival of Seller's and Purchaser's Obligations 18
33. Further Assurances 18
34. Severability 18
35. Strict Compliance 18
36. Prohibition Against Advertising 18
37. Governing Law 18
38. Waiver of Jury Trial 18
39. No Recordation 19
40. Entire Agreement 19
41. Certain References 19
42. Captions 19
43. Successors and Assigns 19
44. No Oral Changes 19

PURCHASE OPTION AGREEMENT

made this ___ day of _____, 20__

between

VICTOR AT E 23, LLC, as the Seller

and

_____, as the Purchaser

Recitals:

(A) The name of the Condominium is Gramercy Star Condominium.

(B) The name of the Seller is Victor at E 23, LLC.

(C) The name of the Purchaser is _____.

(D) The address of the Property is 340 East 23rd Street, New York, New York 10010.

(E) The condominium unit covered by this Agreement is the condominium unit designated in the Declaration as Unit Number _____ (the "**Unit**").

(F) The Common Interest appurtenant to the Unit is _____%

(G) The Purchaser's residence address, if an individual, or business address, if an entity, is _____, New York.

(H) The Purchaser's telephone number is _____.

(I) The Purchaser's facsimile number is _____.[1]

(J) The Purchaser's social security number or federal identification number is _____.

(K) The Purchaser's attorney is:

(a) Name: _____

(b) Address: _____

(c) Telephone Number: _____

(L) The purchase price (the "**Purchase Price**") is $_____.

[1] If none, please so indicate.

(M) The first installment of the Down Payment, which is payable herewith, is $_____ (equal to 10% of the Purchase Price).

(N) The second installment of the Down Payment, which is payable five months from the date that the Seller returns to the Purchaser a fully executed copy of this Agreement is $_____ (equal to 5% of the Purchase Price).

(O) The term **"Down Payment"** shall be deemed to include the first installment of the Down Payment and the second installment of the Down Payment described above, together with the interest earned thereon. In no event shall the term Down Payment be deemed to mean any amounts in excess of the amounts actually paid by the Purchaser (together with the interest earned thereon, if any).

(P) The balance of the Purchase Price (the **"Balance"**) is $_____.

1. The Plan. The Purchaser acknowledges having received and read the Plan at least three (3) full business days prior to the Purchaser's signing this Agreement. The Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) and agrees to be bound by the terms and conditions thereof, as well as all amendments to, the Plan duly filed by the Seller (including, without limitation, amendments involving any changes, modifications or updating of the estimated Common Charges, the estimated real estate taxes to be paid by the Purchaser or the section of the Plan entitled **"Schedule B: Projected Budget for the First Year of Condominium Operation."**) Any such amendments shall not excuse the Purchaser from performing the Purchaser's obligations hereunder, nor shall they entitle the Purchaser to any offset or credit against the performance of the Purchaser's obligations hereunder, nor shall they entitle the Purchaser to any offset or credit against the Purchase Price. Any such amendments may be made by the Seller without the Purchaser's consent or approval; subject to the Purchaser's right to rescind in the event of a material amendment to the Plan or the Condominium Documents which adversely affects in any material respect the Purchaser's rights hereunder or under the Plan as more specifically set forth in the Plan. The Plan is hereby incorporated in this Agreement with the same force and effect as if set forth at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. The Purchaser acknowledges having had a full opportunity to examine all documents and investigate all statements made herein and in the Plan.

2. Definitions.

(a) Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Plan, unless the context otherwise requires.

(b) The terms **"closing," "closing of title"** and words of similar import are used synonymously and mean the settlement of the mutual obligations of the Seller and the Purchaser under this Agreement, including the payment to the Seller of the Purchase Price and the delivery to the Purchaser of the deed transferring full ownership (fee simple title) to the Unit on the terms set forth in this Agreement.

3. Option to Purchase. The Seller hereby grants to the Purchaser a right and option to purchase the Unit, together with the Common Interest appurtenant thereto, for the Purchase Price stated above, upon and subject to the terms and conditions set forth in this Agreement, and the Purchaser hereby accepts the grant of such right and option.

4. Payment of the Purchase Price.

(a) The Purchaser shall deliver to the Selling Agent herewith the Purchaser's check made payable to "Linett, Schechter, Reicher & Ofsevit, LLP, as escrow agent," in the amount of the above-stated first installment of the Down Payment; and the Purchaser shall deliver to the Selling Agent, within five months from the date that the Seller returns to the Purchaser a fully executed copy of this Agreement, AS TO WHICH FIVE-MONTH PERIOD TIME SHALL BE OF THE ESSENCE, the Purchaser's check made payable to "Linett, Schechter, Reicher & Ofsevit, LLP, as escrow agent," in the amount of the above-stated second installment of the Down Payment. Each check for an installment of the Down Payment shall be accepted subject to collection. The Balance shall be paid to the Seller by the Purchaser at the closing.

(b) Except for the Down Payment, which is to be paid as provided above, any payments to be made by the Purchaser under this Agreement (including, without limitation, the payment of the Balance), whether to, on behalf of or at the request of the Seller, shall be made by unendorsed certified personal check or official cashier's check, in either event made payable to the order of the Seller and drawn on a bank to which checks are presented for payment through the New York Clearing House Association, or at the Seller's option, by wire transfer to an account designated by the Seller; except that at the request of the Seller made at or prior to the closing, the Purchaser shall pay the Balance to such payees as the Seller may direct.

(c) If any check is returned for insufficient funds or any other reason, such return shall be deemed to be a default by the Purchaser under this Agreement and shall entitle the Seller to exercise any of the remedies set forth in Paragraph 14 hereof. Notwithstanding the foregoing, if a check representing payment of the Down Payment is returned for insufficient funds or any other reason, such return shall be deemed to be a non-curable default by the Purchaser and this Agreement shall automatically be deemed cancelled. Upon the cancellation of this Agreement, the Purchaser and the Seller will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to the Purchaser for any of the proceeds of such sale.

5. No Financing Contingency. While the Purchaser is free to seek mortgage financing from any lending institution to purchase the Unit, the rights and obligations of the Purchaser hereunder (including without limitation, the obligation of the Purchaser to close on this transaction) are not conditioned upon the Purchaser's ability to obtain financing for the purchase of the Unit. Accordingly, in the event that the Purchaser fails to pay the balance of the Purchase Price when due, because the Purchaser has been unable to obtain mortgage financing (or otherwise), the Purchaser will be deemed to be in default under this Agreement. Any references in this Agreement to any loan to finance this purchase shall not be deemed to imply that this transaction is contingent in any manner on the Purchaser's obtaining financing.

6. Closing Date and Place.

(a) The closing of title hereunder shall occur on the date and at the time and place in the City and State of New York as the Seller shall designate in a notice given to Purchaser no less than thirty (30) days prior to such scheduled date of closing. The Seller shall have the right to adjourn the date of closing from time to time by written notice to the Purchaser. If the closing is adjourned by the Seller, then the Seller shall fix a new date and time for the closing and shall give the Purchaser not less than ten (10) days' prior written notice of the new scheduled date and time for closing.

(b) The term "**Closing Date**" or "**closing of title**" or words of similar import, whenever used herein, shall mean the date designated by the Seller on which the deed to the Unit is to be delivered to the Purchaser or any adjourned date fixed by the Seller pursuant to subsection 6(a) hereof.

(c) The closing of title shall occur only after or concurrently with compliance with the prerequisites to closing of title in the section of the Plan entitled **"Terms of Sale: Closing of Title to Units"** in Part I of the Plan.

(d) It shall be a condition of closing, without limiting any other condition contained herein, that the Purchaser shall deliver to the Seller, on or before the scheduled Closing Date, a notice stating that the Purchaser has elected to exercise the option granted by this Agreement (the "**Notice of Exercise**"), and if the Purchaser fails to deliver the Notice of Exercise on or before the Closing Date, the Seller may elect by notice to the Purchaser to cancel the option to purchase the Unit. If the Seller elects to cancel, the Purchaser shall have ten (10) days from the giving of the cancellation notice within which to deliver the Notice of Exercise. **TIME SHALL BE OF THE ESSENCE** with respect to the requirement that the Purchaser deliver the Notice of Exercise within such ten (10)-day period. If the Notice of Exercise is not timely delivered, then the option granted by this Agreement shall be cancelled and (i) the Seller shall have the right to retain the Down Payment as a non-refundable payment of consideration for the option; (ii) the Seller shall have the right to sell the Unit to others as though this Agreement had never been made; and (iii) the Purchaser shall not have any further rights against the Seller, the Condominium, the Condominium Board or any subsequent purchaser of the Unit. Whether or not the Seller has cancelled this Agreement as provided above, if the Seller has not collected the proceeds of any check for any payments due under this Agreement, then the Seller may take such actions at law and in equity as may be required in order to collect such payments and any and all costs of collection, including without limitation all attorneys' fees and expenses incurred by the Seller in connection therewith. Nothing in this subparagraph (d) shall limit any of the Seller's rights and remedies upon the occurrence of an Event of Default contained elsewhere in this Agreement nor extend the time provided elsewhere in this Agreement for the Purchaser to cure an Event of Default.

7. Deed and Power of Attorney.

(a) On the Closing Date, upon receipt by the Seller of all payments and documents required hereunder, the Seller shall deliver to the Purchaser (except as set forth in subparagraph (c) below) a bargain and sale deed with covenant against grantor's acts in

substantially the form as set forth in Part II of the Plan conveying the Unit, together with its appurtenant Common Interest, to the Purchaser as provided in the Plan, subject to the exceptions referred to in the Declaration, the By-Laws, the Plan and the Exhibits. The deed shall be executed and acknowledged by the Seller and shall be in form for recording.

(b) On the Closing Date and simultaneously with the delivery of the deed conveying the Unit to the Purchaser, the Purchaser shall execute and acknowledge a power of attorney to the Condominium Board, the Residential Board and the Seller, which shall be prepared by the Seller and shall be substantially in the form of the Unit Deed set forth in Part II of the Plan. The Purchaser shall pay all recording or other fees in connection with the recording of the power of attorney.

(c) The deed may be delivered by the Seller to the representative of the title company insuring the Purchaser's title (or if no such representative is present, then to the Seller's attorneys or the Purchaser's attorneys). If the deed is delivered to the Seller's attorneys, then it shall be held until picked up by the Purchaser, the Purchaser's attorneys or a representative of the title company insuring the Purchaser's title. The deed shall be marked for return to the Purchaser or the Purchaser's attorneys after recording. The power of attorney may be delivered to the Purchaser's title company, if any, for recording and shall be marked for return to the Condominium Board or its attorneys after recording.

8. State of Title.

(a) On the Closing Date, the Seller shall convey, and the Purchaser shall accept, title in fee simple to the Unit, free and clear of all encumbrances other than the Permitted Encumbrances set forth in the Plan. Any other liens, encumbrances or conditions shall not be an objection to title if: (i) the instrument required to remove it from the record is delivered to the representative of the Purchaser's title insurance company (or, if none, to the Purchaser's attorneys) for recording in the proper office, together with the requisite recording or filing fees; or (ii) the Purchaser's title insurance company will insure the Purchaser against its collection or enforcement out of the Unit.

(b) The Seller's obligation to deliver title as set forth in the Plan will be deemed satisfied if the Preferred Title Company is prepared to insure such title subject to those exceptions permitted in the Plan. The Seller has no obligation to satisfy the requests of any title company other than the Preferred Title Company. The Seller shall have no obligation to cause the Purchaser's title company, if any, to omit any exceptions to title.

9. Closing Adjustments.

(a) The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit, except as otherwise provided in the Plan:

(i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, including water charges and sewer rents (if separately assessed) and any escrows for real estate taxes;

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

(iii) Water charges and sewer rents, if separately assessed, on the basis of the period for which assessed.

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

(c) Installments for tax assessments and other such charges due after the delivery of the deed, if any, shall be paid by the Purchaser and shall not be considered a defect in title.

(d) In the event a mortgage recording tax credit is available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically agreed that such credit shall inure to the benefit of the Seller. Accordingly, at the closing of title, the Purchaser shall be required to pay the full amount of the mortgage recording tax chargeable on the entire amount of mortgage financing the Purchaser has elected to obtain in connection with the purchase of the Unit and the Seller shall be reimbursed to the extent of any mortgage tax credit allowed.

(e) If the Purchaser fails to close on the Closing Date originally specified by the Seller for any reason, then the Purchaser will (i) pay (in addition to all other closing costs) a late fee equal to 0.0411% times the unpaid balance of the Purchase Price for each day's delay, beginning with the date originally scheduled for the Closing to and including the day immediately preceding the actual Closing Date, (ii) reimburse the Seller for the Unit's carrying charges (that is, Common Charges and real estate taxes) during the period of delay and (iii) pay the service fees of the Seller's attorneys of $250 for each default letter sent to the Purchaser and $250 for each notice sent to the Purchaser to reschedule the closing. The provisions of this subparagraph (e) shall not be applicable if, through no fault of the Purchaser, the Seller postpones the Closing Date except to the extent that thereafter the Purchaser postpones the closing for any reason or is in default.

(f) Any errors or omissions in computing apportionments at closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the closing.

(g) 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.

10. Closing Costs. The Purchaser, in addition to the legal fees of the Purchaser's attorneys, if any, and the amount of any net adjustments in favor of the Seller and the other payments required under this Agreement, shall pay at the closing any closing costs specified in the Plan, including, without limitation, any processing fees, closing fees to the Seller's attorneys, Purchaser's share of the purchase price of the Resident Manager's Unit, the required contribution

to the Working Capital Fund in an amount equal to one month's Common Charges and other fees and payments.

11. Down Payment to be Held in Trust. The Seller will hold all monies received by it directly or through its agents, employees or the Escrow Agent (as hereinafter defined), from the Purchaser under this Agreement in trust until actually employed in connection with the closing of the transaction as described in the Plan. The Seller will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the New York State Attorney General's regulations promulgated pursuant thereto. The provisions of the Attorney General's regulations concerning escrow and trust funds, in effect on the date hereof, shall prevail over any conflicting or inconsistent provision in the Plan or in this Agreement. The Purchaser shall not be obligated to pay any legal or other expense of the Seller in connection with the handling or disposition of the Down Payment paid by the Purchaser. However, nothing in the preceding sentence shall limit the obligation of the Purchaser to pay the fees and expenses of the Seller's attorneys (to the extent such fees and expenses are expressly disclosed in the Plan) in connection with the purchase or closing of title to the Unit to be purchased by the Purchaser hereunder or upon the Purchaser's default.

The first installment of the Down Payment will be placed, within five (5) business days after the date on which this Agreement has been signed by all necessary parties, in a special escrow account of Linett, Schechter, Reicher & Ofsevit, LLP (the "**Escrow Agent**"), whose address is 810 Seventh Avenue, New York, New York 10019 and whose telephone number is: (212) 245-7700. The second installment of the Down Payment will be placed in such escrow account, within five (5) business days after the date on which it is received by the Selling Agent. The authorized signatories on such escrow account, each of whom is a member of Linett, Schechter, Reicher & Ofsevit, LLP, and any one of whom is authorized to withdraw funds, are Martin Schechter, Irwin Reicher and Samuel M. Ofsevit. The name of the escrow account is "Linett, Schechter, Reicher & Ofsevit, LLP / Attorney Escrow Account/ Gramercy Star Condominium" (the "**Escrow Account**"). The Escrow Account is located at JP Morgan Chase Bank, 1166 Avenue of the Americas, New York, New York 10036 (the "**Bank**"). The Bank is covered by Federal Bank Deposit Insurance generally to a maximum of $100,000 in the aggregate with respect to all funds deposited by any Person in one or more deposit accounts (including, without limitation, amounts deposited directly by such Person and deposits held in escrow for such Person by the Escrow Agent).

No representation or guaranty is made by the Escrow Agent or the Seller that the Federal Deposit Insurance Corporation will insure any depositor's funds, if and when called upon to do so.

The Escrow Account shall be interest-bearing, and any interest earned on the Down Payment shall be delivered to the Purchaser at the closing of title to his Unit or other termination of this Agreement unless the Purchaser has defaulted hereunder beyond any applicable grace periods, in which event the Seller shall be entitled to retain such interest together with the Down Payment thereafter tendered by the Purchaser. The interest rate to be earned on the Down Payment will be the rate paid from time to time by the Bank. Interest will begin to accrue on each installment of the Down Payment when the check for such installment of the Down Payment is collected, and provided there is no charge back or debit by the Bank

against the amount deposited. The Seller and the Escrow Agent shall only be liable for interest earned on the Down Payment to the extent same is received by them from the Bank. No representation is made as to the rate or amount of interest that will be earned on the Down Payment. The Purchaser must indicate his or her social security or its taxpayer identification number on this Agreement and on Internal Revenue Service form W-9 (or in the alternative deliver a duly completed and signed Internal Revenue Service form W-8). If there is more than one Purchaser, the social security or taxpayer identification number of the Purchaser who will be receiving any interest earned on the Down Payment must be noted herein and on Internal Revenue Service form W-9 (or such Purchaser shall deliver a duly completed and signed Internal Revenue Service form W-8). The Purchaser's failure to provide this information will be deemed a waiver of the Purchaser's right to receive interest on the Down Payment.

The Escrow Agent may from time to time, upon notice to the Seller and the Purchaser, change the depository in which the Down Payment is held to another lending institution located in New York City.

12. Duties of Escrow Agent.

(a) Within ten business days after unconditional tender and delivery by the Purchaser to the Selling Agent of a check for the first installment of the Down Payment, the Escrow Agent will notify the Purchaser that such funds have been deposited into the Escrow Account and will provide the account number and the initial interest rate. Subject to the provisions of the next sentence, if the Purchaser does not receive notice of such deposit within fifteen (15) business days after unconditional tender and delivery to the Selling Agent of the check for the first installment of the Down Payment, then the Purchaser may cancel such purchase and rescind this Agreement so long as such right to rescind is exercised within ninety (90) days after the Purchaser's unconditional tender and delivery to the Selling Agent of the check for the first installment of the Down Payment. However, the Purchaser shall not be entitled either to rescind this Agreement or to receive a refund of the Down Payment where proof satisfactory to the Attorney General is submitted establishing that the first installment of the Down Payment was timely deposited and notice as provided above was timely mailed to the Purchaser in conformity with the Attorney General's regulations. The Purchaser acknowledges that receipt of the first installment of the Down Payment by the Escrow Agent and deposit in the Escrow Account shall not be deemed acceptance of this Agreement by the Seller, which acceptance can only occur in the manner provided in Paragraph 28.

(b) The Escrow Agent shall hold the Down Payment in escrow until:

(i) otherwise directed in one or more writings signed by the Seller and the Purchaser; or

(ii) otherwise directed in 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 permits or requires the release of such Down Payment; or

(iv) the Down Payment is paid by the Escrow Agent into a court of competent jurisdiction; or

(v) the Down Payment is paid to the Seller as provided below in this Paragraph 12; or

(vi) the Down Payment is paid to the Purchaser as provided below in this Paragraph 12.

(c) If there is no written agreement between the Seller and the Purchaser to release the Down Payment, the Escrow Agent will not pay the Down Payment to the Seller until after ten (10) business days following the date that the Escrow Agent has given the Purchaser written notice that the Escrow Agent intends to pay the Down Payment to the Seller. Thereafter, the Down Payment may be paid to the Seller unless the Purchaser has already made application to the Attorney General pursuant to the dispute resolution provisions of the Attorney General regulations and the Escrow Agent has received, within such ten (10) business day period, notice from the Purchaser that such application has been made.

(d) The Seller shall not object to the release of the Down Payment to the Purchaser, provided the Purchaser has not defaulted and has timely and validly rescinded this Agreement in accordance with an offer of rescission contained in the Plan or in an amendment to the Plan or a right to rescind as set forth in this Agreement.

(e) The Down Payment shall be delivered to the Seller at the closing unless disbursed as liquidated damages or returned to the Purchaser as herein provided.

(f) In the event the Plan is abandoned or withdrawn, the Down Payment shall be returned to the Purchaser together with interest, if any, earned thereon, except as otherwise provided in the next sentence. If at the time the Plan is abandoned or withdrawn the Purchaser is in default hereunder and has failed to cure such default within the applicable grace period (or if this Agreement had previously been canceled by reason of the Purchaser's uncured default), then the Seller shall retain, as and for liquidated damages, the Down Payment, together with any interest earned thereon (hereinafter called the "**Liquidated Sum**"), and any sums in excess thereof (together with any interest earned thereon) shall be returned to the Purchaser within fifteen (15) days after the date of such abandonment or withdrawal.

(g) The Purchaser or the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment. The Seller must avail itself of this procedure if there is a dispute which needs to be resolved between the Seller and the Purchaser relating to the Down Payment and, in the case of the Purchaser, the Purchaser has given notice of objection to the Escrow Agent within the ten (10)-business-day period described above. A form for this purpose is attached to this Agreement as Exhibit A. The party applying for a determination must send all other parties a copy of the application.

(h) Included in Part II of the Plan is a copy of the escrow agreement between the Escrow Agent and the Seller which is subject to the terms of the Attorney Escrow Agreement General's regulations (the "**Escrow Agreement**"). In the event of any conflict between the

Escrow Agreement and either any other provision of the Plan or this Agreement, the Escrow Agreement shall control.

(i) The Escrow Agent will maintain all records concerning the Escrow Account for seven (7) years after the closing of the Escrow Account.

(j) Notices given by the Escrow Agent, the Seller, or its agents pursuant hereto shall be deemed given (i) upon delivery if personally delivered or (ii) upon the fifth (5th) day after the date of mailing, if mailed; or (iii) on the next business day if delivered by overnight courier.

13. 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, the Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage against the Unit or the Property, or any part thereof or any interest therein, heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by the Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with any schedule of payments or accelerated by virtue of the right of the holder of any such mortgage to make advances before they become due in accordance with the schedule of payments. The Seller shall, at its option, either satisfy such mortgages or obtain a release of the Unit from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit shall not constitute an objection to title or excuse the 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, the Seller, provided that the Unit is released from, or not subject to, the lien of any such mortgage.

14. Default by Purchaser.

(a) Each of the following shall constitute an "**Event of Default**" hereunder:

(i) The Purchaser's failure to pay the Balance on the Closing Date as provided herein or in the Plan (including, without limitation, if any check made or delivered by the Purchaser hereunder is dishonored);

(ii) The Purchaser's failure to execute (and have his signature acknowledged, sworn to or affirmed before a notary public, as and when required) and deliver to the Seller on the Closing Date the Residential Unit Owner's Power of Attorney, the New York City Real Property Transfer Tax return, the New York State Real Estate Transfer Tax return, the New York City Real Property Transfer Report or any other document required herein or in the Plan to be executed and delivered by the Purchaser;

(iii) The Purchaser's failure to pay any closing costs or other amounts due and payable pursuant to this Agreement or the Plan; or

(iv) The Purchaser's failure to pay, perform or observe any of the Purchaser's other obligations hereunder or under the Plan.

(b) Upon the occurrence of an Event of Default, the Seller, in its sole discretion, may elect by notice to the Purchaser to cancel this Agreement. If the Seller elects to cancel, the Purchaser shall have thirty (30) days from the giving of the cancellation notice within which the Purchaser must cure the specified default. **TIME SHALL BE OF THE ESSENCE** to remedy the specified default within the thirty (30)-day period. If the specified default is not timely cured, then (i) the Seller shall have the right to retain, as liquidated damages, the Liquidated Sum; (ii) the Seller shall have the right to sell the Unit to others as though this Agreement had never been made; and (iii) the Purchaser shall not have any further rights against or obligations to the Seller, the Condominium, the Condominium Board or any subsequent purchaser of the Unit. Whether or not the Seller has canceled this Agreement as provided above, if the Seller has not collected the proceeds of any check for any payments due under this Agreement, then the Seller may take such actions at law and in equity as may be required in order to collect such payments and any and all costs of collection, including, without limitation, all attorneys' fees and expenses incurred by the Seller in connection therewith.

(c) Notwithstanding the occurrence of an Event of Default, the Seller may, in its sole discretion, keep this Agreement in effect and proceed to close title without prejudicing the Seller's right to recover from the Purchaser damages, losses, costs, expenses and all other lawful sums to which the Seller is entitled (including, but not limited to, legal fees and the costs of collection).

15. Seller's Inability to Convey Title. If the Seller is unable to deliver title to the Unit to the Purchaser subject to the Permitted Exceptions set forth in the Plan in accordance with the provisions of this Agreement and the Plan, the Seller 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. If the Seller elects to attempt to cure such inability then it shall be entitled to an adjournment of the Closing Date for a reasonable period of time within which to complete such cure. However, the Seller may notify the Purchaser at any time of its refusal either to cure or to continue to cure, as the case may be, such inability and if the Purchaser is then not in default hereunder beyond any applicable grace period, then the Purchaser's sole right and remedy shall be either: (a) to 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 the Seller for damages or otherwise); or (b) to terminate this Agreement. If the Purchaser so elects to terminate this Agreement, the Seller shall, within fifteen (15) days after receipt of notice of termination from the Purchaser, return to the Purchaser all sums deposited by the Purchaser hereunder, together with interest earned thereon, if any, and upon making such payment, this Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other under this Agreement and the Plan. The foregoing option must be exercised by notice of the Purchaser in writing to the Seller within ten (10) days after the giving of the Seller's notice of refusal to cure such inability. If the Purchaser fails to give such notice to the Seller within said ten (10) day period, with **TIME BEING OF THE ESSENCE**, it shall be conclusively deemed that the Purchaser has elected to acquire title to the Unit subject to such inability as aforesaid.

16. Transfer Taxes. The Purchaser shall pay all real property transfer taxes (including, without limitation, the New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax, and, if applicable, the additional New York State Real Estate Transfer Tax known as the "mansion tax"), recording and other fees in connection with this transaction and the recording of the deed. The Purchaser's responsibility to pay real property transfer taxes shall include any increases or additions to such taxes that are due by reason of the fact that the Purchaser is paying such taxes instead of the Seller. The Seller and the Purchaser shall duly execute and, if and to the extent required, swear to or affirm any transfer tax return and any other form then required by law, all of which shall be prepared by the Seller.

17. Agreement Subject to Plan Being Declared Effective. The performance by the Seller of its obligations under this Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned at any time prior to its becoming effective as provided in the Plan and thereafter upon certain terms and conditions as provided in the Plan. If the Plan is abandoned or does not become effective or if after being declared effective the Plan shall not be consummated for any reason, then this Agreement shall be deemed canceled and the Plan terminated on the date specified in a notice thereof by the Seller to the Purchaser. Within forty-five (45) days thereafter, the Purchaser shall receive a refund in full of the Down Payment together with interest earned thereon, if any (except as provided in Paragraph 14 hereof), and, upon such refund neither party shall have any further rights, obligations, or liability to or against the other or the Condominium under this Agreement and the Plan.

18. Construction.

(a) The Seller shall complete the construction of the Unit and the Building contemplated under the Plan in accordance with the provisions of the Plan. The Purchaser acknowledges and agrees that, among other things, under the Plan, the Seller has the right to modify and amend the Plans and Specifications, including, among other things, in order to substitute materials, equipment or fixtures, all in accordance with the provisions of the Plan. The Purchaser also acknowledges and agrees that (i) completion of the construction will occur in accordance with the provisions of the Plan notwithstanding the fact that there may be any number of items within the Unit or elsewhere on the Property that remain uncompleted as of the Closing Date, and (ii) no escrow will be required in connection therewith. The Seller however will be obligated to complete any such uncompleted items after the closing.

(b) The Purchaser shall permit the Seller and its designees access to the Unit for the purpose of completing any such construction renovations in accordance with the provisions of the Plan or satisfying any of the Seller's other obligations under the Plan or under any Agreement for a Unit other than the Unit.

(c) The Purchaser acknowledges and agrees that: (i) the obligations of the Seller under this Agreement or the Plan, including the obligation to complete the improvements described in the Plan and Specifications are subject to delay resulting from acts of God, strikes, lockouts, weather, floods, epidemics, quarantine restrictions, freight embargo, shortages of or inability to obtain adequate materials, equipment or labor, governmental restrictions or preemptions, damage by fire or the elements or any other cause over which the Seller does not have control, and the period within which the Seller must complete any of its obligations, if any,

shall be extended by the period of any such delay; (ii) the Seller will not be liable for and will have no obligation to correct certain variations from the Plans and Specifications as provided in the Plan and will only be responsible to correct certain construction defects to the extent and on the terms and conditions set forth in the Plan; and (iii) the Seller will not be liable to the Purchaser for any delay in completing its obligations hereunder or under the Plan or closing hereunder.

19. Fixtures, Appliances and Personal Property. Only those appliances, fixtures, furnishings and items of personal property that are described in the Plan as being part of the Unit and are actually located in the Unit on the Closing Date are included in the sale of the Unit pursuant to the provisions of this Agreement. The Purchaser acknowledges and agrees that other than as expressly provided in the Plan, the Seller makes no representation in connection with such appliances, fixtures, furnishings and items of personal property, and the Seller expressly disclaims any implied warranties of merchantability or fitness for a particular purpose. Furniture, wall coverings, furnishings, decorations and the like in or about any model apartment are for display purposes only and are not included in the sale. Any floor plans or sketches shown to the Purchaser are only approximations of the Unit's dimensions and arrangement, and the Purchaser should not rely thereon. There shall be no modifications or extras unless agreed to in writing by both the Purchaser and the Seller. All modifications, alterations and additions to the Unit must be approved by the Seller in writing and, if approved, shall be performed by the Seller at the Purchaser's expense (payable in a manner to be set forth in an addendum to this Agreement or in a separate agreement).

20. Acceptance of Unit. The Purchaser will accept title to the Unit without any reduction or postponement of payment of the Purchase Price even if construction of the Unit is not fully completed although substantially completed as provided in the Plan, and the renovations to the Building, other Units and the Common Elements have not been completed within the time frame (if any) projected in the Plan. The Purchaser agrees to inspect the Unit with the Seller's representative during normal business hours before the Closing Date and to sign and deliver to the Seller before that time an inspection statement in the form attached to this Agreement as Exhibit B (the "**Inspection Statement**"), showing the condition in which the Purchaser has received the Unit. The Purchaser acknowledges and agrees that: (i) acceptance by the Seller of the Inspection Statement shall not constitute an agreement by the Seller to cure the exceptions noted therein, and Seller's sole obligation with respect to the same shall be as provided in the Plan; (ii) notwithstanding the fact that there may be construction items noted on the inspection statement that the Seller has the obligation to correct under the Plan, the Purchaser shall nonetheless be obligated to close on the Closing Date and pay the full Purchase Price without provision for any escrow. The Purchaser shall sign and deliver a separate statement signifying its satisfaction with each item excepted in Exhibit B, if any, immediately upon completion of the repair and adjustment or correction of the same. The Purchaser also acknowledges and agrees that the Seller shall not be obligated to make any repairs, adjustments or corrections to the Unit or any portion thereof, or its fixtures, appliances, equipment, etc., contained therein, from and after the date of delivery of possession of the Unit to the Purchaser, except for those items, if any, expressly excepted in Exhibit B to the extent the Seller is required to repair, adjust or correct the same under the Plan, and the Seller's obligation regarding any such excepted items shall cease upon either the completion of the repair, adjustment or correction of the same or the assignment to the Purchaser of any applicable warranty covering

the same. Nothing contained herein shall be construed to expand the Seller's obligations to correct defects in design or construction beyond the those expressly required under the Plan under **"Rights and Obligations of Sponsor"**.

21. Damage to the Unit.

(a) The Purchaser shall not be entitled to occupy the Unit until the deed is delivered to the Purchaser at closing, unless the Seller, in its sole and absolute discretion, grants possession of the Unit to the Purchaser. If the Purchaser is given possession of the Unit prior to closing then the Purchaser shall assume the risk of loss and the obligation to repair and shall be solely responsible for any damage to, or loss or other condition in, the Unit resulting from casualty, the Purchaser's use and occupancy or from the acts or negligence of the Purchaser's guests, contractors, subcontractors, licensees, agents, employees or other invitees or otherwise and the Seller shall not be obligated to make any repairs to the Unit or its Installations.

(b) Except as provided in subparagraph (a) above, all other risk of loss prior to closing shall be assumed by the Seller, but without any obligation or liability of the Seller to repair the damage or restore the Unit. If the Seller or (if the Declaration has been recorded) the Unit Owners elect, pursuant to the Condominium Documents, to repair or replace the loss or damage, in the event of a fire or other casualty, this 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 of, the Purchase Price, and the Seller shall be entitled to a reasonable period of time to complete (or to permit the Condominium Board to complete) such repairs or replacement. The 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 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 the Seller (subject, if the Declaration has been recorded, to the rights, if any, of the Boards and the other Unit Owners) and if such proceeds are paid to the Purchaser, the Purchaser shall promptly upon receipt turn them over to the Seller.

(c) If the Seller notifies the Purchaser that it does not elect to repair or restore the Unit or (if the Declaration has been recorded) if the Unit Owners do not resolve to make such repairs or restore the Unit pursuant to the Condominium Documents, this Agreement will be deemed canceled and of no further force or effect and the Seller will instruct the Escrow Agent to return to the Purchaser all sums deposited hereunder (with interest, if any, earned thereon) whereupon the parties will be released and discharged from all obligations and liability hereunder and under the Plan, except that if the Purchaser is then in default hereunder (beyond any applicable grace period), the Seller will retain the Liquidated Sum pursuant to Paragraph 14 above.

(d) The Purchaser expressly waives the provisions of Section 227 of the Real Property Law and agrees that the provisions of this Paragraph 21 shall govern and control in lieu thereof.

22. No Representations. Except as set forth in the Plan, the Seller has not made, does not make and is unwilling to make any representations as to the condition, income, expenses, tenants, use, operation or any other matter or thing affecting or relating to the Property or title thereto or the transactions contemplated hereby. The Purchaser acknowledges and represents that, except as expressly set forth in the Plan or in this Agreement, the Seller has not made and the Purchaser has not relied upon any representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by the Seller, whether consisting of or contained in any architect's plans, sales plans, selling brochures, advertisements or otherwise, including, but not limited to, any relating to: (a) the description or physical condition of the Property or the Unit, or the size or the dimensions of the Unit, or any other physical characteristics thereof; (b) the services to be provided to Unit Owners; (c) the estimated Common Charges allocable to the Unit; (d) the right to any income tax deduction for any real estate taxes or mortgage interest paid by the Purchaser; (e) the current or future real estate tax liability, assessment or valuation of the Property or the Unit; (f) the potential qualification of the Property or the Unit for any and all benefits conferred by federal, state or municipal laws, whether for subsidies, special real estate tax treatment, insurance, mortgages, or any other benefits, whether similar of dissimilar to those enumerated; (g) the compliance of the Unit or the Property, in its current or any future state with applicable zoning ordinances and the ability to obtain a variance in respect to any non-compliance, if any, with said zoning ordinances; (h) the availability of any financing for the purchase, alteration, rehabilitation or operation of the Unit or the Property from any source, including but not limited to the state, city or federal government or any Institutional Lender; (i) the current or future use of the Unit or the Property; (j) the current or future condition and operating state of any and all machinery or equipment in the Unit or on the Property and the current or future structural and physical condition of the Unit, the Building or any other improvements to the Property or their suitability for rehabilitation or renovation; (k) the state of title to the Unit; (l) the availability of any views from the Unit or from any other portion of the Building now or in the future or the ability of any other owner of real property, wherever situated, to erect a structure on such owner's real property which may obstruct the view from the Unit or from the Property or the ability of any other owner of real property wherever situated to change the height, bulk or density of any existing building or to change the zoning so as to permit a change in the height, bulk or density of a building that may be constructed in the future on such owner's property, and (m) the presence or absence of violations of Applicable Law; the Purchaser having relied solely on its 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 the Seller except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. The Purchaser agrees that the Seller and its agents and contractors will have no liability to the Purchaser nor shall the Purchaser be relieved of any of its obligations hereunder if there is a minor error or inaccuracy in the layout or dimensions of the Unit or of the Common Elements of the Condominium, as shown on the Floor Plans.

23. Broker. The Purchaser represents to the Seller that except for any co-broker identified below in this Paragraph 23, the Purchaser has not dealt with any broker other than the Selling Agent in connection with this transaction. The Purchaser agrees that should any claim be made against the Seller for commissions by anyone other than the Selling Agent or any co-broker identified below in this Paragraph 23 based on alleged dealings with the Purchaser or the Purchaser's representatives, the Purchaser shall (i) give testimony to such effect in any case,

action or proceeding by any broker other than the Selling Agent (or any such co-broker), and (ii) indemnify and hold the Seller harmless from and against any and all liabilities, claims, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) arising out of or in connection with any claim for commissions or other compensation with respect to this transaction or with respect to the Purchaser.

Co-Broker: _____

24. Assignment. The Seller may assign this Agreement without limitation. The Purchaser shall not have the right to assign this Agreement without the prior written consent of the Seller which may be granted or withheld in the Seller's sole and absolute discretion.

25. Purchaser's Representations. The Purchaser represents to the Seller and the Condominium as follows:

(a) If the Purchaser is an individual, the Purchaser is over 18 years of age and resides in the State of New York.

(b) If the Purchaser is an entity, it is legally authorized to acquire the Unit and has an office for the conduct of its business in New York.

(c) The Purchaser is not purchasing as an accommodation to, or for the account or benefit of, the Seller or its principals.

26. Access to Unit. The Purchaser shall not be entitled to have access to the Unit prior to the closing of title thereto without obtaining the Seller's prior written consent. If the Purchaser is permitted such access, the Purchaser shall release the Seller from any and all liability, loss, cost, expense or damage, foreseen or unforeseen, resulting from any injuries sustained by any person or damage to any property resulting from such access, even if such injury results from the negligence of the Seller, the Selling Agent, or any of their respective agents, employees, contractors or representatives. In addition, the Purchaser shall indemnify and hold the Seller, the Selling Agent and their respective agents, employees, contractors and representatives harmless from and against any and all liability, loss, cost, expense or damage, foreseen or unforeseen, resulting from such access, including, without limitation, reasonable attorneys' fees and expenses. If the Purchaser is obligated to repair the damage, then the Purchaser's failure to make such repair shall not excuse the Purchaser from paying the Balance and accepting delivery of the deed.

27. Liability of Seller.

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

(b) The Seller shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed, or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of the Seller. The Seller's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

28. Acceptance of Agreement. No binding obligation will arise hereunder until this Agreement is executed by both the Purchaser and the Seller (or the Seller's duly authorized agent) and one fully executed copy has been delivered to the Purchaser and two fully executed copies have been delivered to the Seller. If within twenty (20) days after the Selling Agent receives this Agreement signed by the Purchaser, a copy of this Agreement signed by the Seller of its authorized agent is not sent or delivered to the Purchaser, then it will be deemed rejected and of no force or effect and all monies paid by the Purchaser shall be refunded, without interest, within ten (10) days thereafter. Upon such refund being made, neither party will have any further rights, obligations or liabilities hereunder with respect to the other or any other party connected with the Plan. This Agreement may not be rejected by reason of the Purchaser's sex, race, creed, color, national origin, ancestry or other ground proscribed by law. The Seller has the right, without incurring any liability, to reject this Agreement without cause or explanation to the Purchaser.

29. Notices. Notices hereunder shall be in writing and shall be either (i) personally delivered (with receipt acknowledged) or (ii) mailed by registered or certified mail, return receipt requested or (iii) sent by overnight courier (with receipt acknowledged) or (iv) sent by facsimile transmission, if available; provided and so long as a copy of such notice is sent the same day by any of the methods set forth in clauses (i), (ii) or (iii)), to the parties as follows: to the Purchaser, at the address and facsimile number (if any) first stated in this Agreement and to the Seller at 3349 Highway 138, Building C, Suite C, Wall, New Jersey 07719 (facsimile number (212) 850-7545), with copies in like manner to Linett, Schechter, Reicher & Ofsevit, LLP, 810 Seventh Avenue, New York, New York 10019, Attention: Samuel M. Ofsevit, Esq. (facsimile number: (212) 977-8123), and Herrick, Feinstein, LLP, 2 Park Avenue, New York, New York 10016, Attention: Mitchell G. Bernstein, Esq. (facsimile number: (212) 592-1500). Any of the parties noted in this Paragraph 29 may change his, her or its address or facsimile number for purposes of this Paragraph 29 by giving notice thereof to the other parties in the manner provided above. Linett, Schechter, Reicher & Ofsevit, LLP, or Herrick, Feinstein LLP may give notices on behalf of the Seller. Notices shall be deemed given on the same day if personally delivered or sent by facsimile transmission, the next business day if sent by overnight courier or five (5) days after mailing if sent by registered or certified mail, return receipt requested. Notwithstanding the foregoing, no notice of change of address shall be deemed given until actually received.

30. Seller's Right to Make Changes in Materials, etc. The Seller reserves the right to make changes or substitutions of materials or construction for items as set forth in the Plan or the Plans and Specifications, provided any such changes are of comparable value and quality

31. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if there is more than one purchaser, in which case the obligations of the Purchasers shall be joint and several.

32. Survival of Seller's and Purchaser's Obligations. All of the obligations of the Seller under this Agreement shall be deemed satisfied upon delivery of the deed to the Unit and the closing of title hereunder, and no obligations of the Seller shall survive delivery of the deed except as otherwise expressly provided in this Agreement or the Plan. Except where the context otherwise requires, all the representations, warranties, and obligations of the Purchaser under this Agreement shall survive delivery of the deed and the closing of title hereunder, whether or not specifically so stated in any particular provision.

33. Further Assurances. The Purchaser shall execute, acknowledge and deliver to the Seller such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as the Seller may reasonably request in order to effectuate the provisions of this Agreement or any transaction contemplated herein or to confirm any of the obligations of the Purchaser hereunder or any right to be created or transferred hereunder or pursuant to any such transaction.

34. Severability. If any provision of this Agreement or the Plan is invalid or unenforceable either 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 Applicable Law.

35. Strict Compliance. Any failure by the Seller to insist upon the strict performance by the Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the Seller, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the Purchaser of any and all of the provisions of this Agreement to be performed by the Purchaser.

36. Prohibition Against Advertising. Prior to the closing of title, the 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 the Seller's prior written consent, which consent may be may be withheld or delayed for any reason or no reason.

37. 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 contracts made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

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

counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

39. No Recordation. This Agreement shall not be recorded by the Purchaser without the Seller's prior written consent. Any purported recordation thereof by the Purchaser shall be void and constitute an Event of Default by the Purchaser hereunder.

40. Entire Agreement. This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties hereto and constitutes the entire agreement between them. The Purchaser acknowledges and agrees that the Plan may be amended by the Seller from time to time as provided in the Plan and that this Agreement may be amended by the Seller to conform to the provisions of any such amendment by delivering to the Purchaser a notice thereof, subject however to any rights which the Purchaser may have to rescind this Agreement as provided in the Plan.

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 term "**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. The term "**including**" shall be deemed to mean "**including, without limitation**," whether or not so stated in the text.

42. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

43. Successors and Assigns. Without limiting the provisions of Paragraph 24, the provisions of this Agreement shall bind the Purchaser and its heirs, legal representatives, successors and assigns and inure to the benefit of the Purchaser's heirs, legal representatives and permitted assigns and shall bind and inure to the benefit of the Seller and its successors and assigns.

44. No Oral Changes. This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereof at the time of execution hereof, in a separate written agreement signed by the parties.

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

SELLER: VICTOR AT E 23, LLC

By:_____
Name:
Title:

By:_____
Name:
Title:

PURCHASER(S):

_____
Name:

_____
Name:

EXHIBIT A TO PURCHASE OPTION AGREEMENT

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: Gramercy Star Condominium
340 East 23rd Street
New York, New York 10010
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 or option agreement was signed:_____

(c) Date(s) of down payment(s):_____

(d) Total amount of down payment(s):_____

(e) Names and addresses of subscribers or the 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 B TO PURCHASE OPTION AGREEMENT

INSPECTION STATEMENT

Victor at E 23, LLC
3349 Highway 138, Building C, Suite C
Wall, New Jersey 07719

Re: Residential Unit Number ____
Gramercy Star Condominium
340 East 23rd Street
New York, New York 10010

Gentlemen:

This to confirm that based on the undersigned's personal inspection of the above referenced Residential Unit, I (we) have found the Residential Unit, its floors, walls, doors, fixtures, appliances, equipment, hardware and all other items listed below, to be in good and satisfactory condition, free of chips, mars, scratches, breaks or other defects, except for those matters (if any) expressly noted below under "Exceptions" requiring repair, adjustment or correction:

Item	Exceptions (if any)	Purchaser's Initials
1. Residential Unit interior:		
(a) Walls:	_____	_____
(b) Floors:	_____	_____
(c) Ceilings:	_____	_____
(d) Windows:	_____	
(glass, sash, pane, sill, etc.)	_____	_____
(e) Doors:	_____	_____
(f) Electrical Fixtures:	_____	_____
(g) Painted Surfaces:	_____	_____
(h) Kitchen Cabinets:	_____	_____
(i) Appliances:	_____	_____

(j) Kitchen Sink:_____ _____

(k) Bathroom Cabinets:_____ _____

(l) Bathroom Mirrors:_____ _____

(m) Bathroom sinks:_____ _____

(n) Water closet:_____ _____

(o) Bathtubs:_____ _____

(p) Shower door:_____ _____

(q) Bathroom Floor and Walls:_____ _____

(r) Hardware:_____

(doorbell, doorknob, faucets, locks, etc.)_____ _____

(s) Other: _____ _____

2. General Operating Condition:

All Doors:_____ _____

All Windows:_____ _____

All Plumbing:_____ _____

All Hardware:_____ _____

Other:_____ _____

The undersigned will sign and deliver to you a separate statement signifying my (our) satisfaction with each item excepted above (if any), immediately upon completion of the repair, adjustment or correction of same. The undersigned understands and agrees that you shall not be obligated to make any repairs, adjustments or corrections to the Residential Unit or any portion thereof or its fixtures, appliances, equipment, etc., contained therein from or after the date of delivery of possession of the Residential Unit to the undersigned, except as to those items (if any) expressly excepted above (and your obligation regarding any such excepted items shall cease upon the completion of the repair, adjustment or correction of same). Nothing contained herein shall be construed to excuse the Seller from its obligations to correct defects in construction to the extent required in the section entitled "Rights and Obligations of Sponsor" contained in the Offering Plan for Condominium Ownership of the captioned premises.

Dated: _____

Very truly yours,

_____
Purchaser's signature

_____
Purchaser's signature

Dated: _____

_____
Seller's Representative

DOCUMENT NUMBER 2

EXHIBIT E TO THE DECLARATION OF THE 340 EAST 23RD STREET CONDOMINIUM

RESIDENTIAL UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Residential Unit Owner's Power of Attorney that are used (a) in the declaration establishing a plan for condominium ownership of the premises known as The 340 East 23rd Street Condominium and by the street number 340 East 23rd Street, New York, New York 10010, under Article 9-B of the Real Property Law of the State of New York, dated _____, 20__, and recorded in the New York County office of the Register of the City of New York, as CRFN _____ (the "Declaration"), 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 Residential Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, [having an office][residing]* at _____, the owner of the condominium unit (the "Undersigned's Unit") known as Unit No.___ in The 340 East 23rd Street Condominium (the "Condominium"), said condominium unit being designated as Tax Lot ___ in Block 928 of Section 38 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, [does][do]* hereby irrevocably 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 Condominium Board or the Residential Board or in the name of their respective designees (corporate or otherwise), on behalf of all Unit Owners, in accordance with their respective Common Interests, or on behalf of all Residential Unit Owners, in accordance with their respective Residential Common Interests, as the case may be, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Residential Unit, together with its Appurtenant Interest, from any Residential Unit Owner so desiring to sell, convey, transfer, assign or lease, (b) to acquire any Residential Unit, together with its Appurtenant Interest, whose owner elects to surrender such Unit pursuant to the terms of Section 6.4.2 of the By-Laws, and (c) to acquire any Unit, together with its Appurtenant Interest, that becomes the subject of a foreclosure or other similar sale, on such terms and, with respect to any transfer pursuant to the terms of subdivision 1(a) or 1(c) of this paragraph at such price or at such rental, as the case may be, as such attorneys in-fact deem proper, and thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, on such terms as such attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in such premises which the undersigned could do if the undersigned were personally present, and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium or the Residential Section that the Condominium Board or the Residential Board, as the case may be, deems necessary or

* Delete whichever is inapplicable.

appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium or the Residential Section or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the condominium that the Condominium Board with respect to the General Common Elements, and the Residential Board, with respect to the Residential Section, deem necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board or the Residential Board, as the case may be, shall constitute the acts of said attorneys-in-fact.

The undersigned [does][do]* hereby irrevocably nominate, constitute and appoint Declarant as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of such documents, when such amendment (i) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Declarant in accordance with Article 8 of the Declaration or (ii) will be required by (A) an institutional lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (B) any governmental agency having regulatory jurisdiction over the Condominium, or (C) any title insurance company selected by Declarant to insure title to any Unit; provided, however, that any amendment made pursuant to the terms of subdivisions (i) or (ii) of this paragraph will not (x) change the Common Interest of the Undersigned's Unit, (y) require a material, physical modification to the Undersigned's Unit, or (z) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivisions (x) or (y) of this paragraph) or the holder of such mortgage (in the event described in (z) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph will remain in full force and effect until such time as Declarant shall cease to own any of the Units in the Condominium.

* Delete whichever is inapplicable.

IN WITNESS WHEREOF, the undersigned [has][have]* executed this Residential Unit Owner's Power of Attorney as of the ___ day of _____, 20__.

_____

_____

* Delete whichever is inapplicable.

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

On the ___ day of _____ 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) are subscribed to the within instrument and acknowledged to me that (he) (she) (they) executed the same in (his) (her) (their) capacity, and that by (his) (her) (their) signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the ___ day of _____ 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) are subscribed to the within instrument and acknowledged to me that (he) (she) (they) executed the same in (his) (her) (their) capacity, and that by (his) (her) (their) signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

DOCUMENT NUMBER 3

CONDOMINIUM UNIT DEED

THIS INDENTURE, made as of the __ day of _____, 20__, by and between VICTOR AT E 23, LLC, a New York limited liability company, having an office at 3349 Highway 138, Building C, Suite C, Wall, New Jersey 07719 (the "Grantor"), and _____, [having an office][residing]* at _____ (the "Grantee").

WITNESSETH

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

The Condominium Unit known as Unit __ (the "Unit") in the building known as The 340 East 23rd Street Condominium and by the street number 340 East 23rd Street, New York, New York 10010 (the "Building"), said Unit being designated and described as Unit No. __ in that certain declaration dated _____, 20__, made by the Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land upon which the Building is situated (the "Land"), which Land is more particularly described on Schedule A annexed hereto and by this reference made a part hereof, and which declaration was recorded in the New York County office of the Register of the City of New York (the "Register's Office"), on the ____ day of _____, 20__, as CRFN _____ (such declaration and any amendments thereto being referred to hereinafter, collectively, as the "Declaration"); said Unit also being designated as Tax Lot __ in Block 928 of Section 38 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building certified by Gerner Kronick & Valcarcel, Architects, PC, on the ____ day of _____, 20__, and filed with the Real Property Assessment Department of the City of New York on _____, 20__, as Condominium Plan No.____ and also filed in the Register's Office on _____, 20__, as Condominium Map No. ____;

TOGETHER with an undivided _____% interest in the 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 in the By-Laws of The 340 East 23rd Street Condominium, as the same may be amended from time to time (the "By-Laws"), all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in any of the Units, as though recited and stipulated at length herein; and

* Delete whichever is inapplicable.

SUBJECT also to such other liens, agreements, covenants, easements, licenses, restrictions, consents and other matters of record as pertain to the Unit, to the Land or to the Building (the Land and Building being referred to hereinafter, collectively, as the "Property").

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are 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 (as such term is defined in the Declaration) or provided in the Declaration or in the By-Laws, the Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything to be done whereby the Unit has been encumbered in any way whatever, except as set forth herein or in the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws). This covenant is for the personal benefit of the Grantee only and cannot be assigned to or exercised by, and shall not inure to the benefit of, any other person or entity, including, but not limited to, any insurer of the Grantee's title or any successor to the Grantee's interest.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of improvements at the Property and will apply the same first to the payment of the cost of such improvements before using any part of the same for any other purpose.

By accepting delivery of this Deed, the Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (including, but not limited to, any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the provisions thereof.

This conveyance is made in the regular course of business actually conducted by the Grantor.

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this indenture as of the day and year first above written.

GRANTOR:

VICTOR AT E 23, LLC
By: Victor East Mezz, LLC, its Sole Member

By: Victor Seven Manager, LLC, its Managing Member

By:_____
Name:
Title:

GRANTEE:

_____
Name:

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

On the ___ day of _____ 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) are subscribed to the within instrument and acknowledged to me that (he) (she) (they) executed the same in (his) (her) (their) capacity, and that by (his) (her) (their) signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the ___ day of _____ 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) are subscribed to the within instrument and acknowledged to me that (he) (she) (they) executed the same in (his) (her) (their) capacity, and that by (his) (her) (their) signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the ___ day of _____ 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) are subscribed to the within instrument and acknowledged to me that (he) (she) (they) executed the same in (his) (her) (their) capacity, 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

SCHEDULE A
Legal Description

Parcel I

ALL that certain plot, piece or parcel of land with the buildings and improvements thereon erected situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of East 23rd Street, distant 100 feet westerly from the comer formed by the intersection of the southerly side of 23rd Street with the westerly side of First Avenue;

RUNNING THENCE southerly parallel with the westerly side of First Avenue, 98 feet 9 inches to the centre line of the block;

THENCE westerly along said centre line of the block and parallel with the southerly side of East 23rd Street, 50 feet;

THENCE southerly again parallel with the westerly side of First Avenue, 21 feet;

THENCE westerly again parallel with the southerly side of East 23rd Street, 25 feet;

THENCE northerly again parallel with the westerly side of First Avenue, 21 feet;

THENCE westerly again parallel with the southerly side of East 23rd Street, 50 feet;

THENCE northerly again parallel with the westerly side of First Avenue, 98 feet 9 inches to the southerly side of East 23rd Street;

THENCE easterly along the southerly side of East 23rd Street, 125 feet to the point or place of BEGINNING.

Said premises also being known as: 338-346 East 23rd Street, New York, NY

Block 928 Lot 33

Parcel II

ALL that certain plot, piece or parcel of land with the buildings and improvements thereon erected situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of East 23rd Street, distant 225 feet 0 inches westerly from the corner formed by the intersection of the southerly side of 23rd Street with the westerly side of First Avenue;

RUNNING THENCE southerly parallel with the westerly side of First Avenue, 98 feet 9 inches to the centre line of the block;

THENCE westerly along said centre line of the block and parallel with the southerly side of East 23rd Street, 40 feet 0 inches;

THENCE northerly again parallel with the westerly side of First Avenue, 98 feet 9 inches to the southerly side of East 23rd Street;

THENCE easterly along the southerly side of East 23rd Street, 40 feet 0 inches to the point or place of BEGINNING.

Said premises also being known as: 334-336 East 23rd Street, New York, NY

Block: 928 Lot: 38

DOCUMENT NUMBER 4

340 East 23rd Street
New York, NY

October 3, 2006

A. ***Location of Property***

(1)	Address:	340 East 23rd Street New York, New York
(2)	Block No.: Lot No.:	928 38
(3)	Zoning District:	C1-9A (R10A Equivalent)
(4)	Permissible Use:	Residential and Commercial
(5)	Other:	Quality Housing Program

B. ***Status of Construction***

(1) The Building is presently in the construction document phase. The anticipated substantial completion date is on or about *October 2007* unless delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which the Sponsor has no control.

(2) Certificate of Occupancy: After completion of construction the Developer will apply for a Certificate of Occupancy for the Building from the Department of Buildings of the City of New York ("Department of Buildings").

(3) Class of Construction: The Building will be classified as Class 1 B (Non-Combustible) and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code"). Building will comply with Local Law 58 for handicapped access.

(4) Plans have been filed under number NB 104376890 with the Department of Buildings.

C. ***Site***

(1) The total site area is approximately 16,819 square feet.

(2) There will be one 21-story building at 340 east 23rd Street with one mechanical and storage level below grade.

(3) This site contains a 165'-0" frontage along east 23rd street.

(i) The street adjacent to the site is paved with asphalt topping and is in good condition.

(ii) The existing curbs will be replaced with new steel faced curbs. The existing sidewalk will be replaced with a new concrete sidewalk.

(iii) The streets are presently pitched to drain through existing cast iron catch basins into the New York City storm water drainage system.

(iv) The street lighting shall be provided by the City of New York.

D. Utilities

(1). Electricity: Electrical service will be provided by Consolidated Edison Company. The electricity to each Residential Unit shall be separately metered. The electricity consumed in the Common Elements will be separately metered by Con Edison and will be borne by the residential unit owners as a common expense. *Amperage capacity provided will handle all anticipated loads to units. Unit services including switching and fusing will be adequate for modern day appliances, lighting, washers, dryers and heat pumps.*

(2). Gas: Gas will be provided by Con Edison Company. Gas for the Residential Units will be collectively metered. The cost of the gas consumed (including all gas used for cooking purposes in the apartments) will be borne by the Residential Unit Owners as a common expense.

(3). Water and Sewer: Water and Sewer service will be provided by the City of New York. The charges for water and sewer service provided to the building will be levied on the basis of metered usage and the cost of the same will be borne by the residential unit owners as a common expense.

(4). Telephone: "Local" telephone service will be provided by Verizon and/or another service provider. Every Unit Owner will be required to pay their associated telephone charges and initial charges for activating individual outlets in the Unit, except for the kitchen outlet. The telephone charges with respect to the public areas of the building (such as the concierge's desk, maintenance offices, etc.) will be borne by all Unit Owners as a Common Expense. Telephone outlets in the Residential Units will be provided in the living room, dining room (as applicable), kitchen, bedrooms, and master bathroom. Maintaining the telephone lines will be the responsibility of the unit owners as a common expense.

(5). Cable Television: Cable Television service will be available for all Residential Units from Time Warner TV (or alternate cable TV company). All charges for cable television service (including installation and subscription charges) will be paid by each Unit Owner, who subscribes directly to the cable TV company. In each Residential Unit, an outlet will be provided in the living room and in each bedroom.

(6). Internet: Internet access will be provided by Verizon Avenue and charged as part of residents monthly common costs. An internet outlet will be provided in the living room of each residential unit. Additional outlets may be terminated at the unit owner's expense.

E. ***Sub-Soil Conditions***

(1) The concrete column footings will bear directly on bedrock or decomposed bedrock with bearing capacity of 40 tons per square foot. Exterior walls will extend down and will be founded on bedrock around the building perimeter.

(2) The basement slab on grade will be cast on 12" deep, 1/2" diameter crushed stone.

(3) Design of new construction shall include waterproofing, under-drains and sump pits as to address ground water issues.

F. ***Landscape & Enclosure (Street Level)***

(1) Trees - Six trees at sidewalk level.

(2) Display Pools and Foundations - *None.*

G. ***Building Height***

(1) The total height of the building from the average curb (base plane) elevation 14.28' to top of the main roof slab elevation 224.28 is approximately 210'-0"

(2) Basement to ground floor, ground floor to second floor and the eight floor to ninth floor: floor-to-floor height is 12'-0"

(3) The typical floor to floor height (for the floors not noted above) is 9'-7"

(4) There are 21 floors and one basement level.

(5) The heights of the residential units are approximately as follows:

Floor	Slab To Slab Height	Slab To Underside Slab Above	Floor to Hung Ceiling Height*
Bmnt. to 1st Flr.-	12'-0"	11'-4"	9'-0"
1st – 2nd Floor-	14'-0"	13'-4"	10'-4"
2nd – 3rd Floor -	10'-5"	9'-9"	8'-7"
3rd – 15th Floor- 17th-18th	9'-7"	8'-11"	8'-0"
15th – 16th Floor-	10'-7"	9'-11"	8'-9"
16th-17th 18th-roof	10'-1"	9'-5"	8'-3"

*Does not include floor to ceiling heights of kitchens, bathrooms and hallways which will be less. Transitional floors may have ceilings dropped in certain areas of the apartments to accommodate mechanical fixtures.

(6) Equipment Rooms: Height from top of main roof to top of elevator shaft enclosure slab is 17'-6"

(7) Parapet: Height from top of roof finish to top of parapet will be a minimum of 3'-6".

H. Occupancy

(1) There will be 207 residential apartment units in the building.

(2) There will be residential units on floors 2nd through 21st, with building mechanical and storage spaces towards at the cellar level.

(3) There will be community facility at the 2nd floor and 2nd level roof roof terrace.

(4) For the purposes of marketing, the basement level, floor and floor have been excluded while construction necessitates a realistic numbering of floors, which includes the basement, th and th Floor. Therefore, two different methods of numbering the floors exist and are shown below:

Construction Floors (actual)	Marketing Floors
Cellar	*Lower Level*
1	Lobby
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	14
14	15
15	16
16	*Skyhouse 1*
17	*Skyhouse 2*
18	Penthouse 1
19	Penthouse 2
20	Penthouse 3
21	Penthouse 4

I. ***Auxiliary Facilities***

(1) Laundry Room – At cellar level.

(2) Residential Storage – Individual wire mesh storage bins at the cellar level. The size of the storage bins will be a minimum of *54* cubic feet.

(3) Refuse Disposal

(i) Incinerators: None

(ii) Compactors: There will be one compactor located in the cellar servicing the residential apartments, model number *XM-40* as manufactured by International *Dynetics*. A trash chute will be accessible from each floor, except the first floor, with one hopper per floor.

(iii) Approvals: None required.

(iv) Storage Location: The compacted bags will be stored in the Compactor Room until they are transferred to street level.

(v) The bags from residential compactor room will be picked up by the New York City Department of Sanitation.

(4) Bike Storage: At cellar level.

J. ***Recreation Facilities:***

(1) Fitness Room – *Gym, sauna, toilets and lockers at the cellar level.*
(2) Community Facility – One on the 2nd floor
(3) Outdoor Terraces – One on the 2nd floor terrace and main roof for residents.
(4) Swimming Pool – None
(5) Tennis Courts – None

K. ***Structural System***

The main structural components for this project will be reinforced concrete. The perimeter foundation will be reinforced concrete and will extend to grade.

(1) Exterior of Building:

(i) Walls: The exterior walls will be cast in place concrete, insulated and furred with gypsum board, R-Value = 13

(ii) Windows: The windows will be double glazed aluminum (casement/sliding and fixed) windows. Low E insulated glass units will utilize safety stops in lieu of window guards.

(iii) At the rear and side façades, window frame will be fastened directly to the underside of slab above, top of slab at the sill and to the columns at

the sides. Windows will be shimmed and caulked along the perimeter of the frames.

The front façade is a hybrid curtain wall *being attached along the slab edge. There are no exterior lintels required.*

(iv) Lot Line Windows: The lot-line windows will be tempered and protected with sprinkler-heads 6'-0" on center. The location of each lot line window is indicated on the unit floor plans.

(2) Parapets and Copings: A metal railing will be provided at the terraces and balconies. The finished height of the parapet and railings will be a minimum of 3'-6" above the finished paving.

(3) Chimneys and Caps:

Bathroom, kitchen (where applicable) and laundry exhaust vents will be provided with central fan systems exhausting to the exterior through the roof.

The building will have one trash compactor and a rubbish chute made of steel with appropriate vent cap and flashing.

The boiler flue will be refractory lined steel with appropriate foundations, cleanouts, breeching and flashing.

Four exterior venting fireplaces will be terminated through the roof with roof flashing and storm collar.

(4) Terraces: The residential terraces will be finished with concrete pavers over roofing system with a metal handrail. *Fencing without gates will be provided at outdoor terraces separating the apartment units.*

(5) Balconies: The residential balconies will have an exposed concrete finish with a metal handrail.

(6) Exterior Entrances: Exterior doors and frames will be metal and glass.

(7) Service Entrances: Doors and frame will be metal.

(8) Roof and Roof Structures:

(i) Type of Roof

(a) Material: The roofing systems will be a poured membrane roofing system with concrete pavers and gravel ballast. *Wood decking will be used in limited areas of the roof.*

(b) Insulation: Insulation shall be *4"* Styrofoam RM brand insulation as manufactured by Dow Chemical or equal with an R factor of *20 (U=0.05)*

(c) Surface Finish: The surface finish will be gravel, concrete pavers *and wood decking.*

(d) Expected Useful Life: The roofing system shall have a minimum life of 20 years.

(e) Bond or Guarantee: The roofing system shall have a twenty-year manufacturers guarantee.

(f) Flashing Material: There will be metal cap flashing and elastomeric sheet flashing.

(ii) Drains:

(a) Number: Approximately 7
(b) Material and Type: Cast Iron drains

(iii) Skylights: None

(iv) Elevator and Stair Bulkhead:

(a) Elevator: The elevator bypass will be part of the roof bulkhead, which will be constructed of exposed cast in place concrete walls.
(b) Stairs: The stair enclosure will be part of roof bulkhead which will be constructed of exposed cast in place concrete walls.
(c) Other: Mechanical equipment space will be provided within fenced areas on the main roof.

(v) Landscaping and Enclosures:

(a) A 6'-0" high louvered screen will be provided at the roof level enclosing the mechanical equipment areas.

(b) The portion of the roof not used for mechanical equipment will be paved with a combination of concrete pavers and wood decking, and landscaped with trees and shrubbery in pots.

(9) Yards: 30'-0" required rear yard at residential level.

(10) Interior Stairs:

i) Number of Stairs: There are two egress stairs, which extend from grade up to the roof bulkhead. There are two egress stairs, which extend from the cellar up to grade. There will be convenience stairs within duplex apartments.

ii) Enclosure: Each egress stair will be enclosed with 6" concrete masonry units, reinforced concrete shear wall or 2 hour rated drywall partition. Each stair will be painted.

iii) Stair Construction: The two egress stairs will be concrete. The internal convenience stairs will be constructed of wood.

iv) Stringers: None

v) Treads: Concrete at egress stairs. Wood at convenience stairs.

vi) Risers: Concrete at egress stairs. Wood at convenience stairs.

vii) Hand Rails: There shall be a painted steel pipe handrail in each egress stair.

viii) Balustrade: Wood at interior apartment stairs.

(11) Interior Doors and Frames

(i) Unit Entrances: The apartment entrances shall be hollow metal door and frame with stone saddle and will meet the New York City Building Code requirement.

(ii) Residential Unit Interior Doors: The apartment interior doors shall be solid core wood doors in hollow metal and wood frames.

(iii) Corridor Doors and Frames: All doors and frames shall be hollow-metal and will meet the New York City Building Code requirements.

(iv) Stair Doors and Frames: All doors and frames shall be hollow-metal and will meet the New York City Building Code requirements. Doors will be provided with a 100 square inch wired glass vision panel.

(v) Roof Doors, Basement Doors & Frames: All doors and frames shall be hollow-metal. All doors will meet the New York City Building Code requirements.

(12) Elevators

(i) There shall be 2 passenger and 1 passenger/service elevator servicing the residential apartments and cellar.

(ii) The elevators will be manufactured by *Fujitec* or equal. The elevators shall have a capacity as follows:

Two 2,000 lb. Capacity	Approximately 6 people, 13 max.
One 2,500 lb. Capacity	Approximately 8 people, 16 max.

(iii) The type of operation will be as follows: Residential: - Group Automatic

(iv) The elevator type of controls will be variable frequency AC

(v) The residential elevators will have a machine room.

(vi) Solid state motor drive.

(13) Elevator Cabs (Residential)

(i) Residential elevator cabs will be manufactured by *Fujitec or Equal.*

L. ***Plumbing and Drainage***

(1). Water Supply: The domestic water system will be provided by one (1) 6 inch metered water service connection to the New York City water main in East 23rd Street. The service will be connected to a constant pressure triplex booster pumps set in the basement to serve all fixtures throughout the building. The water supply is regulated by the New York City Department of Environmental Protection.

(2). Fire Protection System:

(a). Fire Water Services:

The fire protection system will consist of one (1) 6 inch fire sprinkler/standpipe service connected to the New York City water main in East 23rd Street. This service will connect to an automatic fire pump rated at 500 gallons per minute located in the cellar level fire pump room.

(b). Standpipes:

The pump will supply the fire standpipe valved outlets and the sprinkler system. The fire service main will be provided with a water meter used only for check purposes.

(c). Hose Rack, Hoses and Nozzles:

A central hose station and locked key box will be located the first floor. A 2 inch hose valve with 1_ inch hose and nozzle will be provided at the fire standpipe at the Lobby Level and Cellar.

(d). Sprinkler System:

The sprinkler system will be a wet system with sprinklers installed throughout the building having concealed and sidewall sprinkler heads in residential units and common public areas as well as pendant and upright heads in non hung ceiling areas. One flush mounted siamese connection will be located at the front of the building supplying both fire standpipe and sprinkler systems. Water flow alarms and Tamper Switches will be electrically monitored and supervised.

(3). Water Storage Tanks and Enclosure:

None. Service will be from city water main.

(4). Water Pressure and How Maintained:

Water pressure will be maintained between 25 and 85 pounds per square inch (psi) by the constant pressure triplex booster pump system.

(5). Sanitary Sewage System:

(a). Sewage Piping:

The Sanitary sewage system will be a gravity system for all floors above the basement level and will consist of vertical and horizontal cast iron piping run to the house trap in the basement level.

(b). Sump Pumps:

Located in cellar level

(c). Sewage Disposal:

The main will discharge into the New York City sewer main located in East 23rd Street. Due to the lower elevation of the basement floor, the cellar sanitary waste will be pumped to the city main by a duplex sewage ejector system.

(6). Permits required:

All permits for the plumbing and drainage system will be obtained from appropriate agencies of the City of New York.

(7). Storm Drainage System:

The storm water system will consist of roof area and rear yard area drains with vertical storm leaders and gravity horizontal mains that connect into the house main at the basement level. Water will discharge into the East 23rd Street combination sanitary-storm New York City sewer system main.

M. Heating

(1). Domestic Hot Water Heating:

Domestic hot water will be produced by instantaneous steam hot water heaters at the cellar level.

(2). Space Heating:

Heating in units will be achieved by the water source electrically operated heat pump air conditioning units, owned and maintained by unit owners. Heating in the lobby will be by heat pump units. Heating and air conditioning in the corridors will be by a gas fired roof top common area air conditioning unit. Heating for the building will be by Con Ed steam w/steam to hot water converter located in the basement. Hot water circulator pumps will circulate hot water through supply and return piping throughout all residential units and common areas for use by the heat pumps. Heating system capacity will provide adequate heating throughout the building *meeting the requirements of NYS Energy Code. Heating system maintains 70 degree F dry bulb inside when outside temperature equals 11 degrees F.*

Water source heat pumps are as manufactured by Climate Master with the following model numbers: 816-10, 816-15, 816-20, 816-28, GRH006, GRH015, GSH030, GSH036, GLV100 and GRV060.

(3). Fuel: Con Edison steam.

N. ***Gas Supply***

(1). Type: Gas will be used for residential units for cooking ranges. Gas will also be used for providing heating for roof-top HVAC units.

(2). Meters: Gas service will be provided by Consolidated Edison Company of New York and will consist of one main sized by the utility with (2) meters:. One meter will be for the Buildings HVAC units and the other will be for the apartments gas needs. The meters will be located in the basement level gas meter room.

(3). Piping Material: Black steel Schedule 40 pipe with standard weight fittings.

O. ***Air Conditioning***

(1). Type of System: Air conditioning in the Residential Units will be by water source heat pumps owned and maintained by the unit owner.
Air Conditioning for Common Area will be by heat pump units and the air cooled, gas fired roof top air conditioning unit.

Water source heat pumps are as manufactured by Climate Master with the following model numbers: 816-10, 816-15, 816-20, 816-28, GRH006, GRH015, GSH030, GSH036, GLV100 and GRV060.

(2). Cooling Tower And Pumps: Located on main roof.

(3). Individual units: Individual units are designed to meet all requirements of NY State Energy Code. Air Conditioning design is based on 89 degree F.,outdoor summer design dry bulb temperature with73 degree F.,wet bulb outdoor design.

P. ***Ventilation***

(1). Kitchens: Generally the kitchen ranges will be provided with non-ducted recirculating Exhaust hoods having integral fans. For kitchen ranges remote from exterior windows general exhaust grilles and vertical exhaust duct work will be installed to provide general exhaust via roof mounted exhaust fans.

(2). Bathrooms: The toilets will be exhausted to the roof by vertical common exhaust ducts and roof mounted exhaust fans.

(3). Lobby and Corridors: The lobby and corridors will be ventilated by the roof top common area air conditioning that will include outdoor air.

(4). Compactor Trash Room: Compactor trash room will be exhausted to a utility fan mounted on the roof.

(5). Mechanical Equipment Room: MER will be provided with ventilation from louvers located at perimeter of building.

(6). Gas Meter Room: The gas meter room will be provided with a ducted gas relief vent to the exterior.

Q. ***Electrical System***

(1). Service from main Switchgear: The Electric service will be provided by the Con Edison Company of New York and will consist of conduit and cable sets from East 23rd Street that enter the main Electric Room. Main Service is 120/208 volts, 3 phase, 4 wire.

(2). Service to Individual Units: The Residential Units will each be provided with individual direct utility company electric meter, 120/208 volt single phase panelboards. Panelboards will provide adequate power for residential unit lighting, power, receptacles, etc.

(3). Service to Common Spaces: The Common Elements will be provided with one direct utility company electric meter. All meters will be located in the Basement level main electric room and electric closets throughout building. The Common Elements will be provided with separate electrical distribution for lighting and power for the main lobby, stairwell lighting, elevators, fire pump, domestic water pumps, sewage ejectors, domestic hot water heaters, roof top air conditioning unit, etc.

(4). Lighting and Receptacles: Lighting in residential units will be ceiling fixtures, wall fixtures and switched table lamps. Convenience receptacles and appliance receptacles will be in accordance with code for spacing and for supporting all appliance equipment.

R. ***Telephone, Intercom and Security Systems:***

Telephone services will enter the Building from East 23rd Street and be fed to a telephone room located in the Cellar level. It will then be distributed throughout the Building through risers and sleeves. Each Residential Unit will receive telephone service to a closet within the Unit.

Each Residential Unit will be provided with an intercom linked to concierge's desk.

The Building is to be provided with an intercom system linking to service entry areas with the concierge's desk.

Closed circuit television cameras will monitor selected entrances with viewing monitors at the concierge's desk.

The cameras will be designed to cover the immediate area within view of the cameras and will not necessarily cover all of the area involved.

Wiring will be installed in each Residential Unit to enable the Unit Owner to obtain telephone and cable television service at the Unit Owner's expense.

The Building will not be equipped with a master television antenna system.

S. ***Public and Area Lighting:*** Lighting will be furnished to the public areas of the building through fluorescent and/or incandescent fixtures.

T. ***Fire and Smoke Detection Systems***

(1). Residential Units — Each Residential Unit will contain a combination smoke /carbon monoxide detector located in the vicinity of the bedrooms. The detector will be wired to 120-volt local power and will be self-contained with its own sounding device.

(2). Common Area Fire Alarm System: — The Building will be provided with Central Smoke Detection/Fire Sprinkler Alarm System with Central Station Tie-in. Smoke detectors are provided in Electric, Telephone, and Elevator Controller Room. System also includes flow and tamper switches for each floor sprinkler system including compactor chute and vestibule.

U. ***Garage and Parking Area-*** None

V. ***Finishes, Fixtures & Equipment***

(1) Finish Schedule – Residential Units:

Space	*Floor*	*Wall*	*Base*	*Ceiling*	*Countertop*	*Backsplash*
Kitchenettes	WDF	GWB/ PT	WDB	CONC/ HC/PT	ST	ST
Kitchen	WDF	GWB/ PT	WDB	CONC/ HC/PT	ST	ST
Bathrooms	ST/ CT	WRWB/ CT	CT	WRWB/ PT	ST	CT/ ST/
Foyer	WDF	GWB/ PT	WDB	CONC/HC PT/	N/A	N/A
Living Room	WDF	GWB/ PT	WDB	CONC/HC PT/	N/A	N/A
Bedrooms	WDF	GWB/ PT	WDB	CONC/HC PT/	N/A	N/A
Closets	WDF/ VCT	GWB/ PT	WDB	CONC/HC PT	N/A	N/A

(2) Finish Schedule – Common Areas:

Space	*Floor*	*Wall*	*Base*	*Ceiling*
Public Corridor	*CPT*	*CONC/ GWB VWC*	*WDB*	*CONC/HC PT*
Lobby	*TZ*	*CONC/ GWB/ WD/PT*	*WDB/ ST/ MB*	*HC/ PT*
Package Room	*TZ/ VCT*	*GWB/ VWC*	*WDB*	*CONC/ PT*
Bathrooms	*CT*	*CT/PT WRWB/*		*CONC/ PT/*
Stairs	CONC/ PT	CONC/ PT/GWB	N/A	CONC/ PT
Refuse Rm.	CT	CONC/ GWB/CT	N/A	CONC/ PT
Electrical Cl.	CONC/ PT	GWB/ PT	N/A	CONC/ PT

ABBREVIATIONS FOR FINISHES

ACT	ACOUSTICAL TILE
CT	CERAMIC TILE
CPT	CARPET
CONC	CONCRETE
DE	DECK ENAMEL
GL	GLASS
GLT	GLASS TILE
GT	GRANITE TILE
GWB	GYPSUM WALLBOARD
HC	HUNG CEILING
LWP	LIQUID WATERPROOFING
MB	METAL BASE
MT	MARBLE TILE
PT	PAINT
QT	QUARRY TILE
SP	SPRAY PAINT
ST	STONE
TZ	TERRAZZO
V	VINYL
VCT	VINYL COMPOSITION TILE
VWC	VINYL WALL COVERING
WRWB	WATER RESISTANT GYPSUM WALLBOARD
WD	WOOD
WDB	WOOD BASE
WDF	WOOD FLOOR

(3) Bathroom Fixtures

Master Bathrooms:

Toilet: Duravit Starck Edition 3

Tub : Duravit Starck Edition 3 Model 700010

Shower Only Faucets: Hansgrohe Axor Handshower
Model 28531001
Lavatory: Duravit Starck Edition 1 Model D16051

Lavatory Faucet: Hansgrohe Axor Starck X

Powder Room:

Lavatory: Starck X

Lavatory Faucet: Hansgrohe Axor Starck X

Toilet: Duravit Starck Edition 3

Second Bath:

Toilet: Duravit Starck Edition 3

Lavatory: Duravit Starck Edition Model D16051

Lavatory Faucet: Hansgrohe Axor Starck X

Tub: Duravit Starck Edition 1/3 built-in.

Tub Filler: Hansgrohe Axor Starck, Wall mounted Model 10402001

(4) Kitchen Appliances:

Refrigerator: Subzero

Oven: Siemens

Dishwasher: Fisher and Paykel Dishdrawer

Cooktop: Miele Combiset

Washer/Dryer: Combination LG Model WM3431HW

Sink: Bianco Undermount

Faucet: Hansgrohe Axor Model 1082001

Garbage Disposal: ISE 777 SS

Range Hood: Miele Model DA326

W. Description of Units

(1). Each residential unit will consist of the area measured horizontally from the exterior face of the perimeter wall (perimeter concrete columns and perimeter mechanical pipes are not deducted) to the centerline of the partitions separating one unit from another unit and to the outside face of corridors, stairs, elevators and other mechanical equipment spaces or any common elements (as hereinafter defined); or to the exterior face of the opposite perimeter walls. Room dimensions will be taken from the finished face of partitions or the unit side of glass. Irregularly shaped rooms, or those not rectilinear in horizontal dimension, will be measured from the spatial center points of each side of the room. Each residential unit will consist of the area measured vertically from the top of the concrete floor to the underside of the ceiling.

(2). Areas of terraces are measured horizontally from outside face of exterior wall glass or outside building face to the inside face of parapet wall.



X. Additional Information

(1). See attached drawings

Sign before me this 3 day

of October 2006

John M. Tansey

NOTARY PUBLIC

JOHN M. TANSEY
Notary Public, State of New York
No. 01TA4962931
Qualified in New York County
Commission Expires February 26, 2006
2010

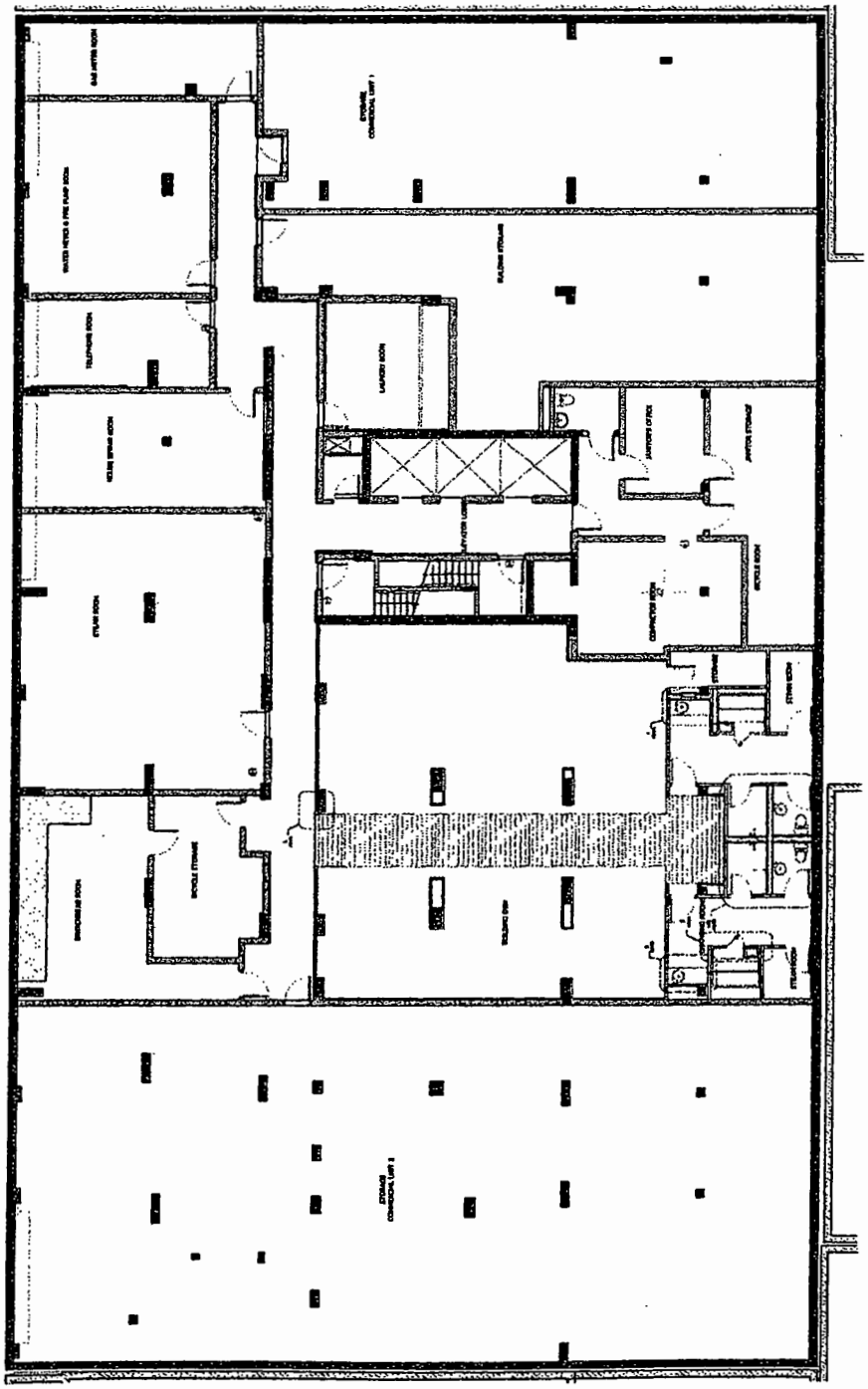
DOCUMENT NUMBER 5

340 EAST 23RD STREET
NEW YORK, NY

CELLAR FLOOR
STORAGE ROOMS
GYM
MECHANICAL ROOMS

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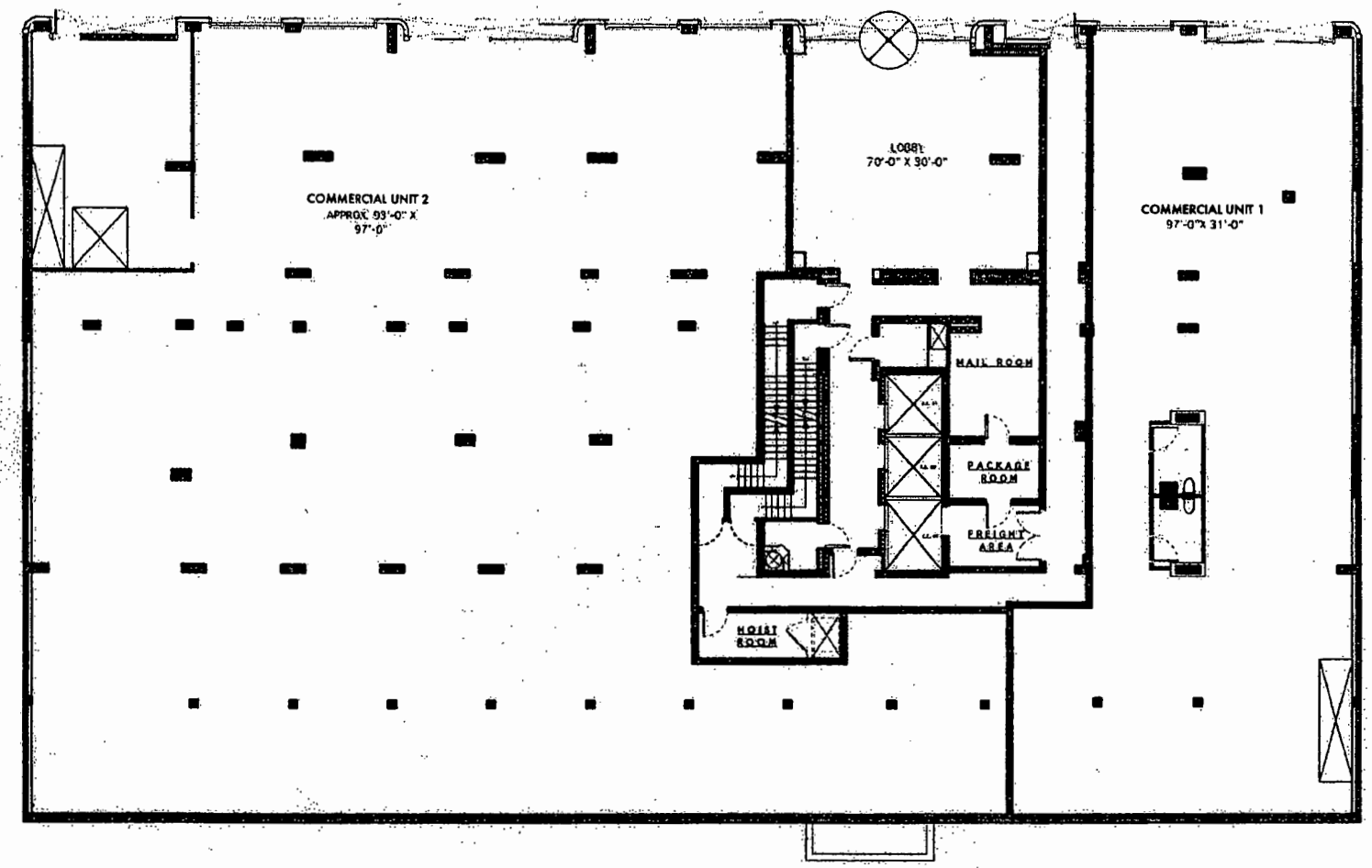
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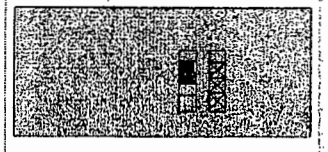


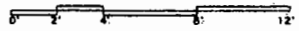
340 EAST 23RD STREET
NEW YORK, NY

GROUND FLOOR

RETAIL SPACES
LOBBY

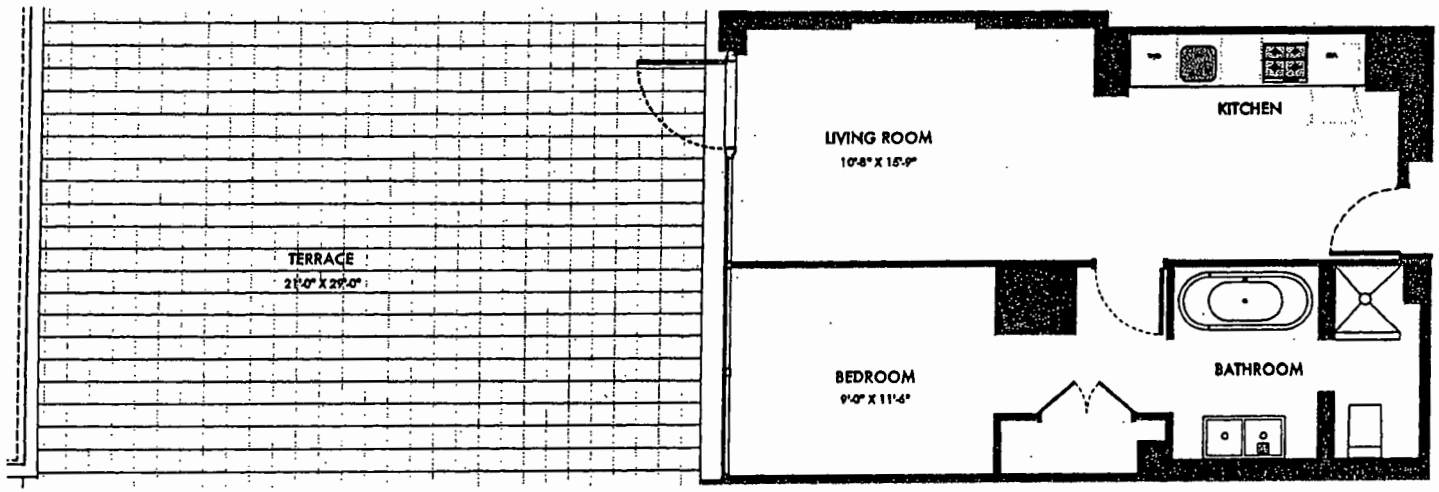






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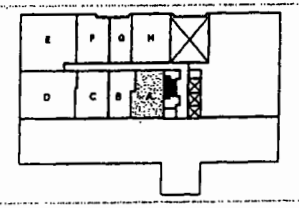


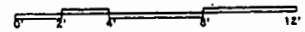
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT A - FLOOR 2

1 BEDROOM
1 BATHROOM

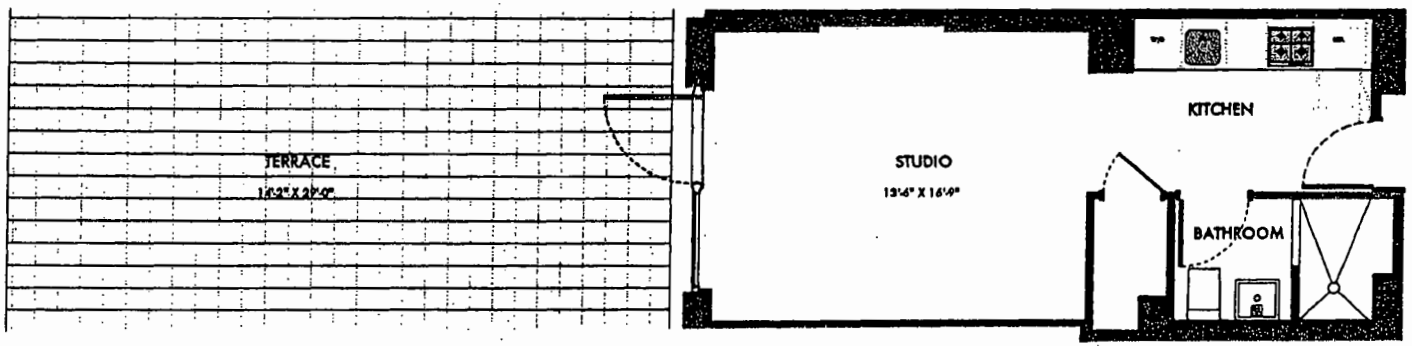
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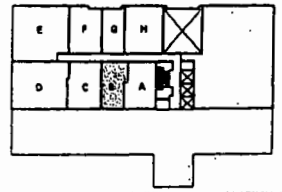
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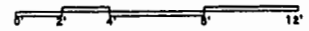


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT B - FLOOR 2
STUDIO

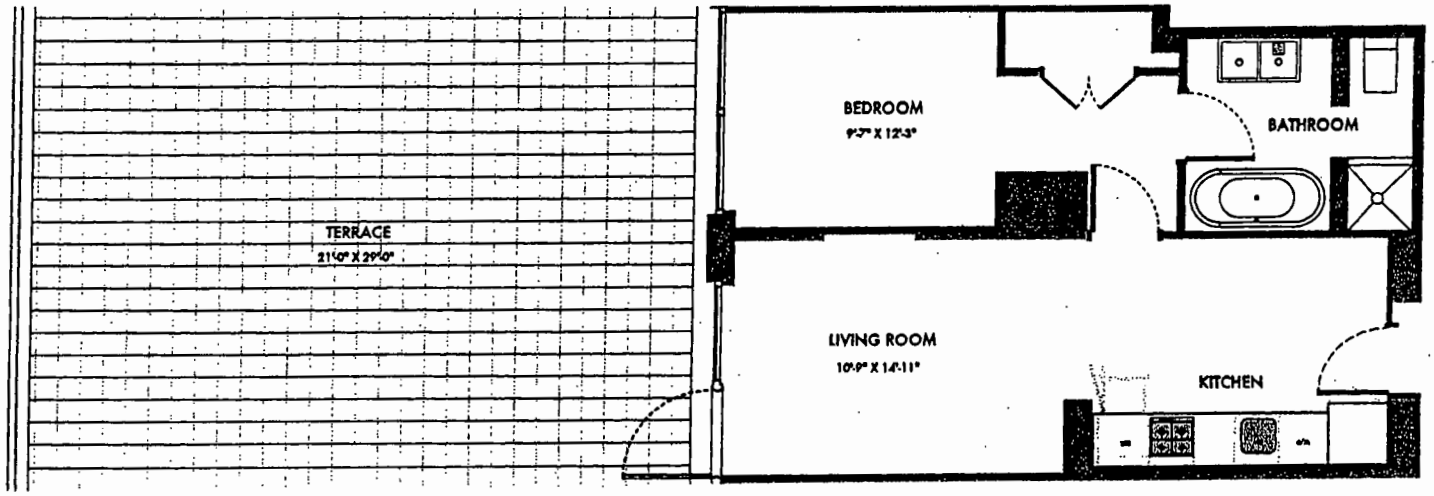
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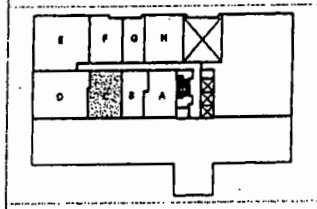


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT C - FLOOR 2

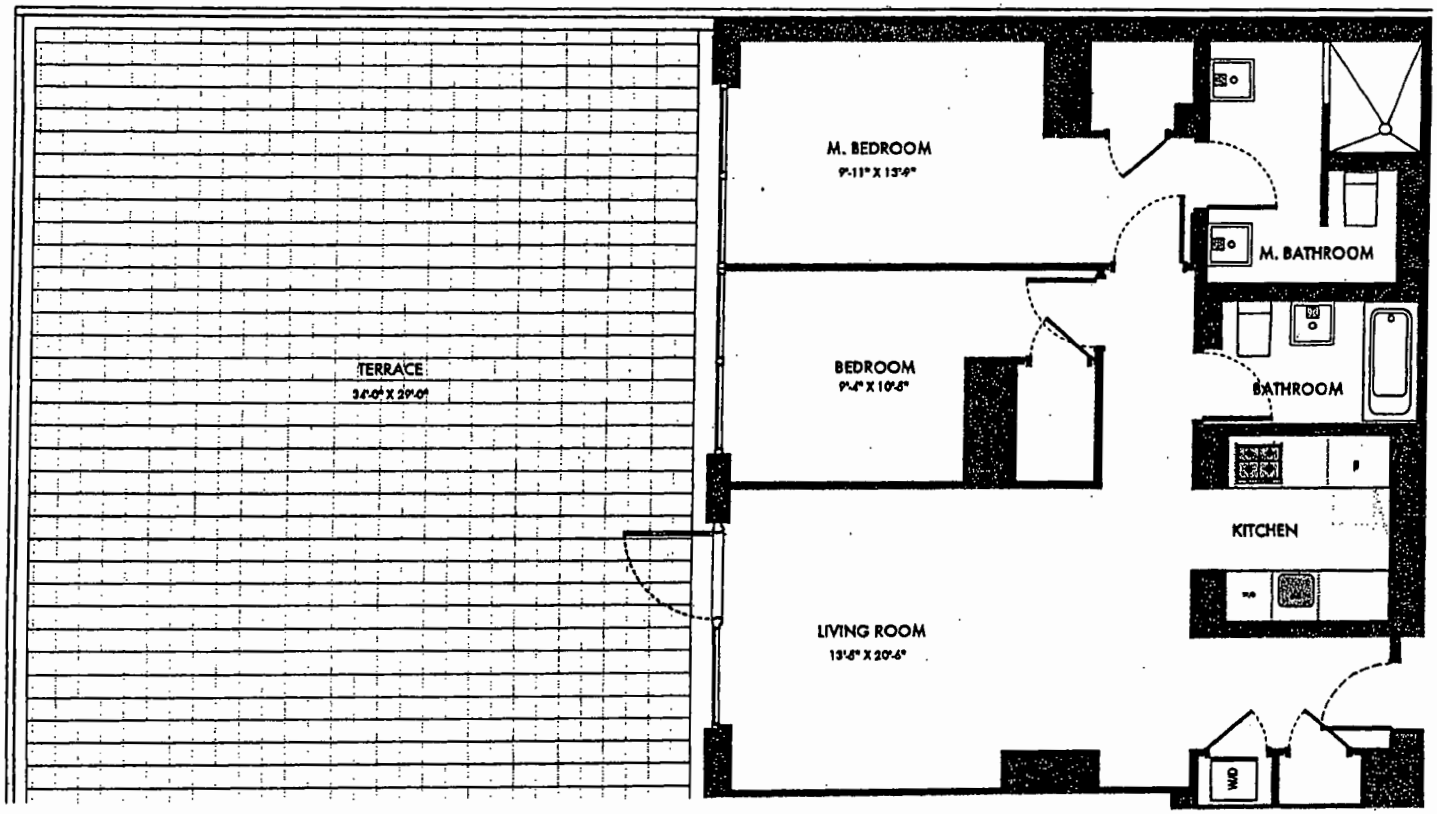
1 BEDROOM
1 BATHROOM

645 SF



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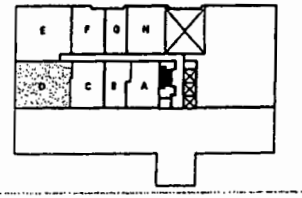


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT D - FLOOR 2

2 BEDROOMS
2 BATHROOMS

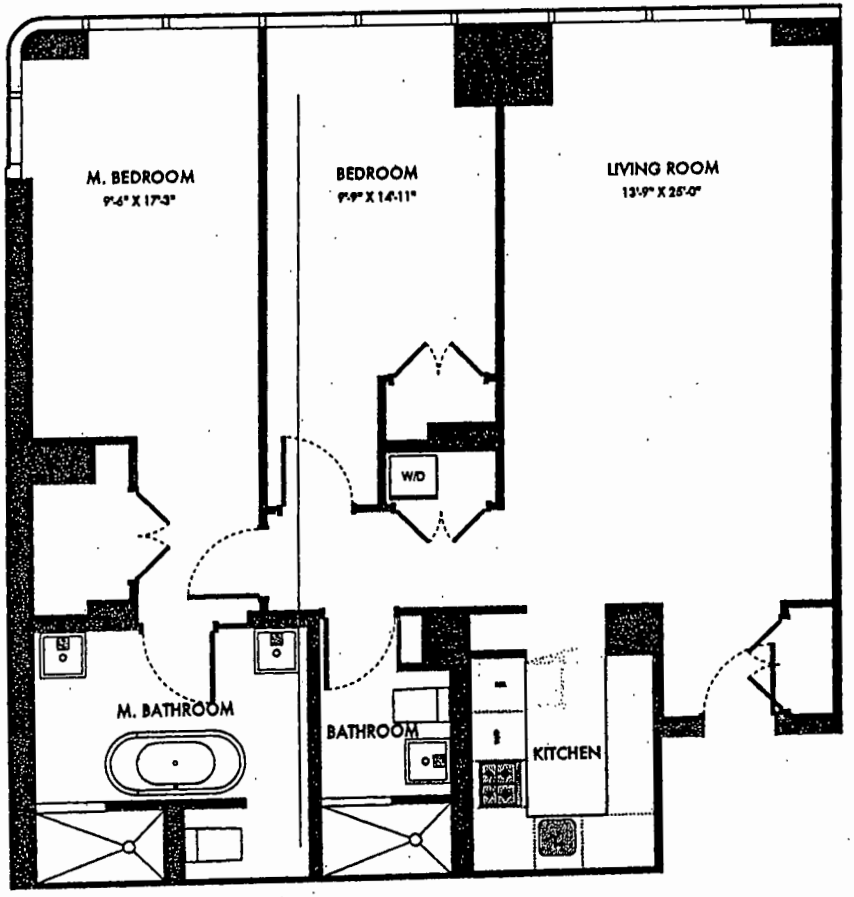
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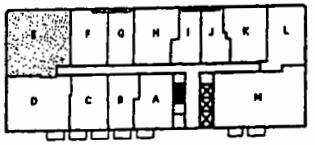


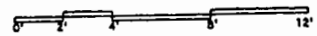
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT E - FLOORS 2-16

2 BEDROOM
2 BATHROOM

1269 SF





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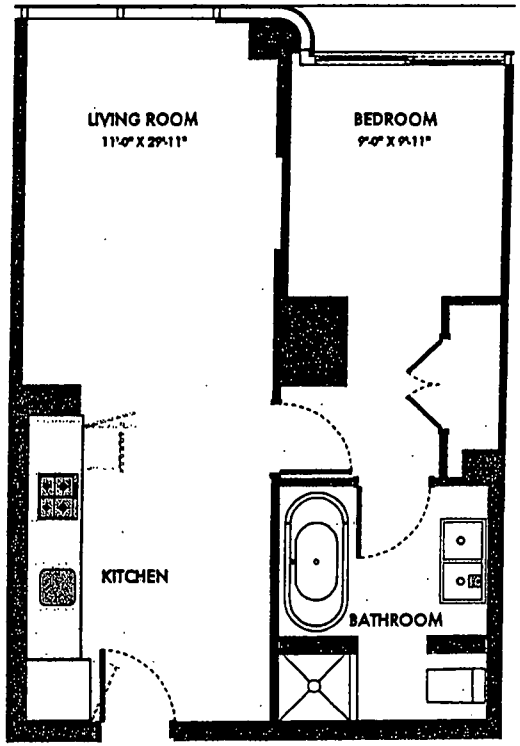
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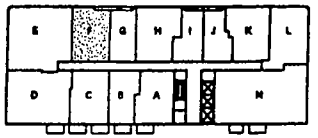
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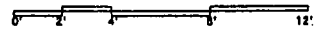
APARTMENT F - FLOORS 2-16

1 BEDROOM
1 BATHROOM

630 SF

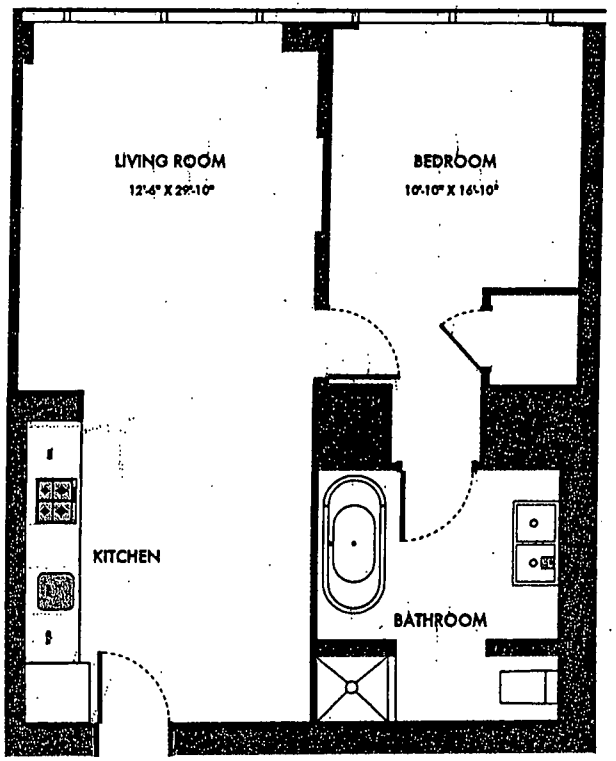






ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

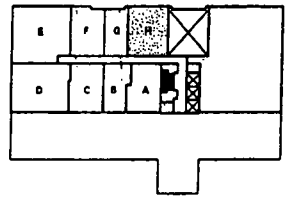


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT H - FLOOR 2

1 BEDROOM
1 BATHROOM

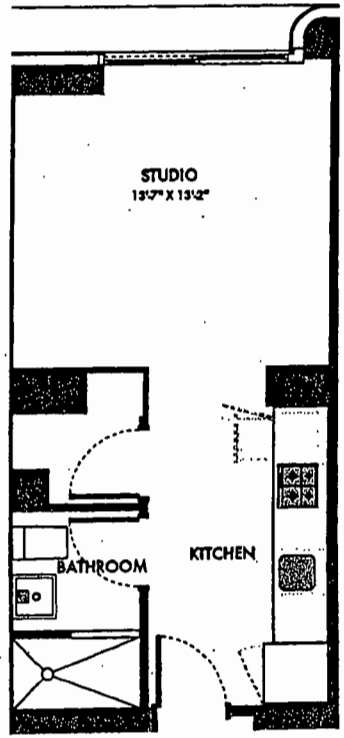
795 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

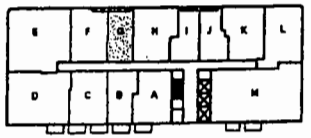
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



340 EAST 23RD STREET
NEW YORK, NY

APARTMENT G - FLOORS 2-16
STUDIO

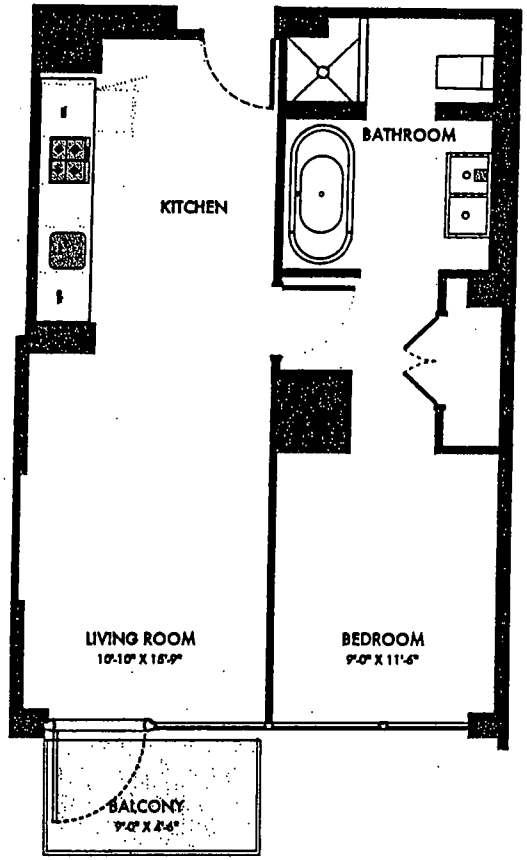
435 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

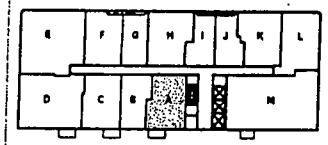


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT A - FLOORS 3-16

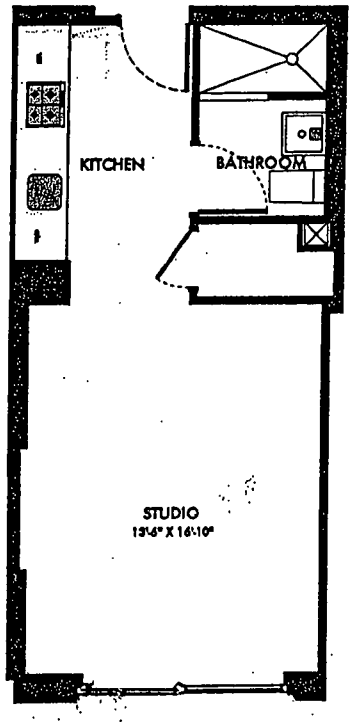
1 BEDROOM
1 BATHROOM

614 SF



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

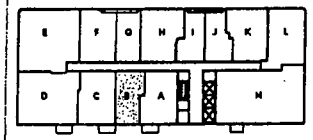
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

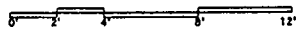


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT B - FLOORS 3-16
STUDIO

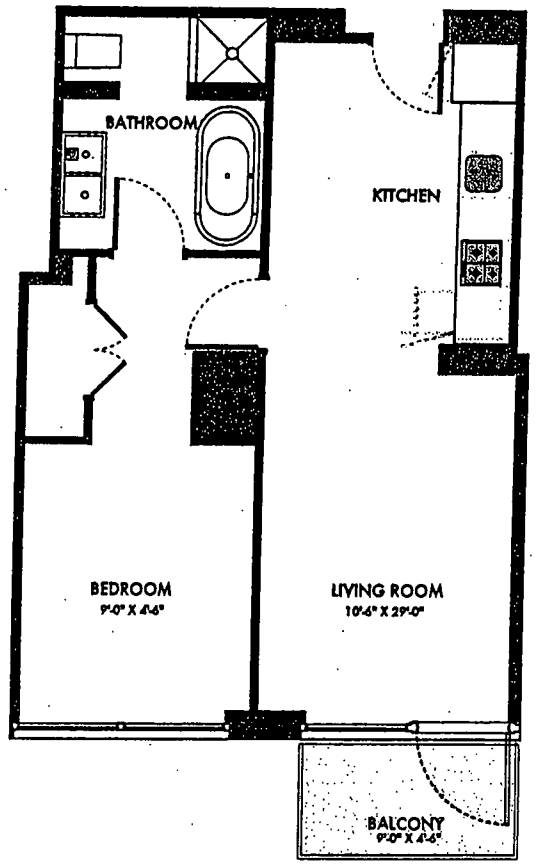
476 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

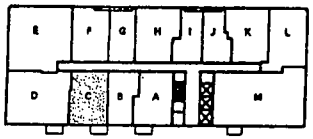


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT C - FLOORS 3-16

1 BEDROOM
1 BATHROOM

645 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

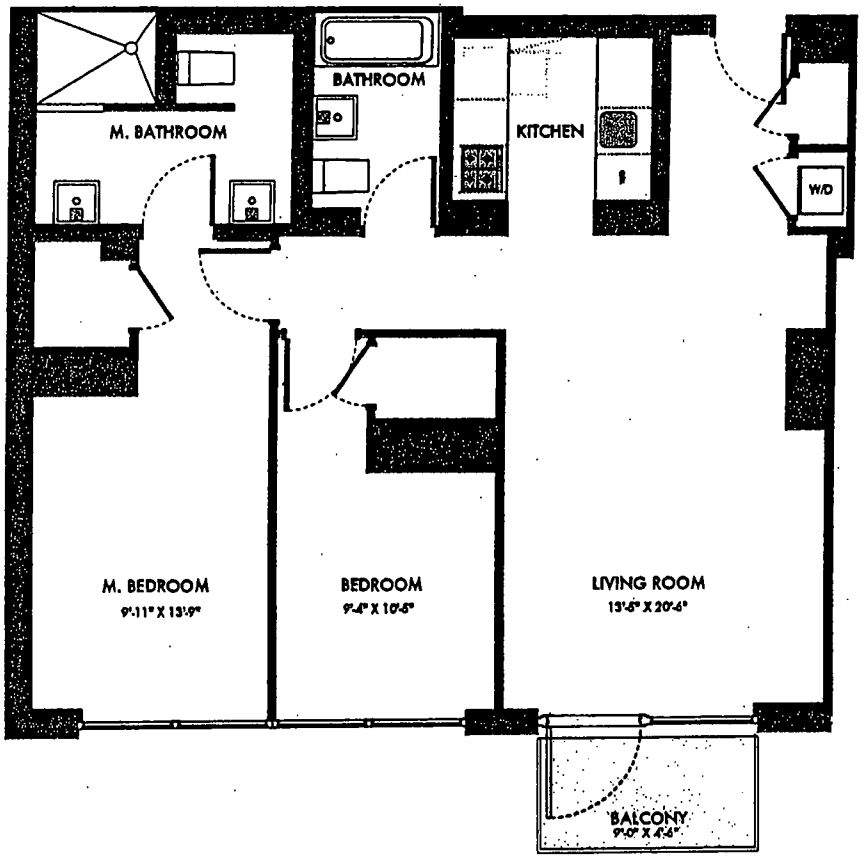
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

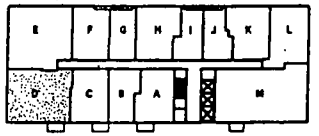
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT D - FLOORS 3-16

2 BEDROOM
2 BATHROOM

1082 SF

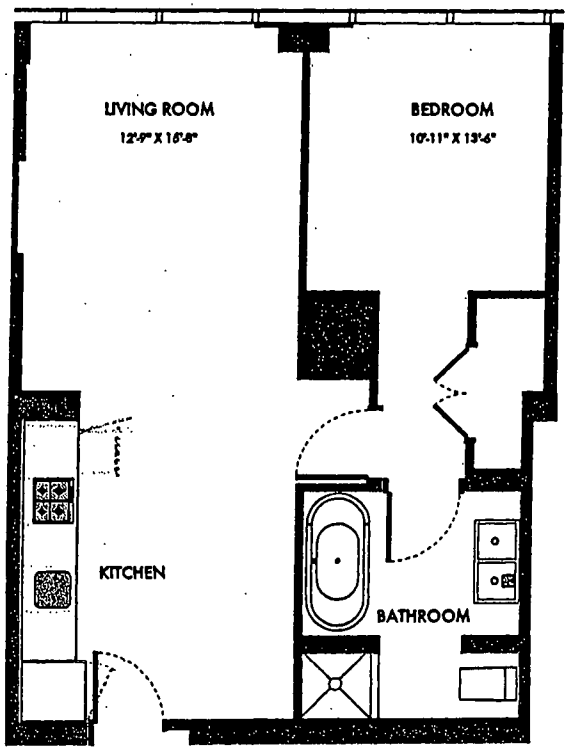






ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

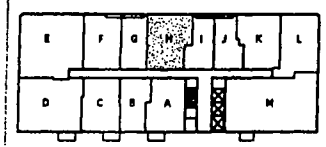
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

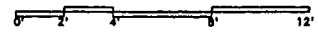


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT H - FLOORS 3-16
1 BEDROOM
1 BATHROOM

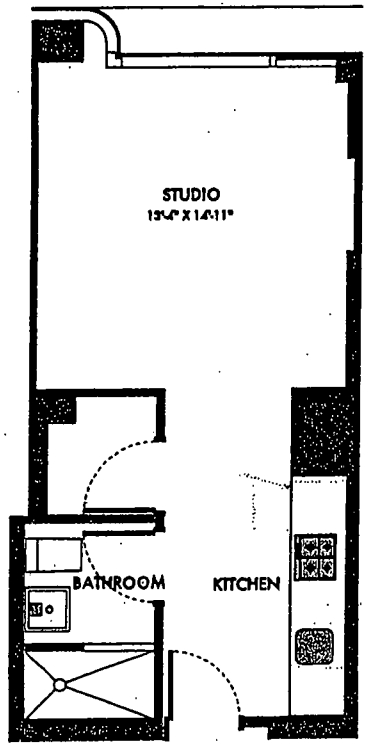
719 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

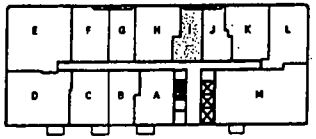
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

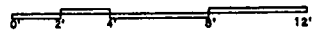


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT I - FLOORS 3-16
STUDIO

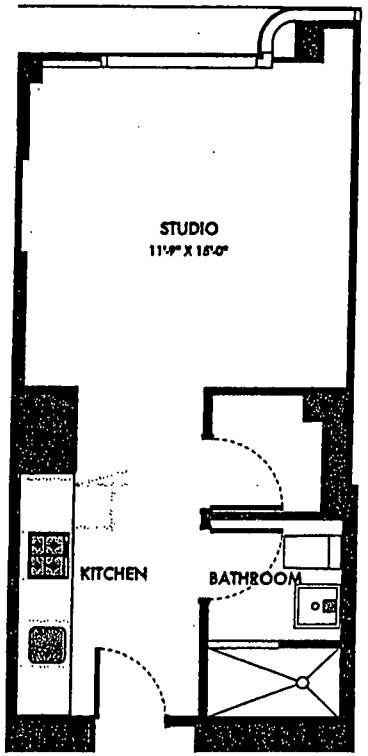
430 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

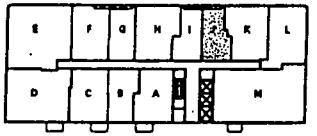
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

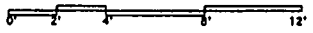


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT J - FLOORS 3-16
STUDIO

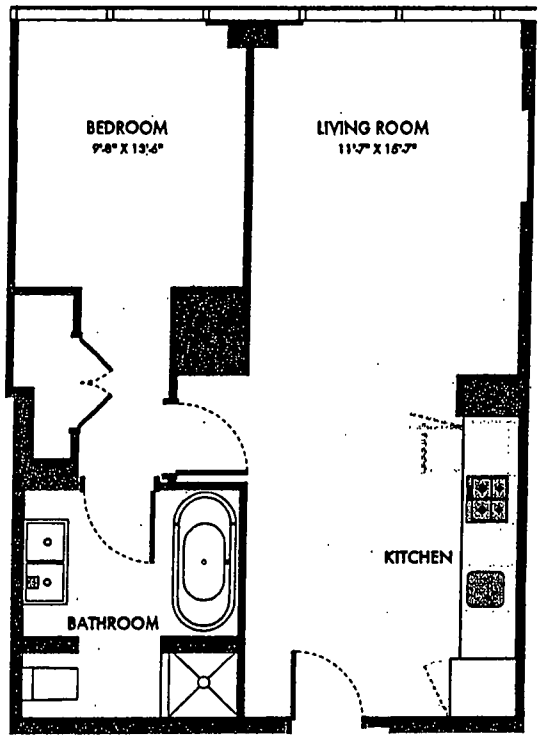
430 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

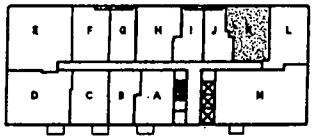


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT K - FLOORS 3-16

1 BEDROOM
1 BATHROOM

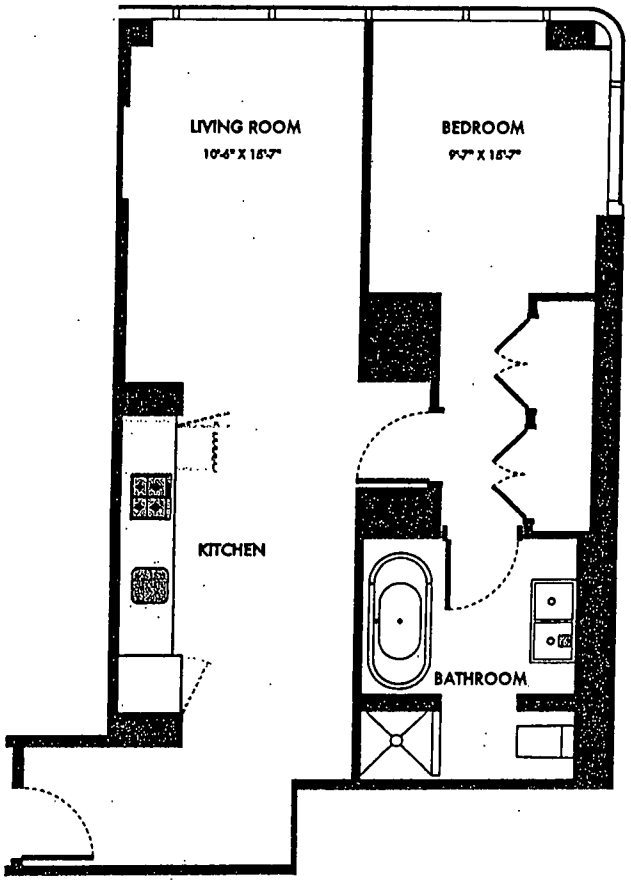
704 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

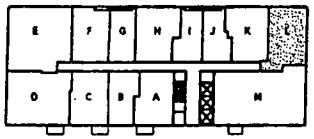


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT L - FLOORS 3-16

1 BEDROOM
1 BATHROOM

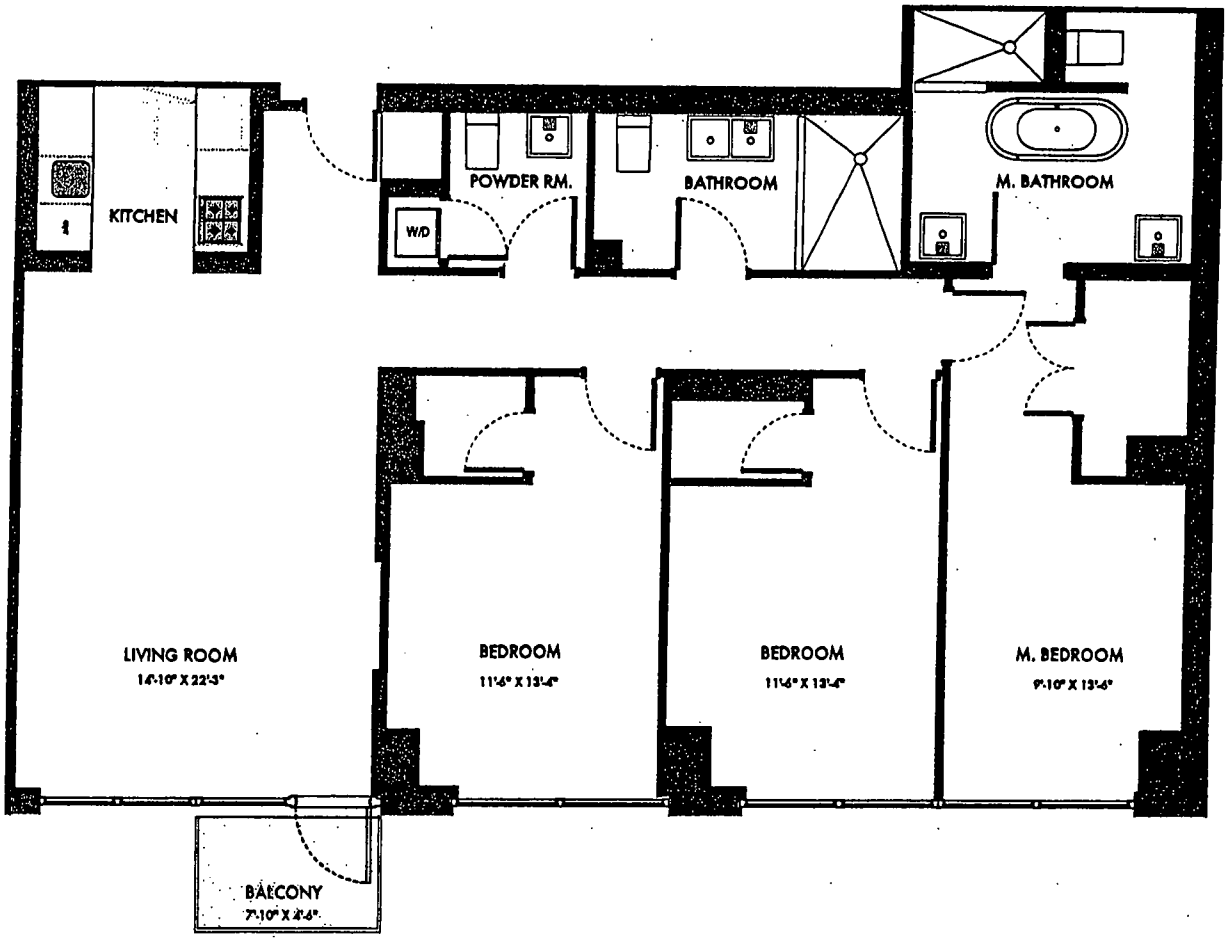
768 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

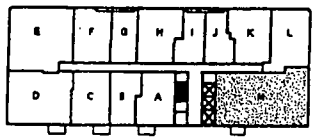


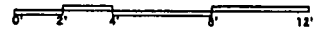
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT M - FLOORS 3-16

3 BEDROOMS
2.5 BATHROOMS

1613 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

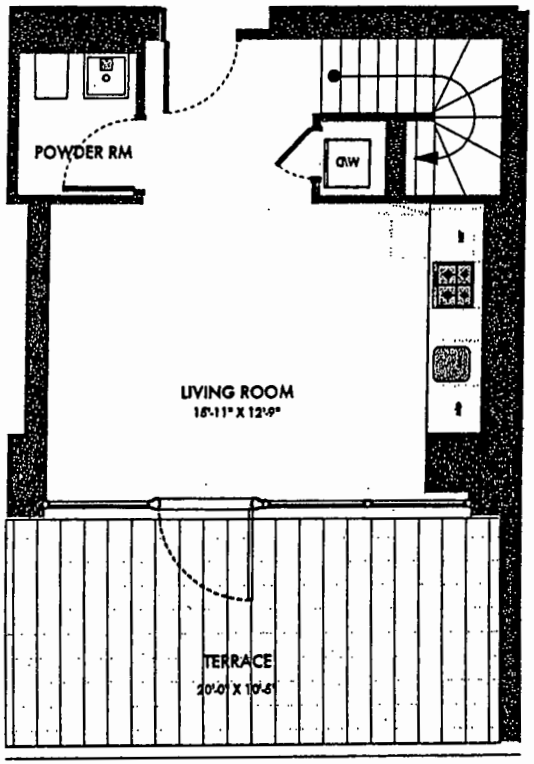
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

340 EAST 23RD STREET
NEW YORK, NY

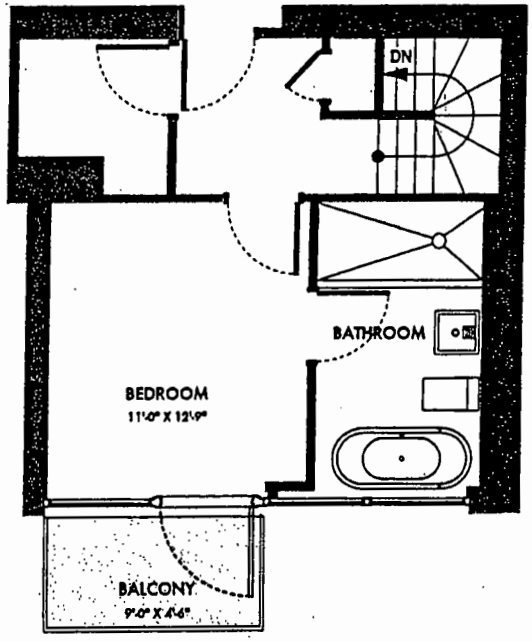
APARTMENT A - FLOORS 5H

1 BEDROOM
1.5 BATHROOMS

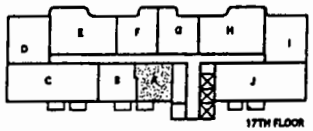
926 SF

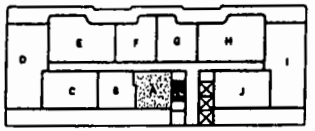


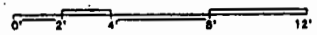
16TH FLOOR



17TH FLOOR







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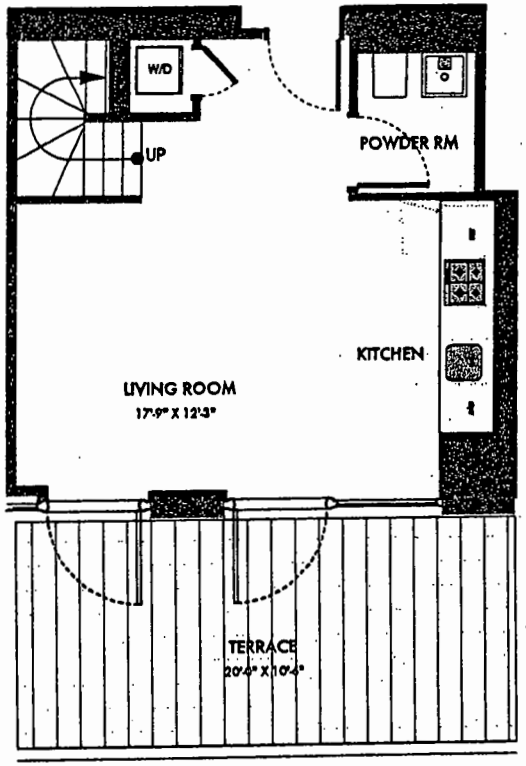
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

340 EAST 23RD STREET
NEW YORK, NY

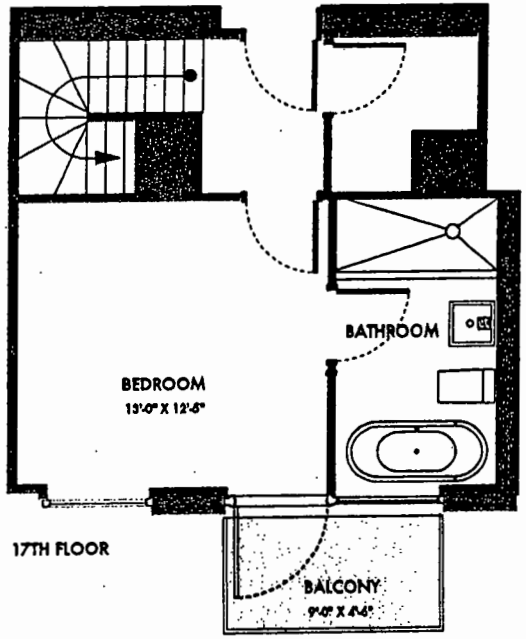
APARTMENT B - FLOORS 5H

1 BEDROOM
1.5 BATHROOMS

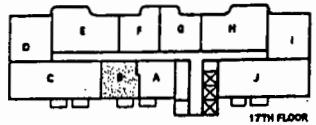
838 SF

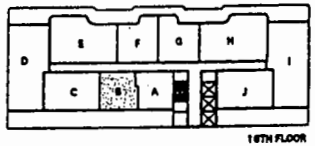


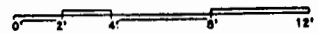
16TH FLOOR



17TH FLOOR

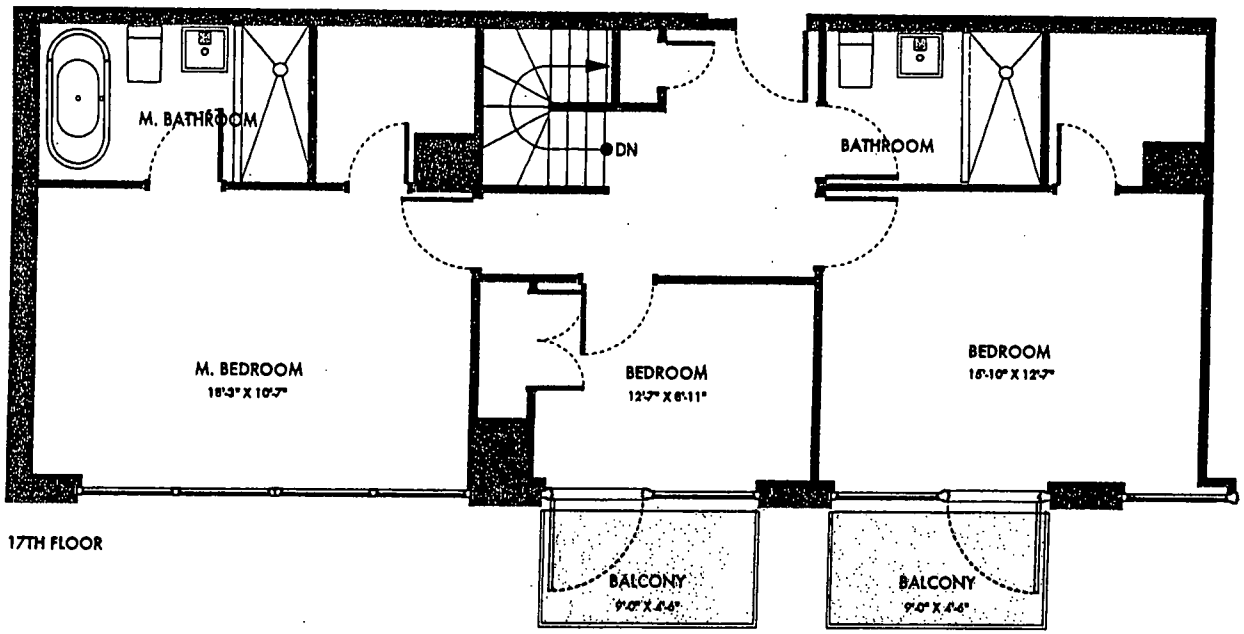




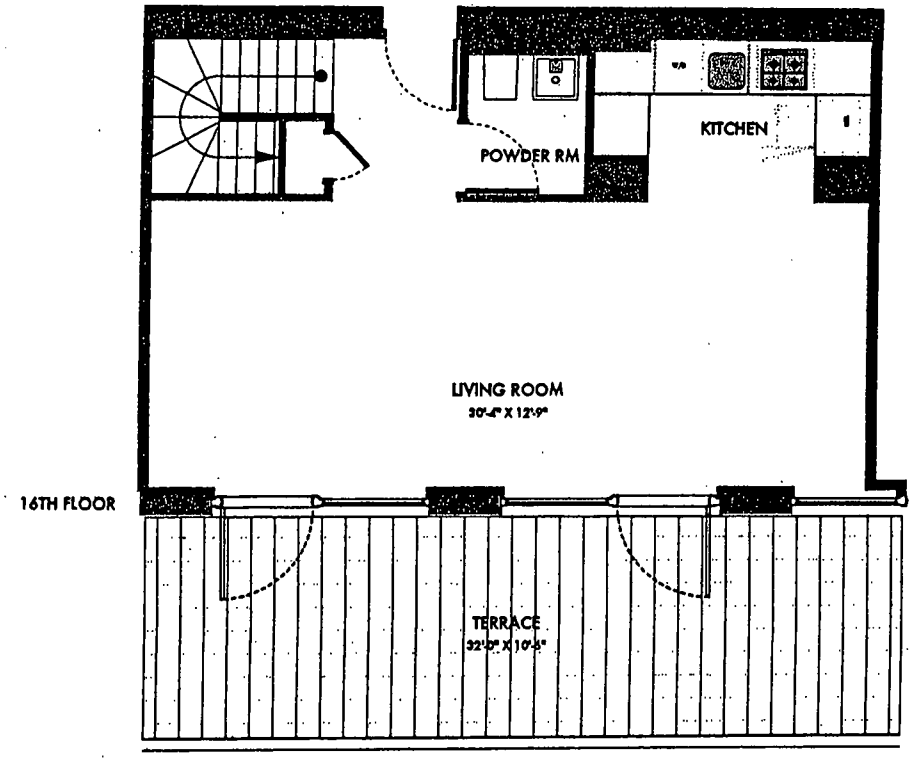


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



17TH FLOOR



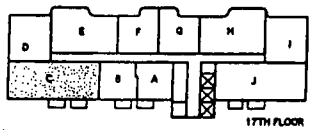
16TH FLOOR

340 EAST 23RD STREET
NEW YORK, NY

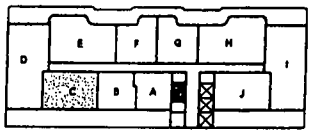
APARTMENT C - FLOORS 5H

3 BEDROOMS
2.5 BATHROOMS

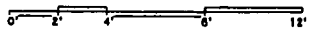
1736 SF



17TH FLOOR

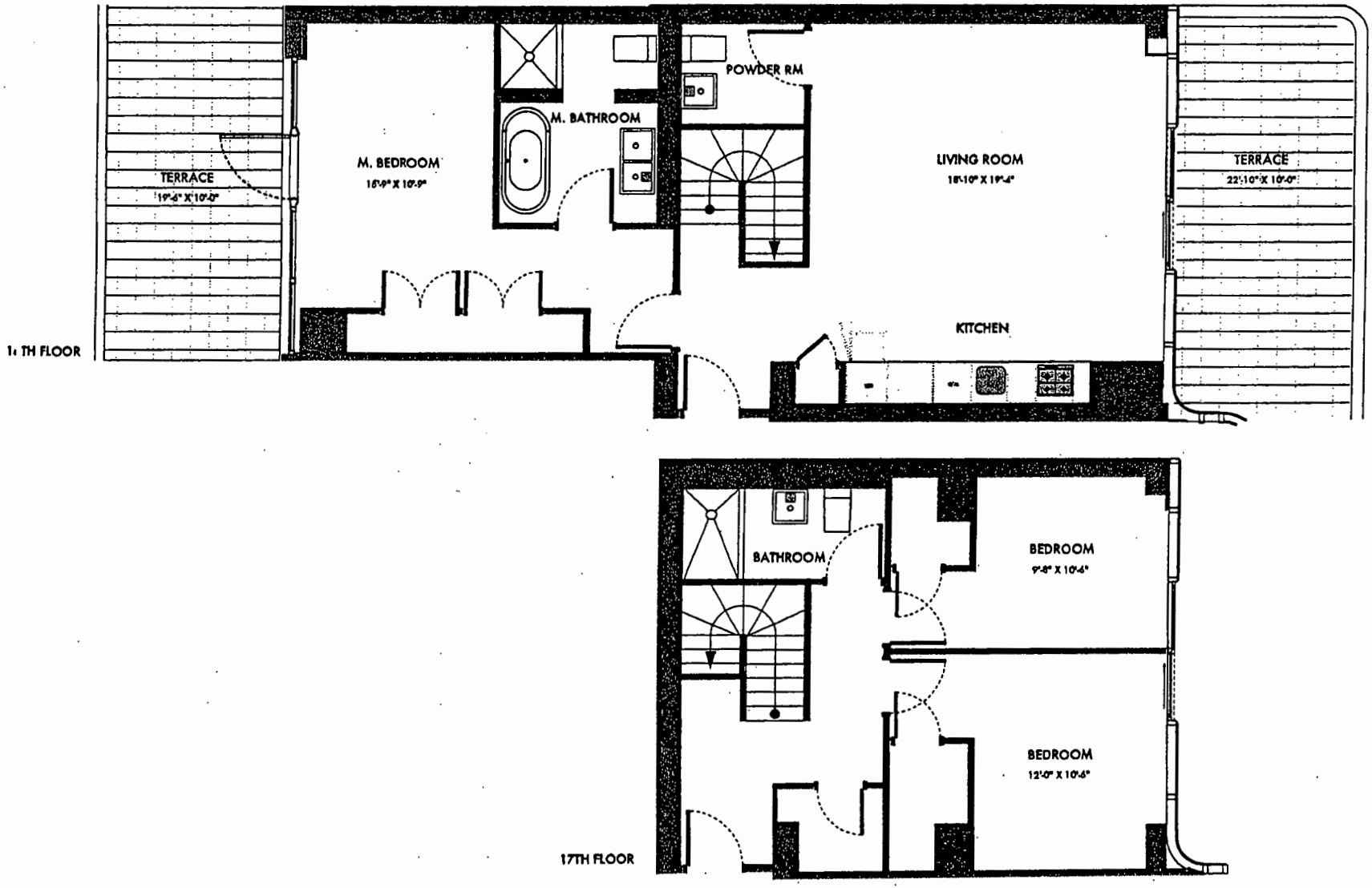


16TH FLOOR



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

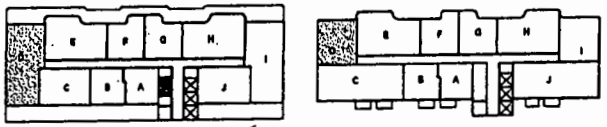
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



340 EAST 23RD STREET
NEW YORK, NY

APARTMENT D - FLOORS 6H
3 BEDROOMS
2.5 BATHROOMS

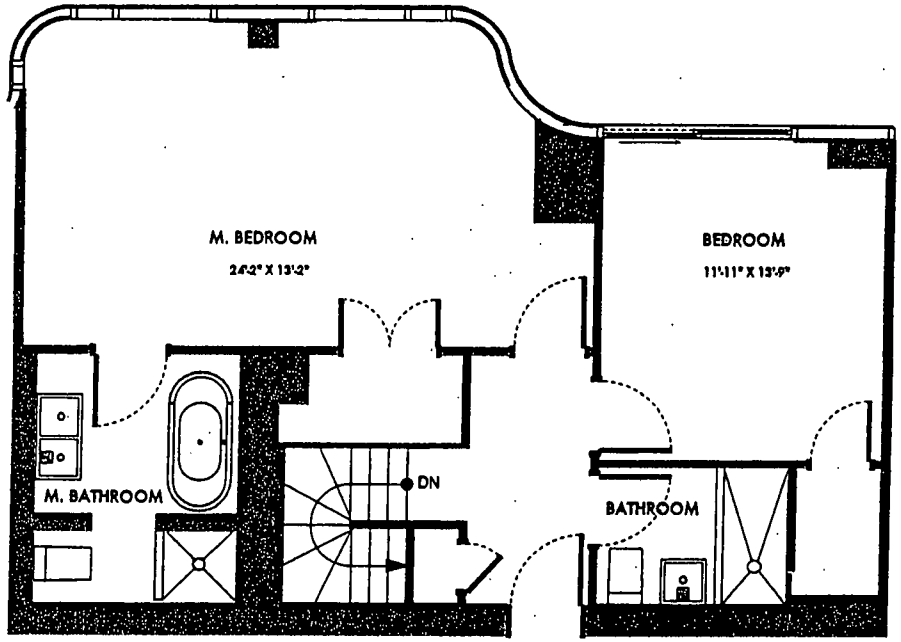
1686 SF



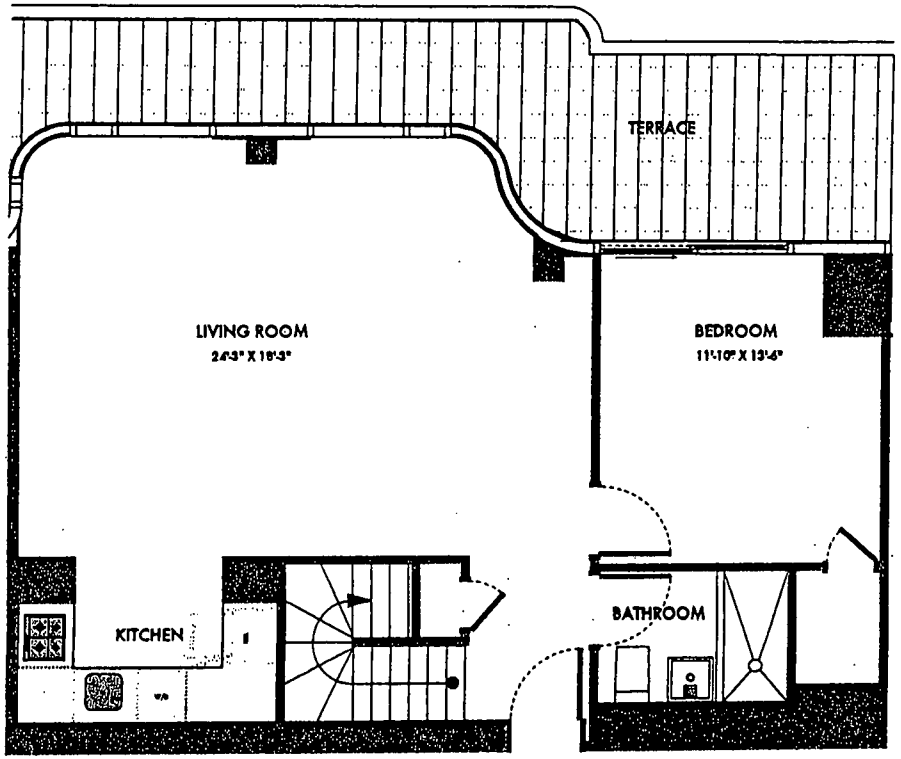


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NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



17TH FLOOR



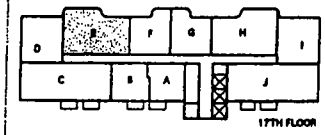
16TH FLOOR

340 EAST 23RD STREET
NEW YORK, NY

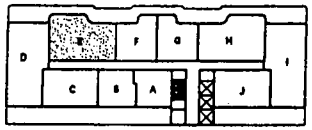
APARTMENT E - FLOORS SH

3 BEDROOMS
3 BATHROOMS

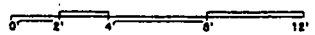
1812 SF



17TH FLOOR

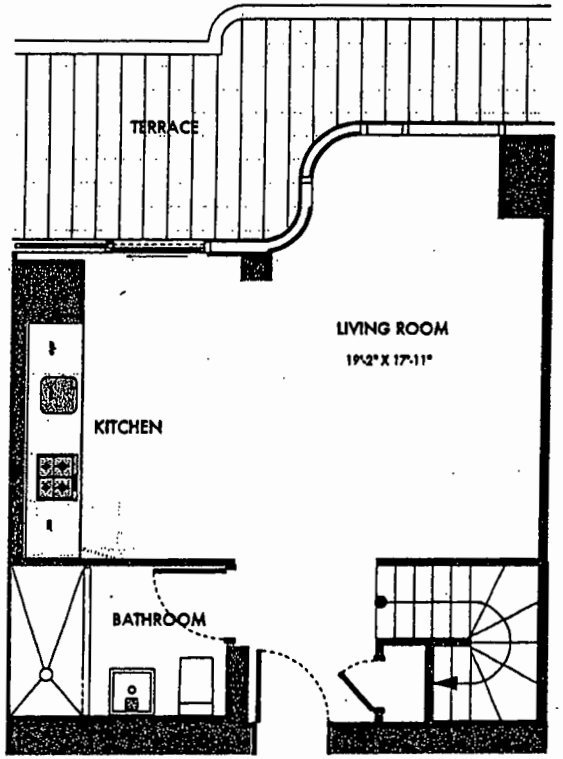


16TH FLOOR

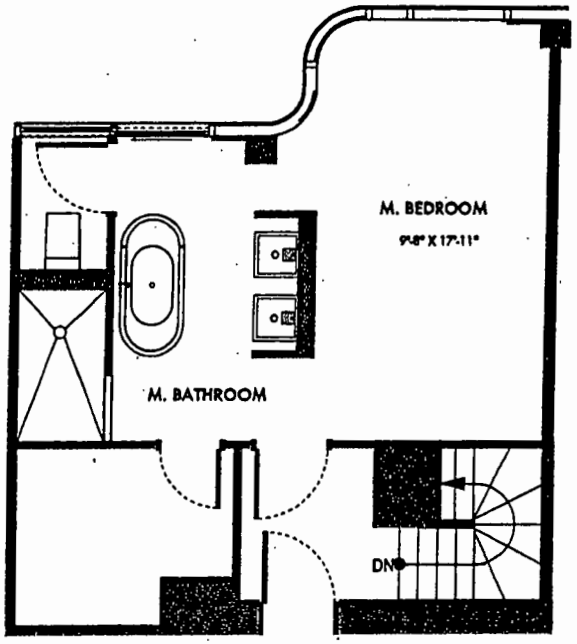


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



16TH FLOOR



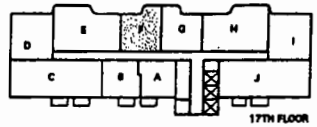
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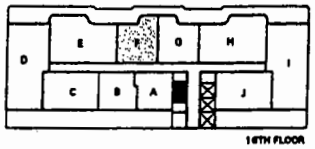
340 EAST 23RD STREET
NEW YORK, NY

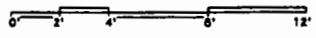
APARTMENT F - FLOORS 5H

1 BEDROOM
2 BATHROOMS

1083 SF







ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

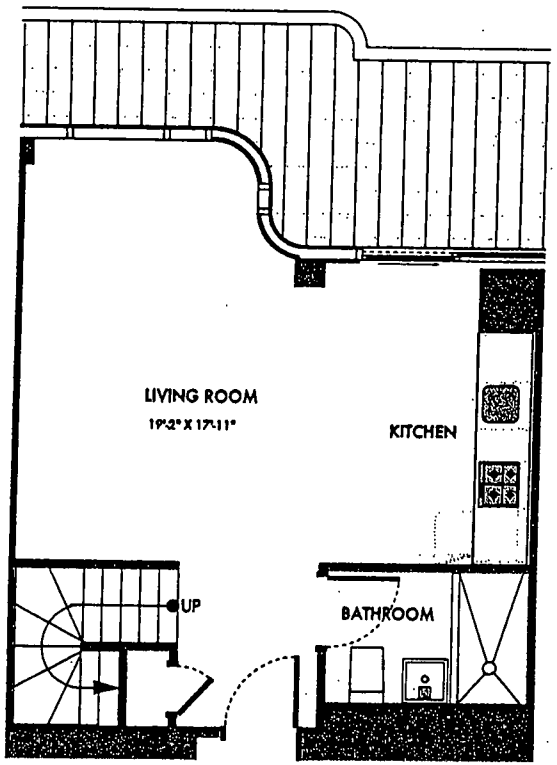
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

340 EAST 23RD STREET
NEW YORK, NY

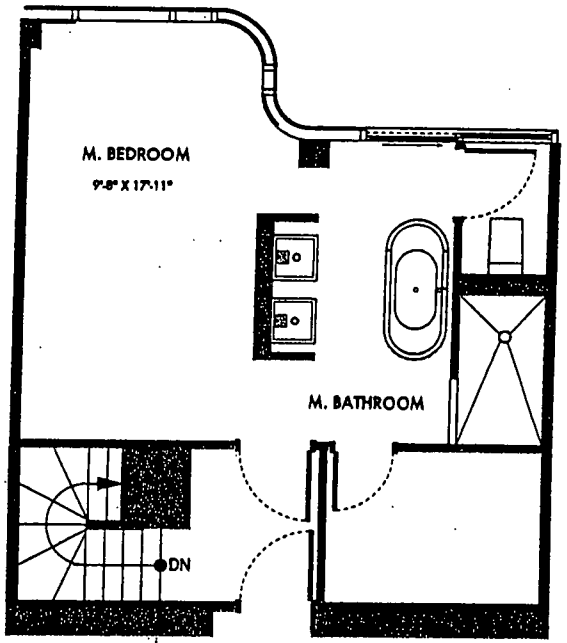
APARTMENT G - FLOORS SH

1 BEDROOM
2 BATHROOMS

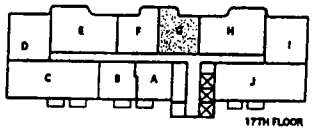
1083 SF

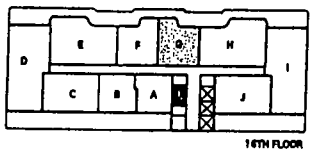


16TH FLOOR



17TH FLOOR

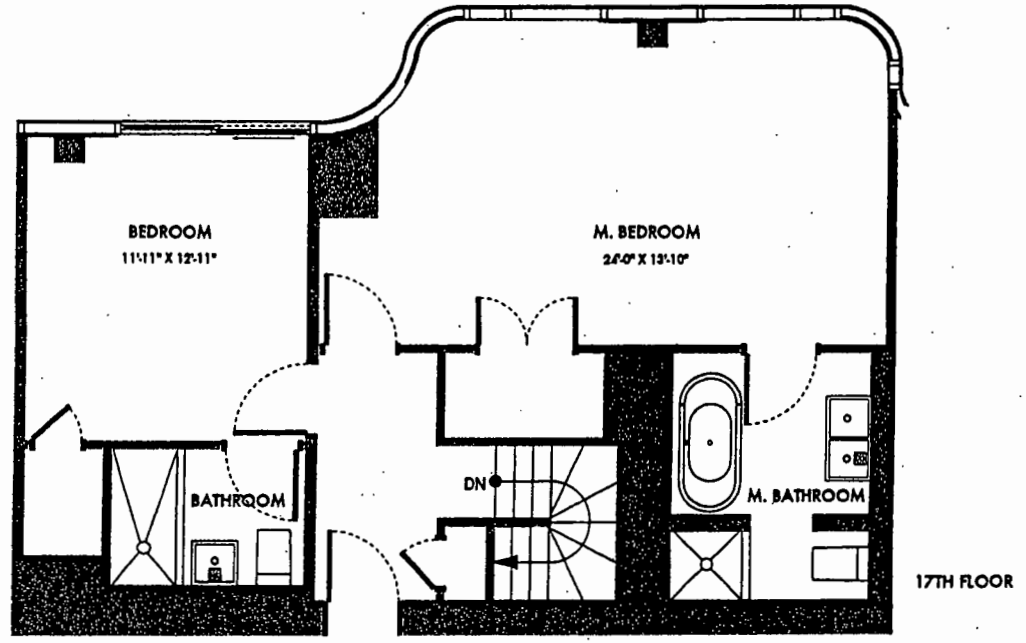




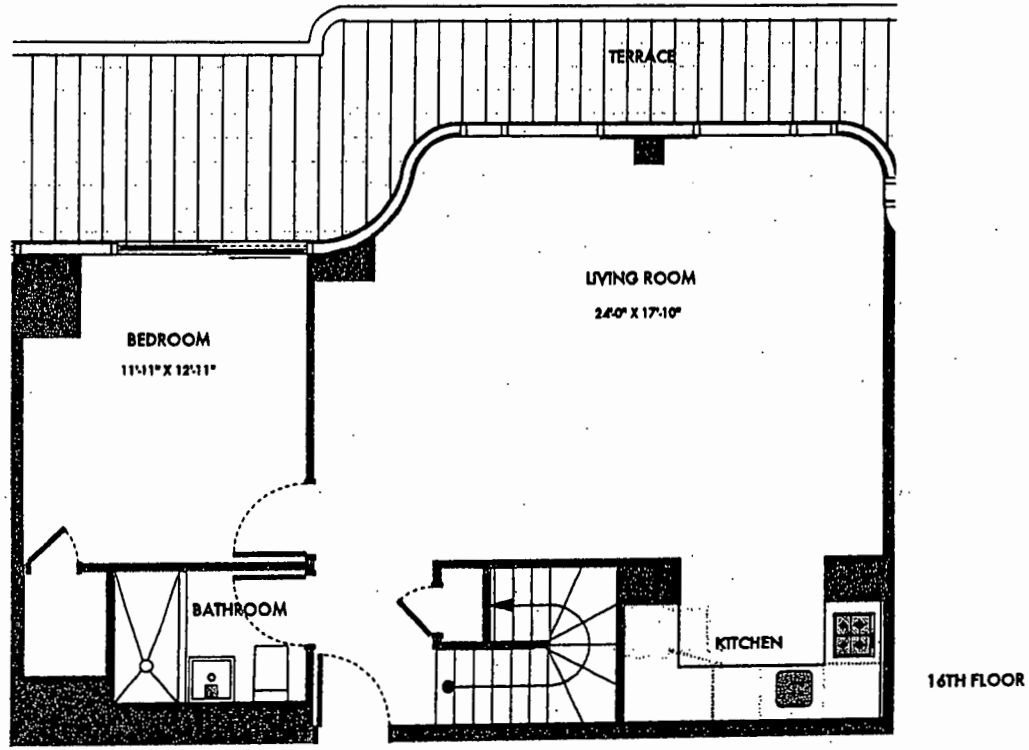


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



17TH FLOOR



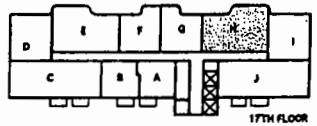
16TH FLOOR

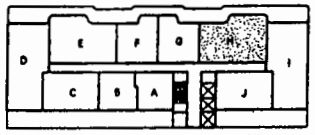
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT H - FLOORS 5H

3 BEDROOMS
3 BATHROOMS

1812 SF

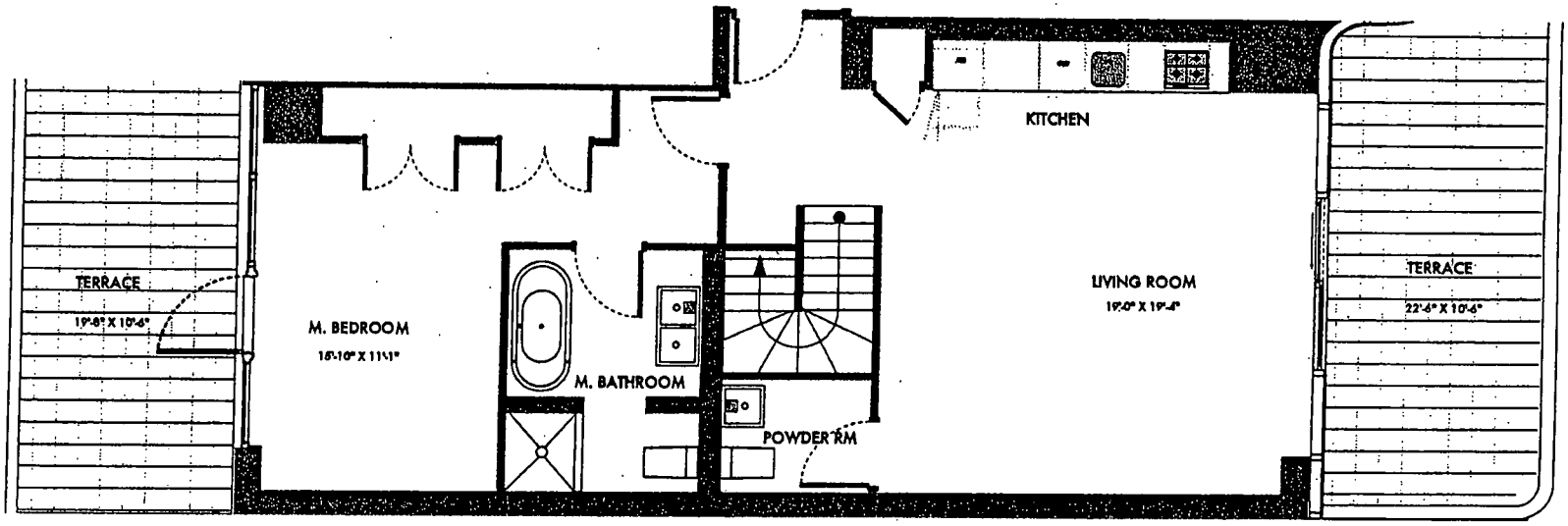


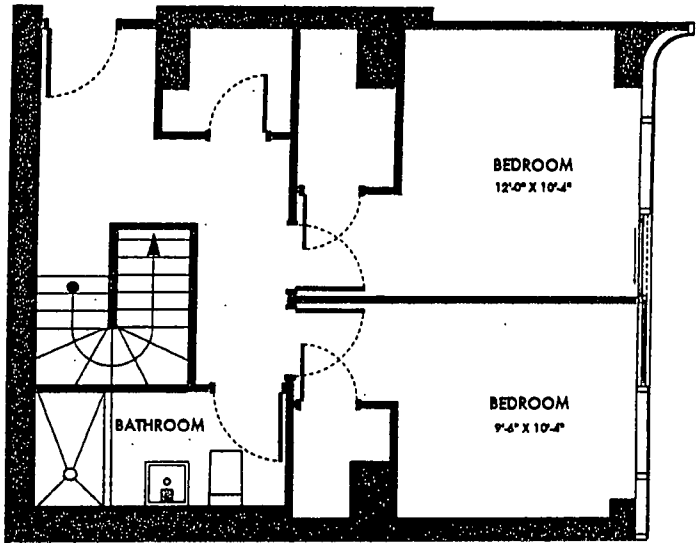




ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

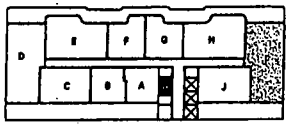




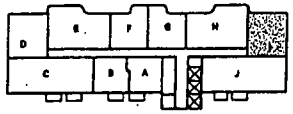
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT I - FLOORS 5H
3 BEDROOMS
2.5 BATHROOMS

1677 SF



16TH FLOOR

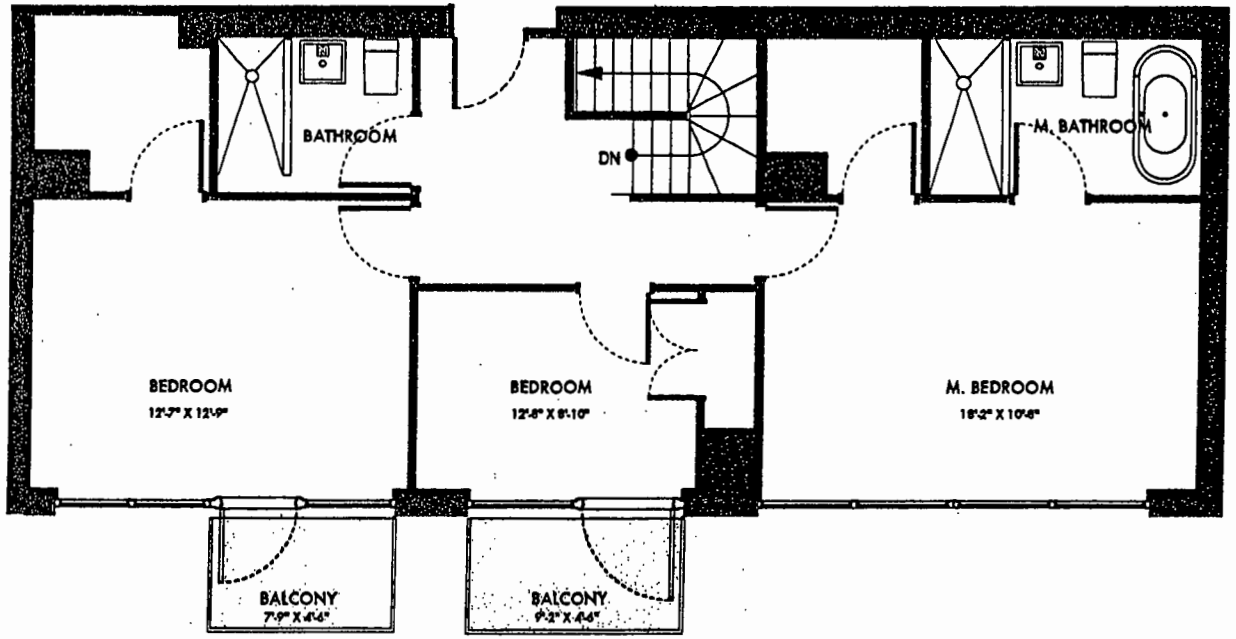


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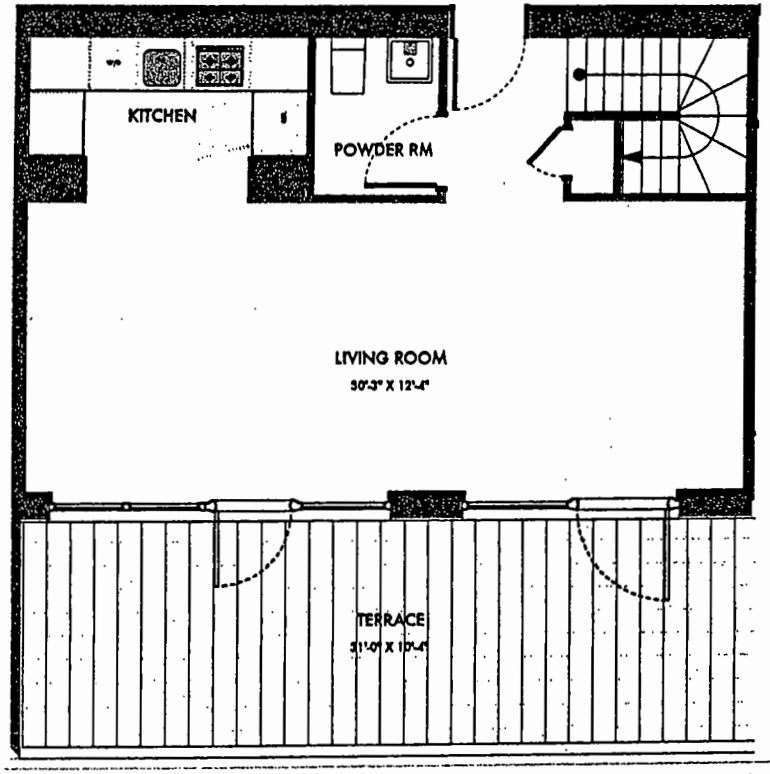


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE



17TH FLOOR



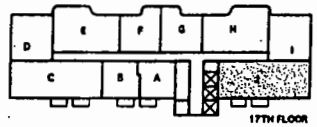
16TH FLOOR

340 EAST 23RD STREET
NEW YORK, NY

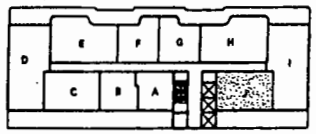
APARTMENT J - FLOORS SH

3 BEDROOMS
2.5 BATHROOMS

1760 SF



17TH FLOOR

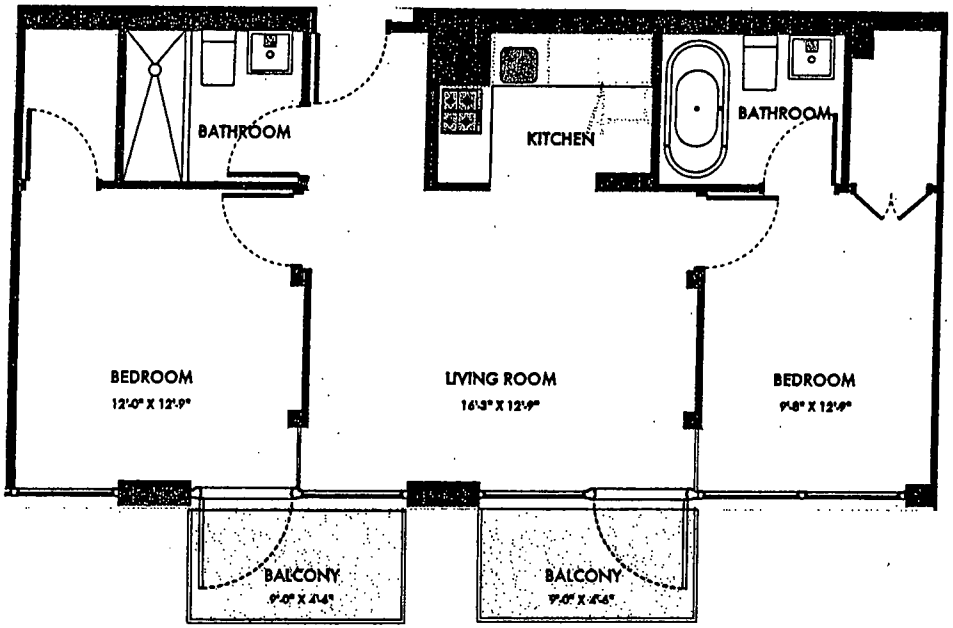


16TH FLOOR



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

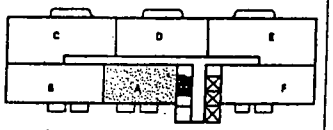


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT A - FLOOR PH1

2 BEDROOMS
2 BATHROOMS

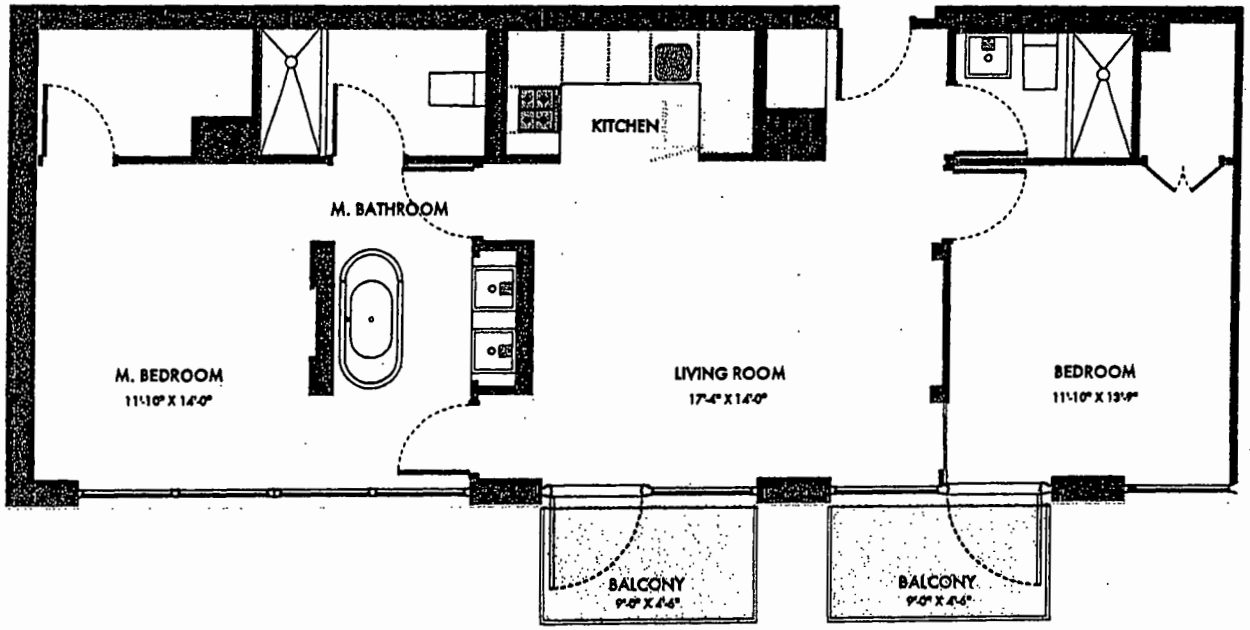
857 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

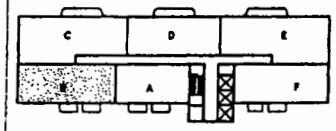


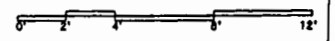
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT B - FLOOR PH1

2 BEDROOMS
2 BATHROOMS

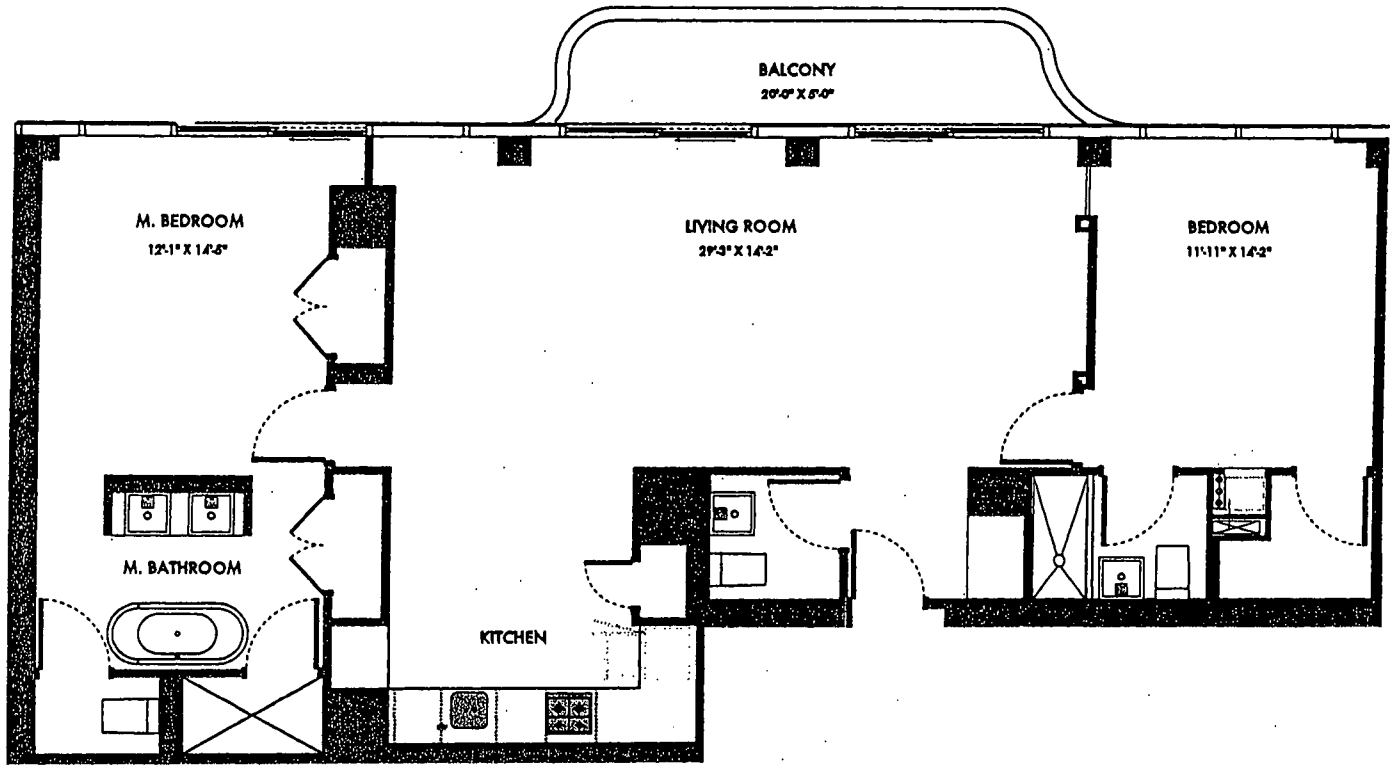
1080 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

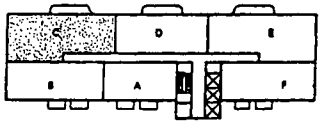


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT C - FLOOR PH J

2 BEDROOMS
2.5 BATHROOMS

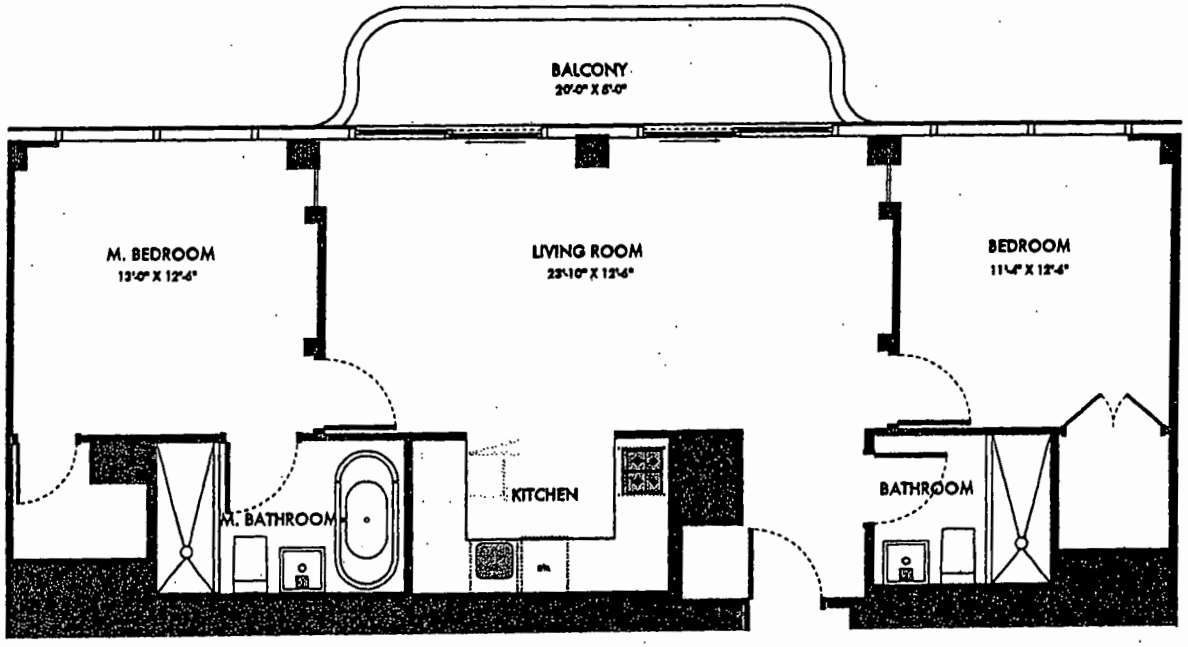
1431 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

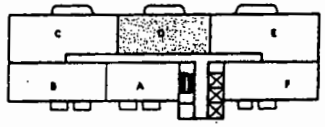


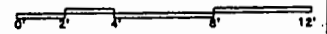
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT D - FLOOR PH1

2 BEDROOM
2 BATHROOM

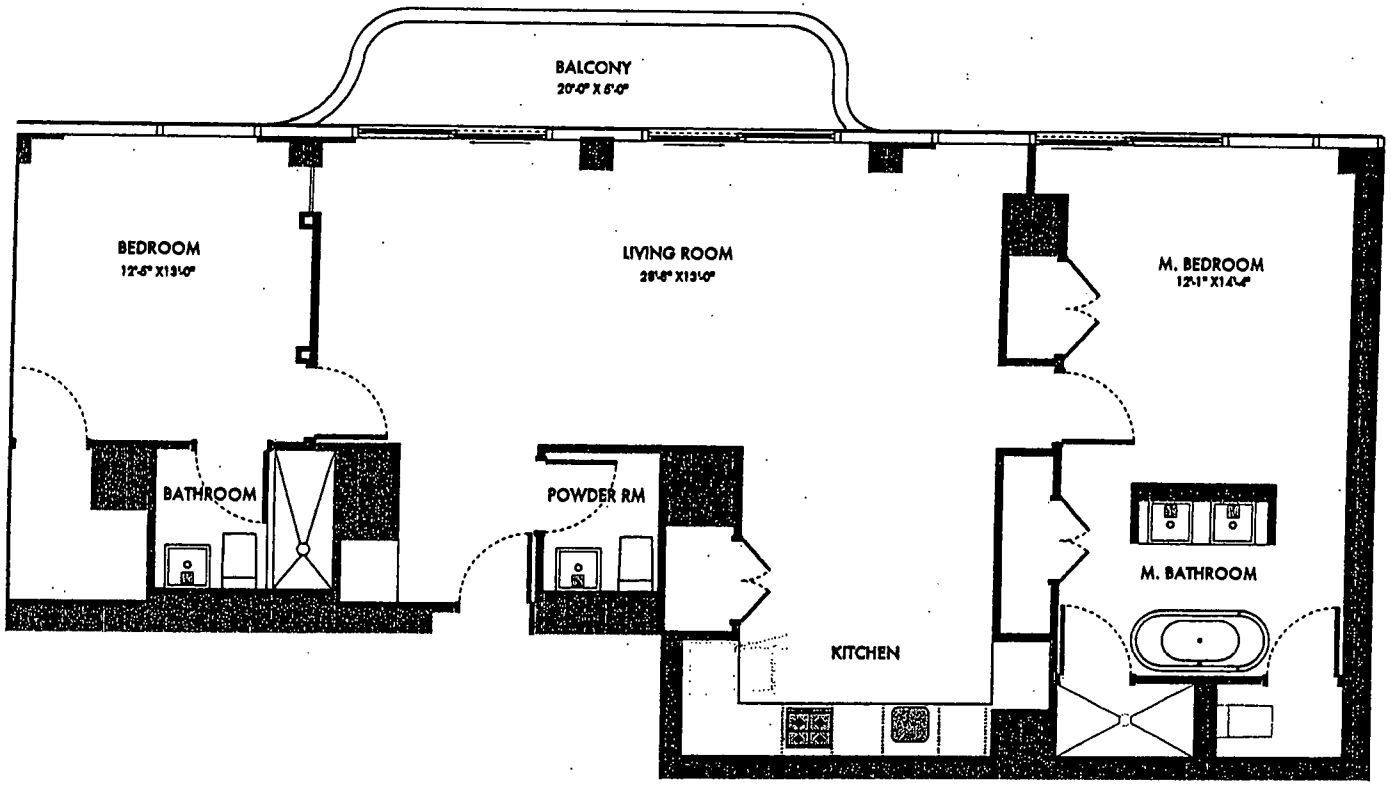
1066 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

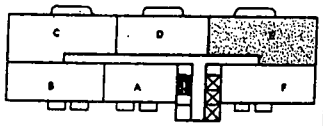


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT E - FLOOR PH1

2 BEDROOM
2.5 BATHROOM

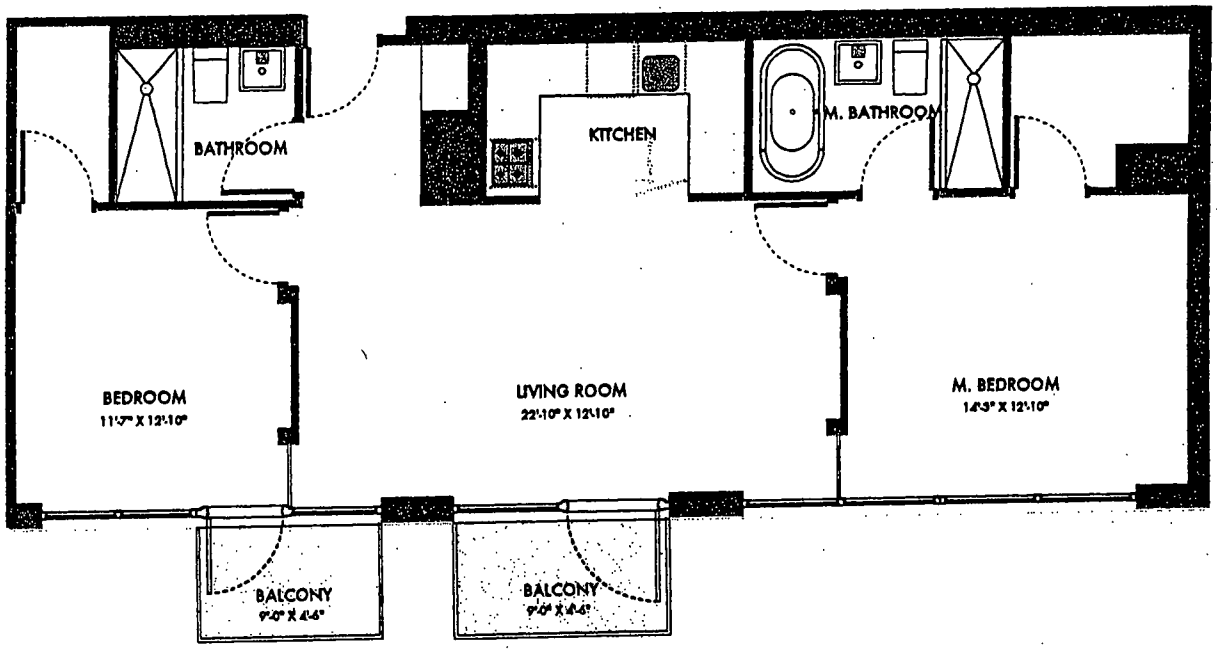
1419 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

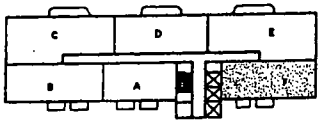


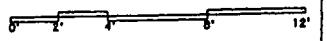
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT F - FLOOR PH1

2 BEDROOM
2 BATHROOM

1089 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

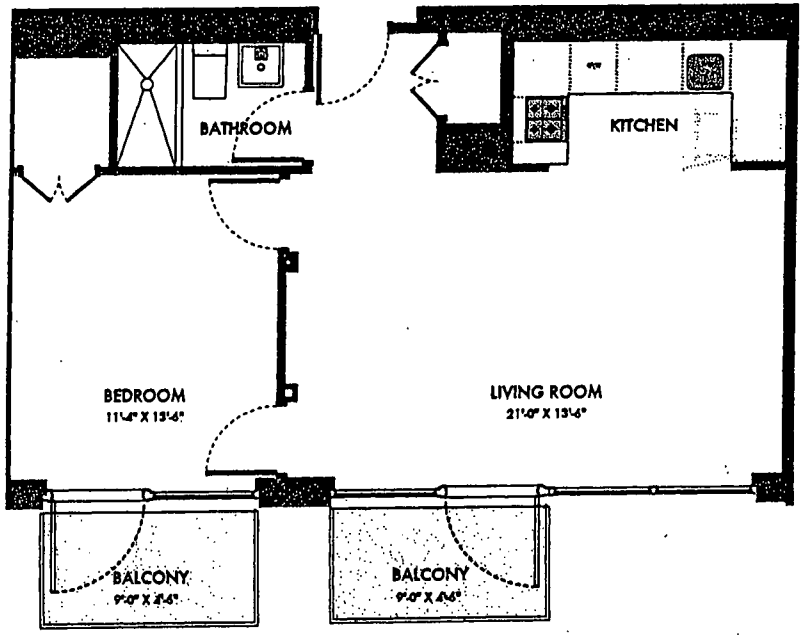
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

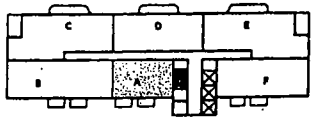
340 EAST 23RD STREET
NEW YORK, NY

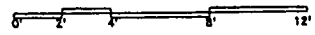
APARTMENT A - FLOOR PH 2

1 BEDROOM
1 BATHROOM

707 SF







ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

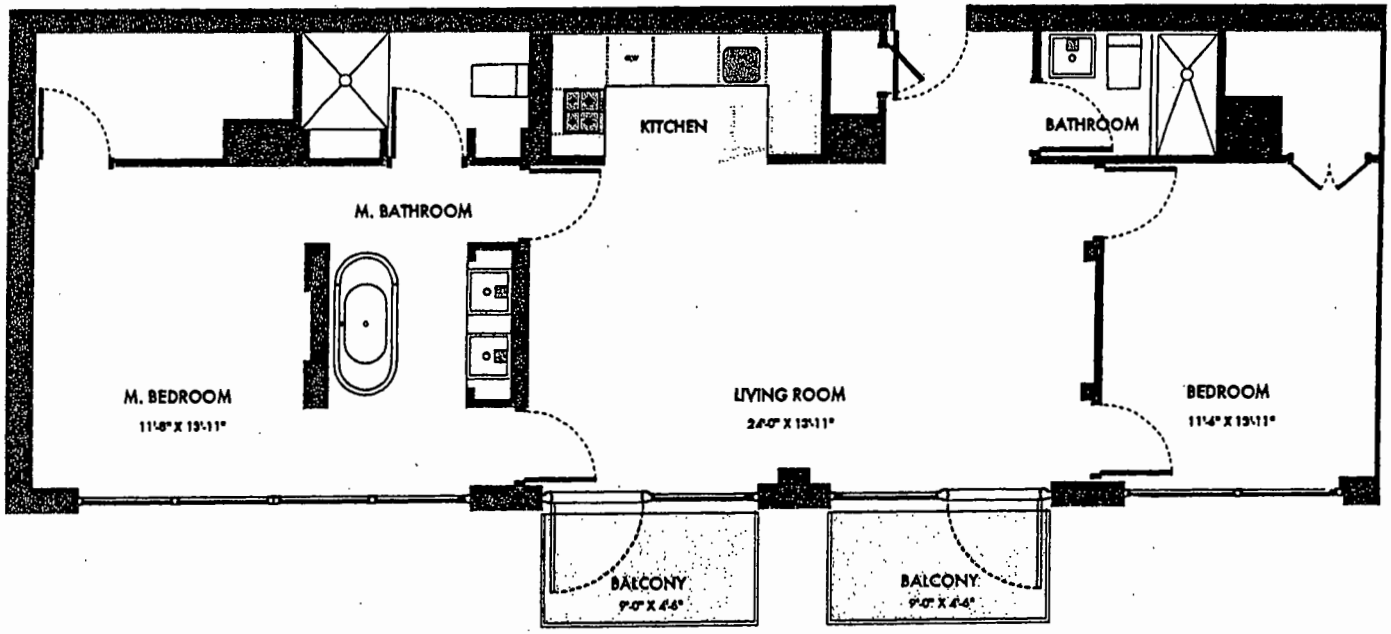
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

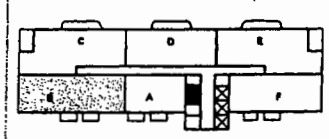
340 EAST 23RD STREET
NEW YORK, NY

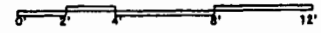
APARTMENT B - FLOOR PH 2

2 BEDROOMS
2 BATHROOMS

1233 SF

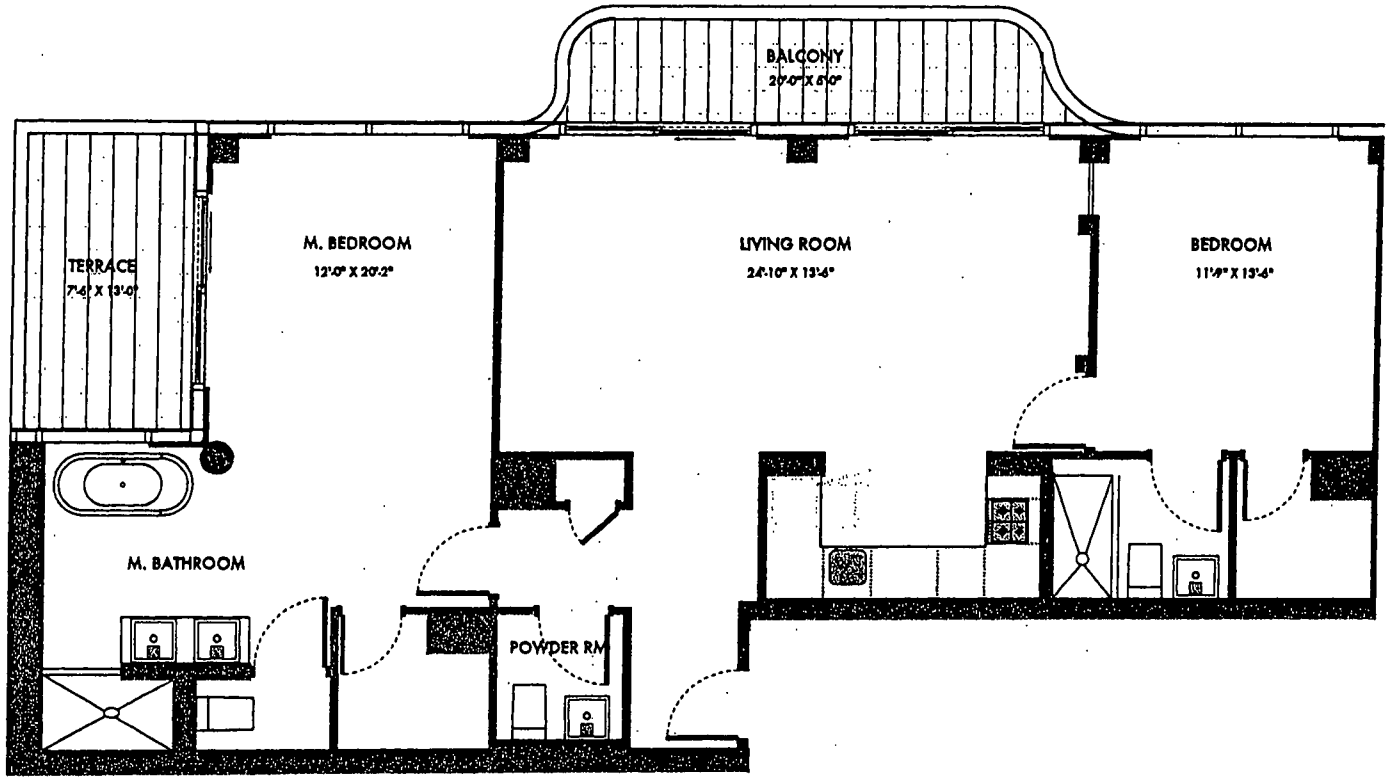






ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

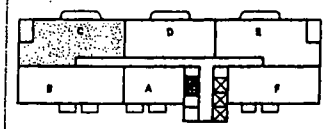


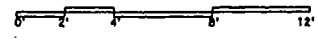
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT C - FLOOR PH2

2 BEDROOMS
2.5 BATHROOMS

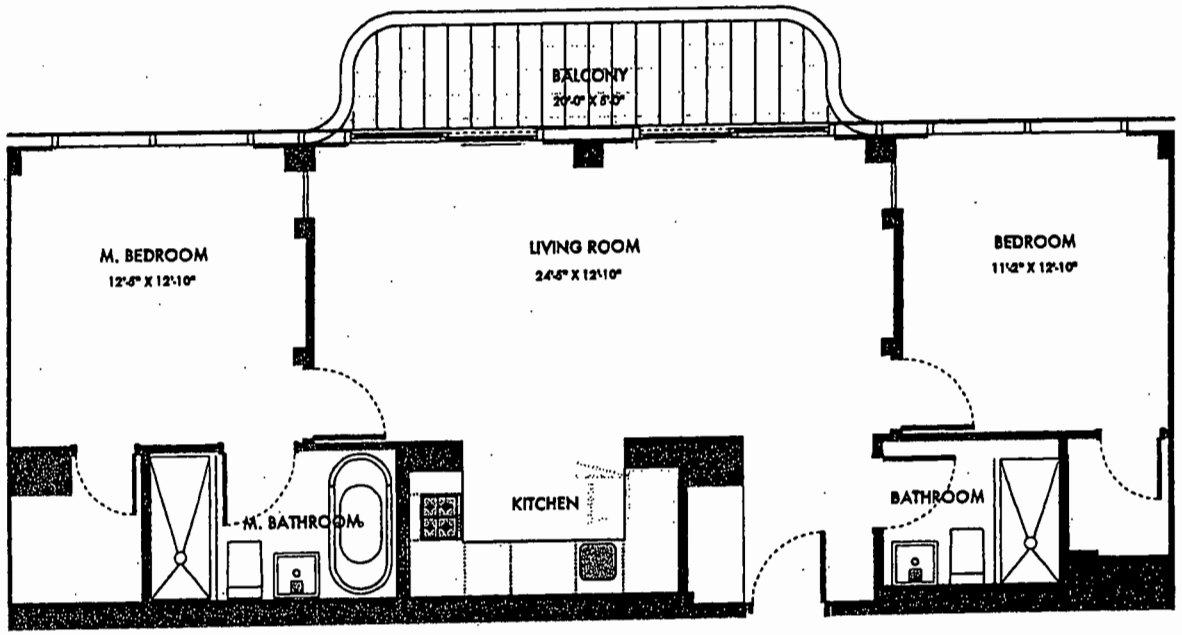
1325 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

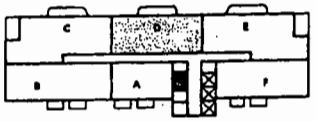


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT D - FLOOR PH2

2 BEDROOMS
2 BATHROOMS

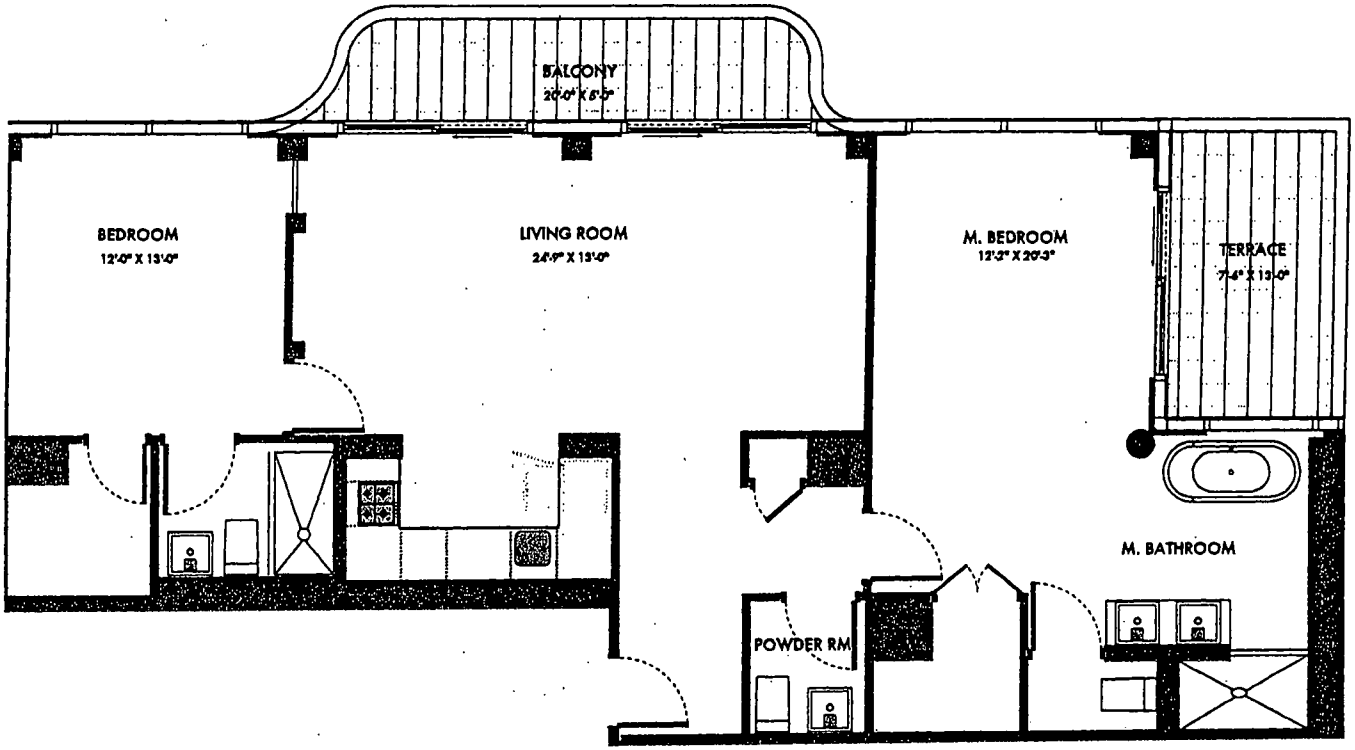
1071 SF





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NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

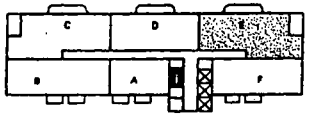


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT E - FLOOR PH2

2 BEDROOMS
2.5 BATHROOMS

1324 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

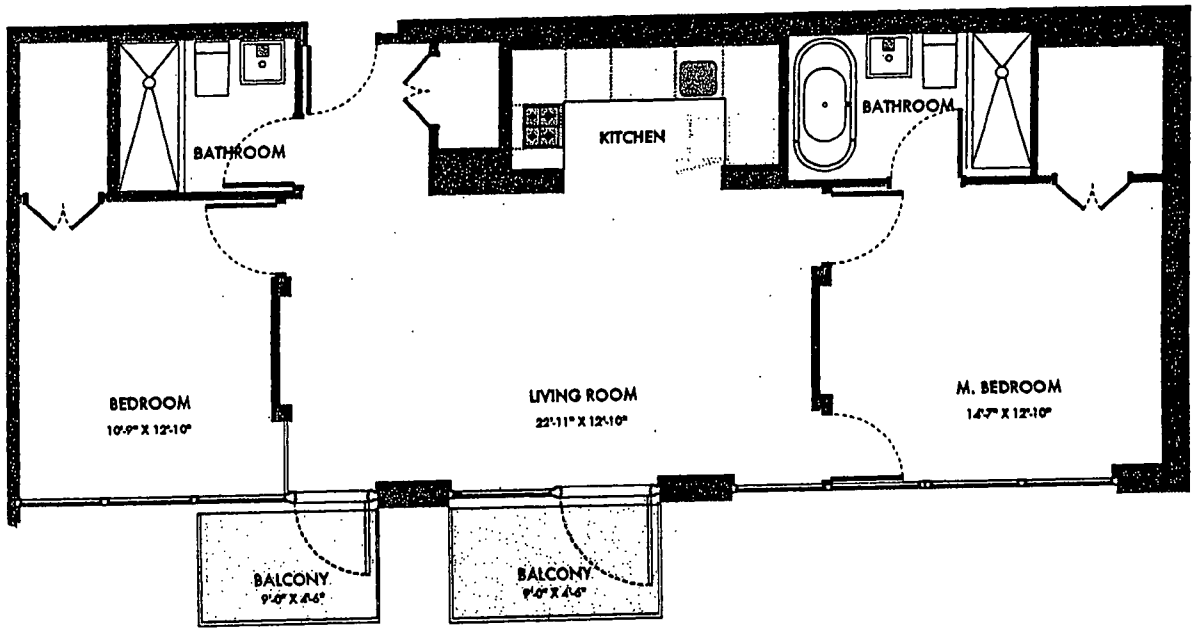
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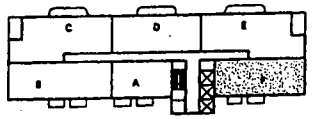
340 EAST 23RD STREET
NEW YORK, NY

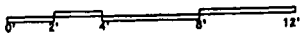
APARTMENT F - FLOOR PH2

2 BEDROOMS
2 BATHROOMS

1075 SF







ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

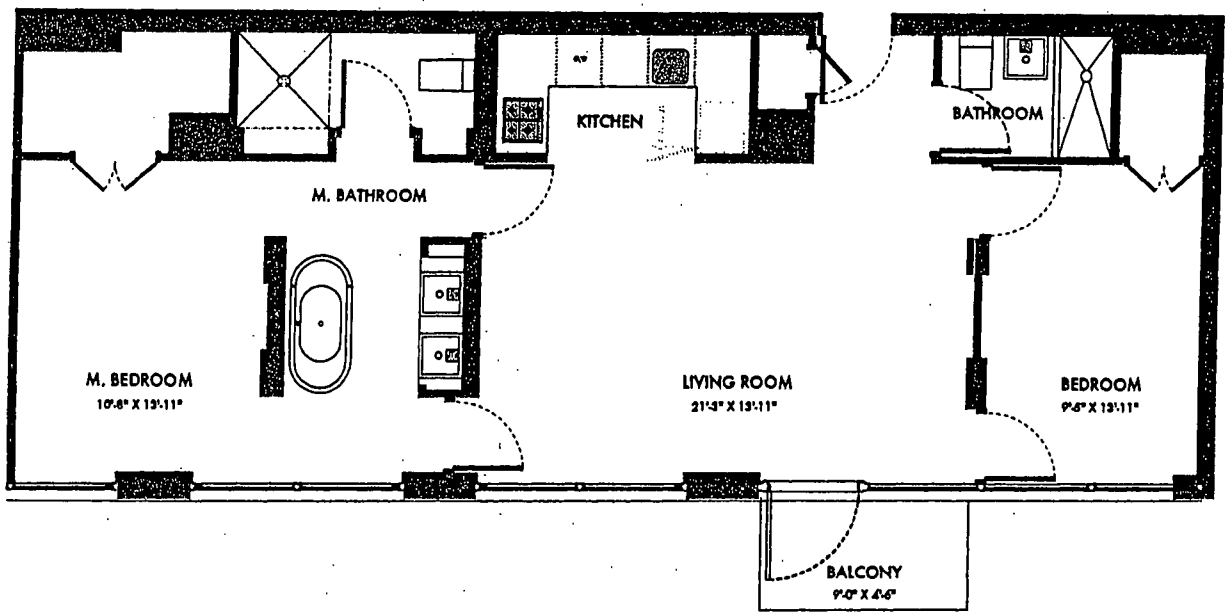
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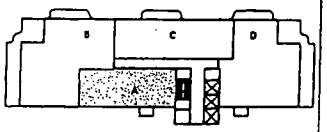
340 EAST 23RD STREET
NEW YORK, NY

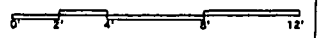
APARTMENT A - FLOOR P#3

2 BEDROOMS
2 BATHROOMS

1097 SF

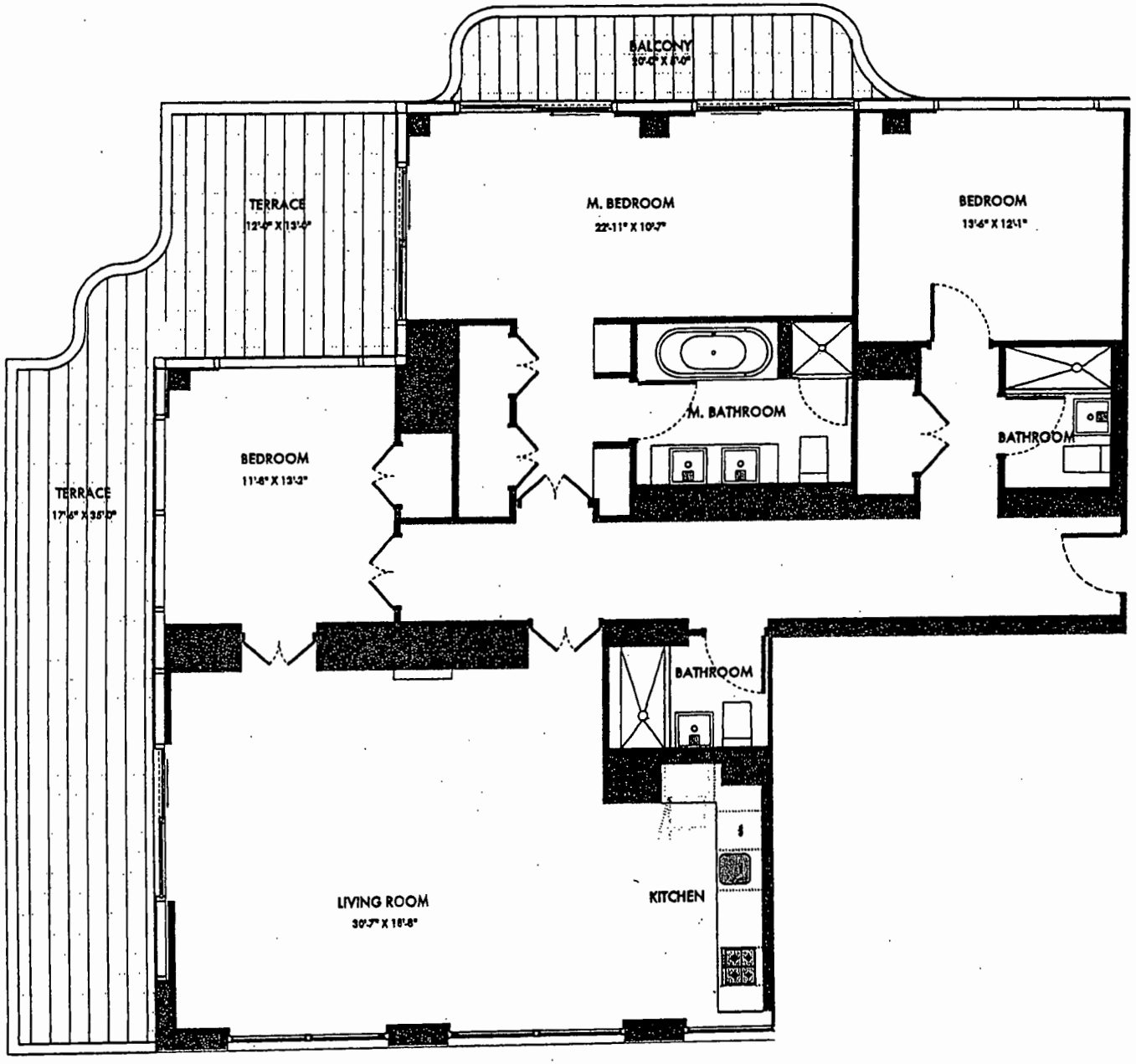






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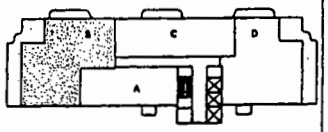


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT B - FLOOR PH 3

3 BEDROOMS
3 BATHROOMS

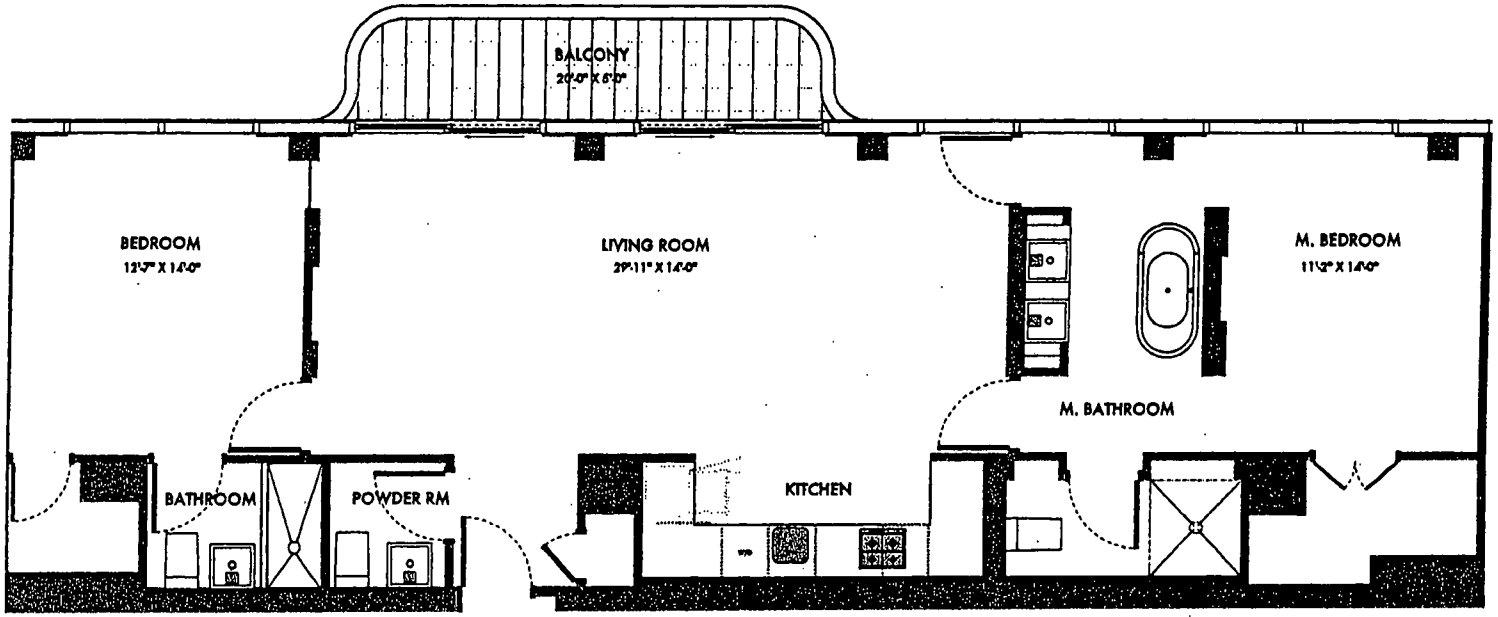
1855 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

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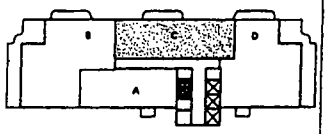


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT C - FLOOR : PH 3

2 BEDROOMS
2.5 BATHROOMS

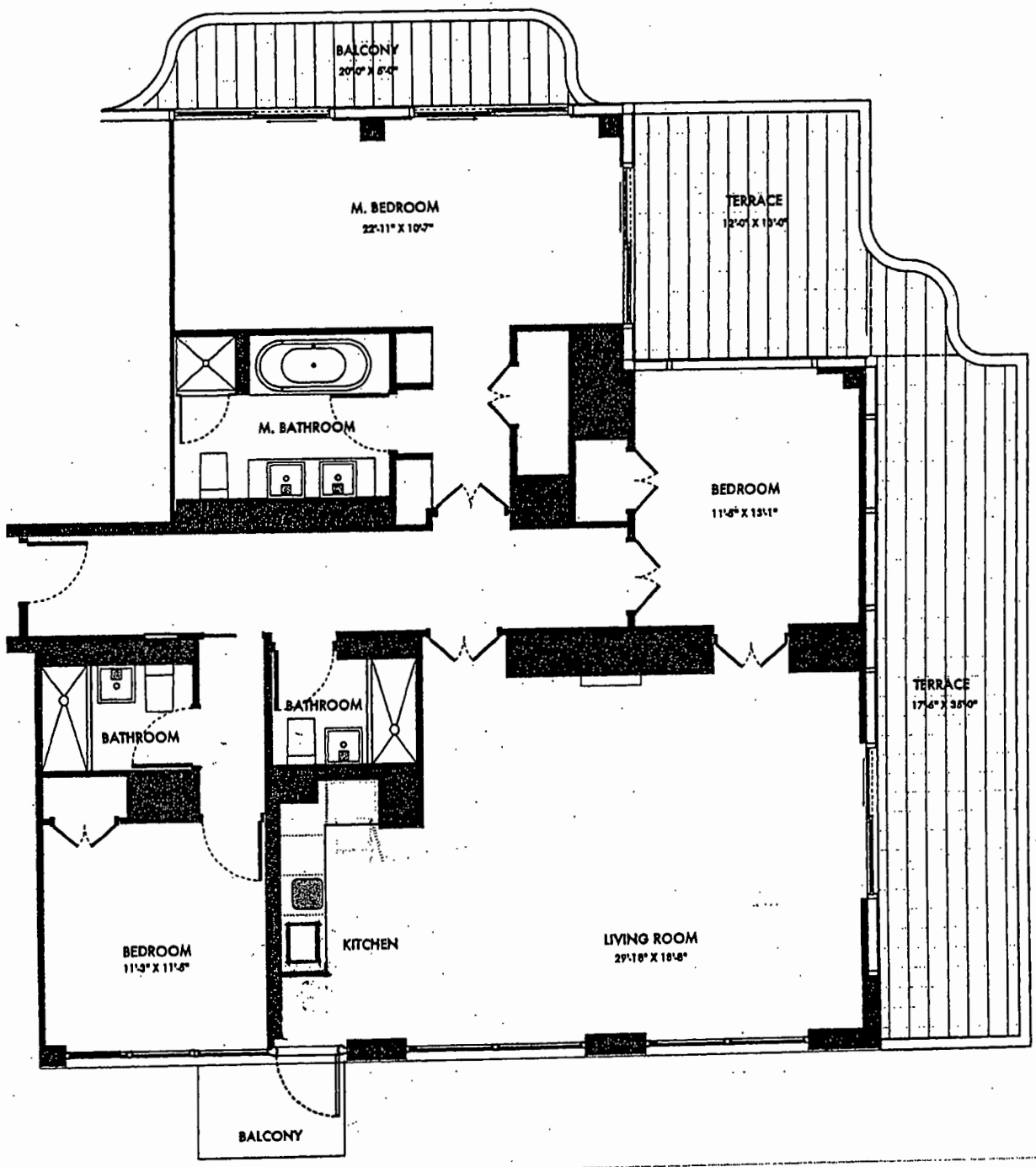
1378 SF





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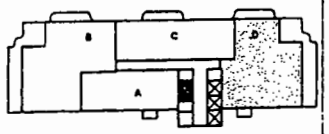


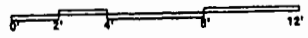
340 EAST 23RD STREET
NEW YORK, NY

APARTMENT D - FLOOR PH3

3 BEDROOMS
3 BATHROOMS

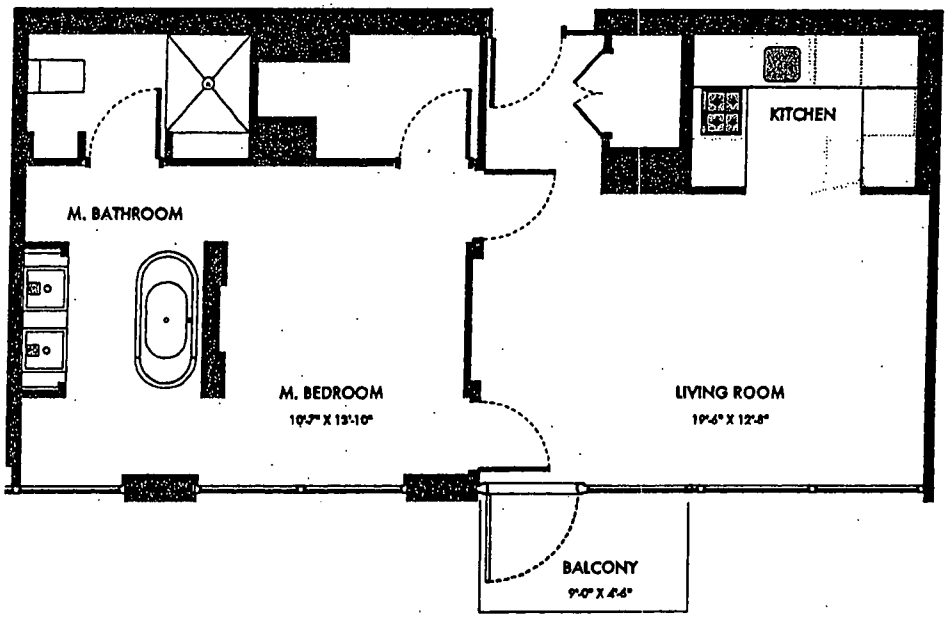
1766 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

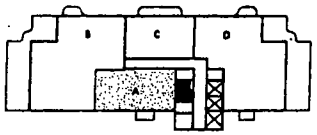


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT A - FLOOR PH4

1 BEDROOM
1 BATHROOM

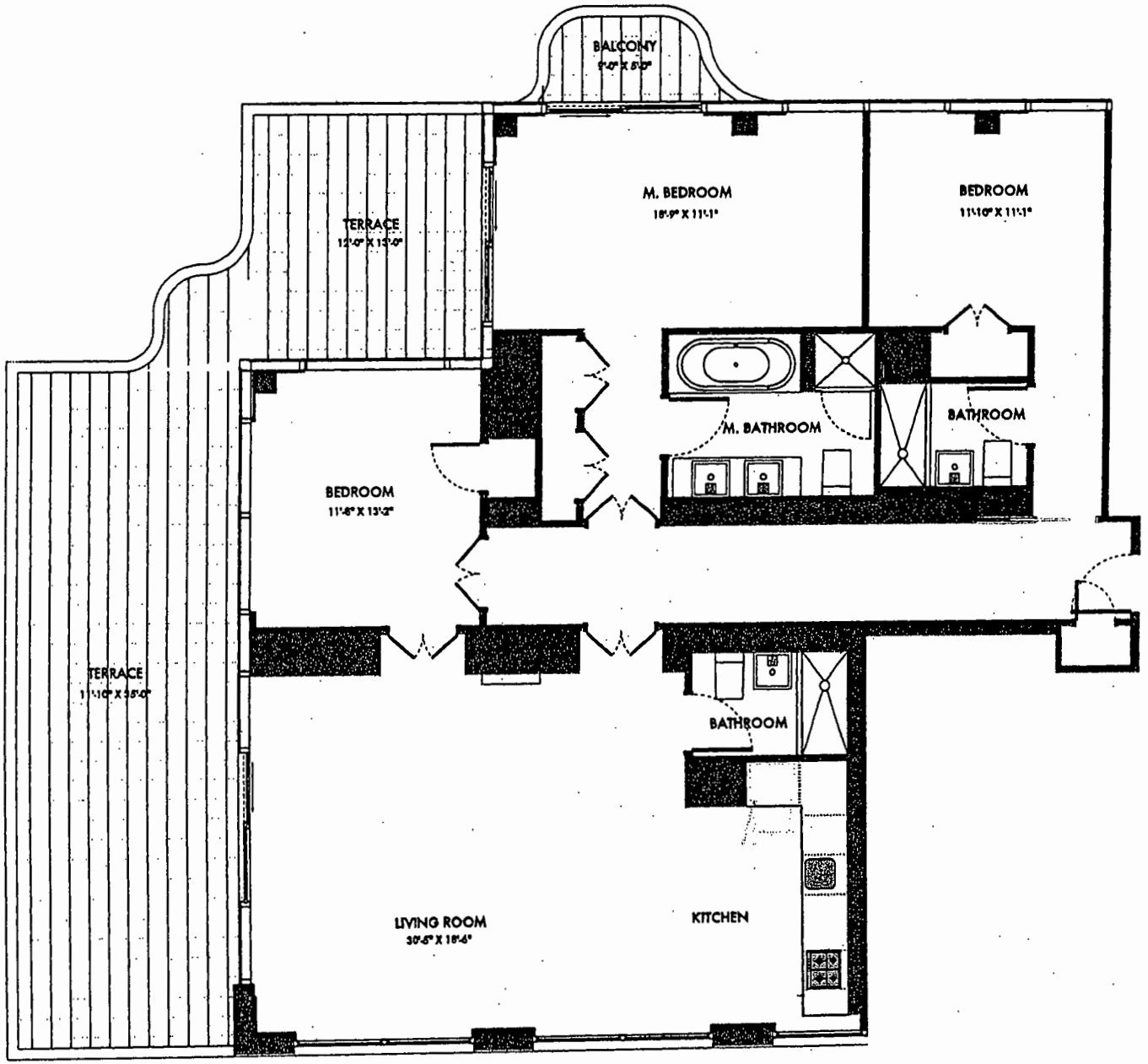
868 SF





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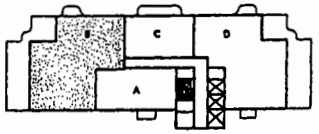


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT B - FLOOR PH4

3 BEDROOMS
3 BATHROOMS

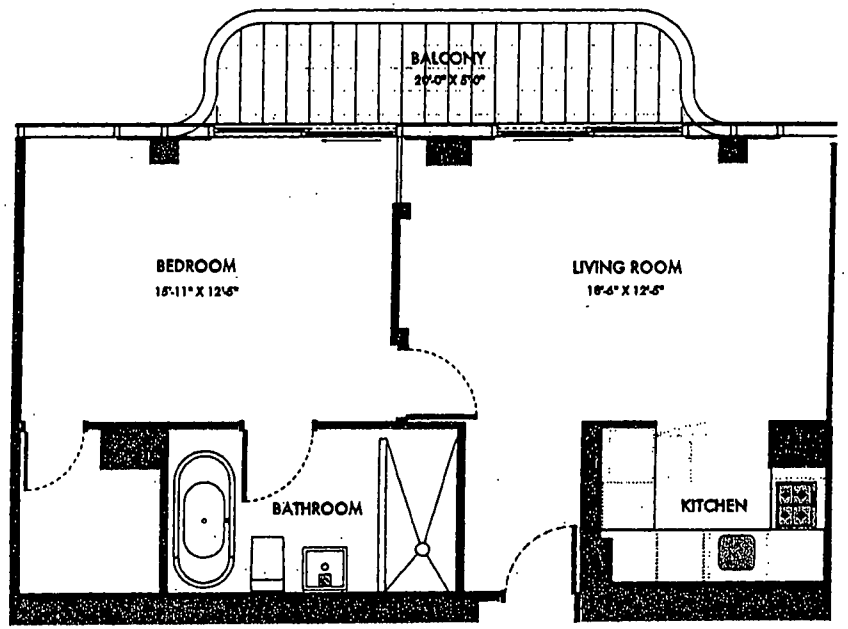
1717 SF





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NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

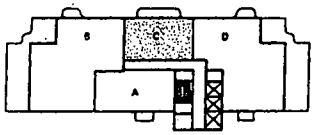


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT C - FLOOR P14

1 BEDROOM
1 BATHROOM

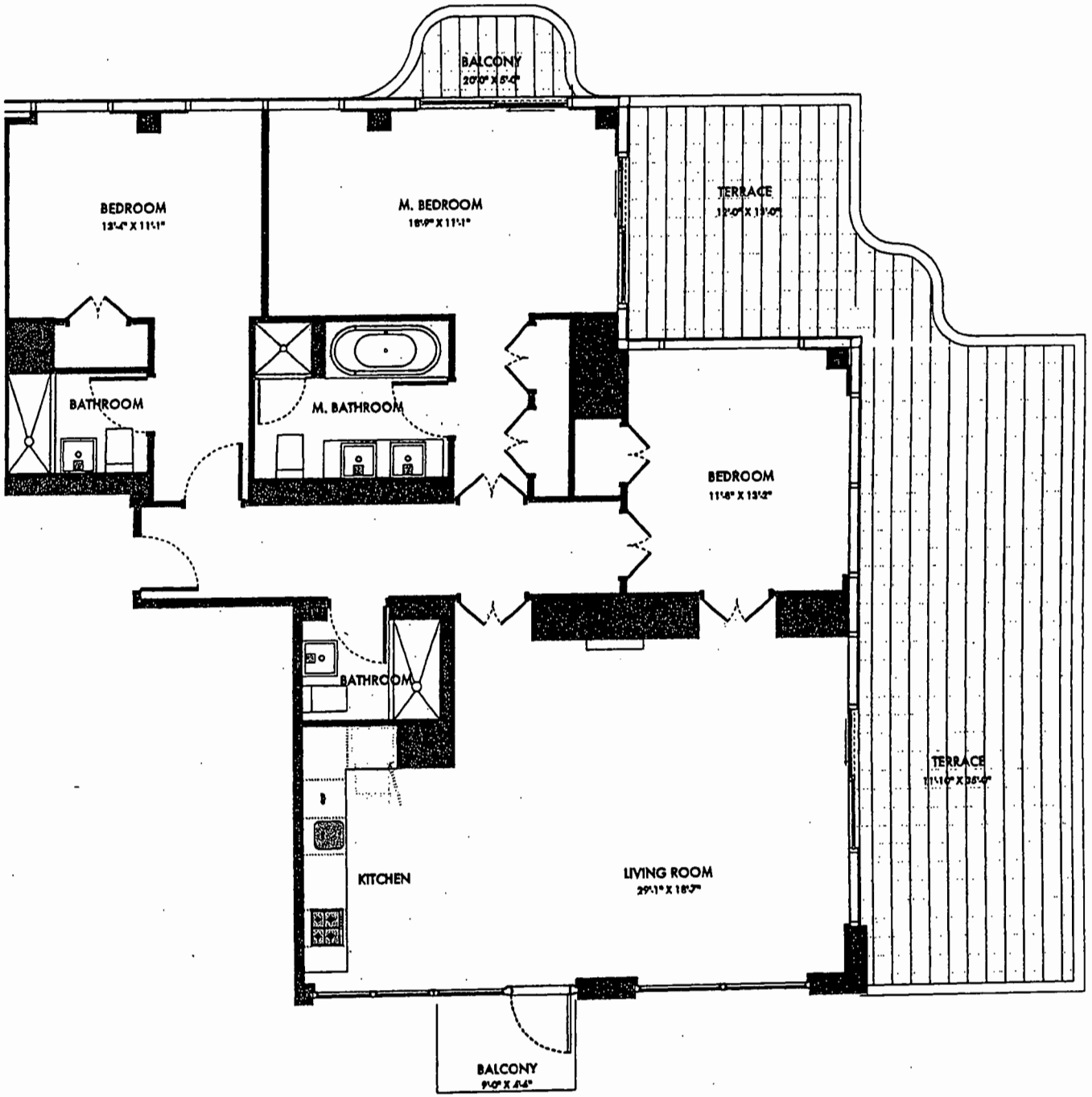
730 SF





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NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

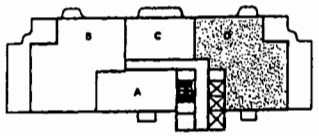


340 EAST 23RD STREET
NEW YORK, NY

APARTMENT D - FLOOR PH4

3 BEDROOMS
3 BATHROOMS

1687 SF





ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIENCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE

DOCUMENT NUMBER 6

HERRICK

NEW YORK
NEWARK
PRINCETON

May 3, 2006

Victor Residential and Commercial Development
3349 Highway 138, Bldg. C., Suite C
Wall, New Jersey 07719

Re: 336-338 East 23rd Street
Block 928, Lots 33 and 38
Borough of Manhattan (the "Site")

Ladies and Gentlemen:

Victor Residential and Commercial Development ("Victor") has requested that we render our opinion as to the eligibility of the above referenced property (the "Property") to receive partial real estate tax exemption benefits pursuant to Section 421-a of the Real Property Tax Law, Section 11-245 of the New York City Administrative Code and the Rules and Regulations governing the 421-a program (collectively, the 421-a Program or the "Rules") and the procedures for obtaining such benefits. Unless specifically stated otherwise, the analyses and conclusions set forth herein are based on facts given to us by you or your agents.

The New York City Department of Housing Preservation and Development ("HPD") administers the 421-a Program for compliance with the Rules. By letter dated February 23, 2006, HPD issued the attached letter determining that the proposed development at the Site will be eligible for the 421-a Program (the "HPD Letter"[1]).

Victor has advised us that the Property is to be developed and owned as a condominium building and is expected to contain 207 residential units ("the "Project"). In order for a completed property to be eligible for partial real estate tax exemption benefits pursuant to the 421-a program, the following major requirements will have to be satisfied:

1. Section 6-02(f) of the Rules states that for a project to be eligible for §421-a benefits, the land on which it is located must be been "vacant, predominantly vacant, under-utilized, or improved with a non-conforming use on the operative date." "Operative Date" means, in the case of the Project, thirty-six (36) months

[1] The number of units to be constructed has been reduced from 212 dwelling units (referenced in the HPD Letter) to 207 dwelling units. This modification does not affect the conclusions of the HPD Letter.

prior to the Commencement of Construction.

Under §6-02 (f)(3)(G)(b) of the Rules, where Commencement of Construction occurred on or after October 30, 2002, land in Manhattan south of or adjacent to either side of 110th Street is under-utilized if, on the Operative Date, it was improved with a non-residential building or buildings each of which had an Assessed Valuation equal or less than fifty percent (50%) of the Actual Assessed Valuation of the land on which the building or buildings were situated.

The Commencement of Construction is scheduled for June 1, 2006, which is in the 2005/2006 fiscal year. Accordingly, the Operative Date will have occurred in the 2002/2003 fiscal year.

Printouts of Department of Finance records show that Lots 33 and 38 were each improved with a non-residential building, and the Actual Assessed Valuation of the land and the improvements on each of these lots in the 2002/2003 fiscal year was as follows:

Lot Number	Land Actual Assessed Valuation	Building Actual Assessed Valuation	Ratio of Building to Land Actual Assessed Valuation
33	$1,305,000	$409,500	31.4%
38	$594,000	$166,500	28.0%

On the Operative Date, each lot was improved with a non-residential building whose Actual Assessed Valuation was less than fifty percent (50%) of the Actual Assessed Valuation of the land on which the non-residential building was situated. Accordingly, the Site qualifies as under-utilized for the purposes of the Rules. Section 6-02(f) of the Rules states that the land on which the building is to be constructed must have been vacant, predominantly vacant, under-utilized, or improved with a non-conforming use on the operative date, i.e., thirty-six months prior to the commencement of construction. Therefore, Lots 33 and 38 will qualify as under-utilized land as utilizing the Assessment Valuation test.

2. The Project must be a new multiple dwelling containing not less than three dwelling units. We have been advised that the Project will contain 207 residential units, and therefore will meet the dwelling unit requirement. In addition, we have been advised that the construction will be carried out pursuant to a new building permit.

3. Section 6-02(e) of the Rules provides that, if the project contains more than one hundred (100) dwelling units, not less than 10 percent of such units must contain at least 4.5 rooms and, in addition, not less than 15 percent of such units must contain at least 3.5 rooms. Inasmuch as the Project will contain 207 dwelling units, this requirement will apply. We have been advised by Victor that approximately 43% of the dwelling units will contain at least 3.5 rooms and 31% of the units will contain at least 4.5 rooms. Therefore, at least 15% of the units will contain at least 3.5 rooms, and in addition, at least 10% of the units will contain at least 4.5 rooms, and this requirement will be satisfied.

4. "Construction", as that term is defined in the Rules, of the Project must be completed no later than December 31, 2007. We have been advised by Victor that the completion of construction will be on or before December 31, 2007.

5. Section 11-245 of the Administrative Code of the City of New York provides that 421-a tax exemption benefits shall not be available for construction commenced after November 29, 1985 if the property is located in the therein described geographic exclusion area. The Project is located within that geographic exclusion area. However, Section 11-245 provides that, under certain circumstances, 421-a benefits shall be available in the geographic exclusion area. Those circumstances are:

   a. construction carried out with substantial governmental assistance;

   b. projects where HPD certifies that twenty percent (20%) of the units in that building are affordable to households of low and moderate income (Affordable Units"); or

   c. construction is carried out pursuant to a written agreement with HPD to create through new construction or substantial rehabilitation Affordable Units located outside the geographic exclusion area and numbering at least twenty percent (20%) of the number of units contained in the Project.

   The project will comply with (c.) above.

6. Section 6-08 of the Rules is entitled "Affordable Housing Construction Requirements." This section provides the guidelines for qualifying a project for 421-a tax exemption benefits where the building is located in the geographic exclusion area and where construction commenced after November 29, 1985. Section 6-08(m) of the Rules provides that HPD shall issue Negotiable Certificates certifying that Affordable Units have been created pursuant to a written agreement in compliance with §6-08 of such regulations. Such Negotiable Certificates will provide that a specified number of dwelling units in the

geographic exclusion area are entitled to receive 421-a benefits. Section 6-08 provides, in part, the following eligibility requirements and conditions for entering into a written agreement with HPD:

a. that for buildings located within the geographic exclusion area, Affordable Units numbering twenty percent (20%) of the number of units contained in that building must be created through new construction; and

b. that if the average size of the residential units contained in the multiple dwelling located in the geographic exclusion area seeking 421-a benefits exceeds 1200 square feet, the number of Affordable Units which must be created shall be increased by the same ratio that the average square footage exceeds 1200 square feet.

Victor has advised us that Victor intends to purchase the appropriate number of Negotiable Certificates for the Project. Therefore, in order for the Project to meet the criteria of the Rules, Negotiable Certificates entitling the proposed 207 dwelling units 421-a program eligibility will be required.

7. The Rules provide that if the Affordable Units are managed by either a qualified not-for-profit organization or a qualified managing agent approved by HPD, failure of the not-for-profit organization or the qualified managing agent to maintain such units as affordable or in a habitable condition shall not result in a revocation of the tax benefits received by the multiple dwelling located in the geographic exclusion area. Victor has advised us that the Affordable Units which will serve as the basis for the Negotiable Certificates will be managed by a qualified not-for-profit organization or a qualified managing agent. Therefore, such benefits should not be revoked in the event the Affordable Units are not so maintained.

8. Paragraphs (5) and (6) of §6-02(c) of the Rules bar 421-a program benefits from projects situated on land mapped as a public park or utilized for ten or more years as a Private Park. The Project Site does not fall within either category.

9. Section 6-02(c)(3) and (4) of the Rules provide that any building or portion thereof which is used as a hotel or for single room occupancy are ineligible for.421-a program benefits. We have been advised that no portion of the Project will be used as a hotel or for single room occupancy.

10. The application for the Preliminary Certificate of Eligibility must be filed with HPD after the commencement of construction but prior to completion of construction. As the Project will be owned as a condominium, the Application for

a Final Certificate of Eligibility must be filed with HPD prior to the first taxable status date following completion of construction. The Final Application must be completed within 180 days of the issuance of a Permanent Certificate of Occupancy or a Temporary Certificate of Occupancy covering all residential space in the Project. Both the Preliminary and Final "Certificates of Eligibility must be filed with the Real. Property Assessment Bureau of the New York City Department of Finance. We have assumed that all filings and required supporting documents will be filed in a timely fashion and that all required submissions to the Community Board will be made.

The Rules provides that rents of units contained within a building receiving 421-a benefits must be rent stabilized for the 421-a benefit period, unless exempt from rent regulation by reason of the cooperative or condominium status of the units in the case of a building for which a prospectus for condominium or cooperative formation has been submitted to the Attorney General at the time of the Final Application for 421-a benefits. An affidavit will be required stating that the sponsor will register the units as rent stabilized with the New York State Division of Housing and Community Renewal within 15 months of the issuance of the Final Certificate of Eligibility if a cooperative or condominium has not been declared effective within such 15 month time period. With respect to incidental requirements applicable to this Project, such as the current payment of water and sewer charges and real estate taxes, the payment of HPD filing fees equal to 0.4% (four tenths of one percent) of total land acquisition and development costs, and the availability of books and records in the event the Project is selected for audit by HPD, we have assumed that they will be satisfied.

If the foregoing information and assumptions are accurate and valid, and all of the other 421-a requirements are met, it appears that the Project should receive a partial exemption from real estate taxation for local purposes, other than assessments for local improvements, for the construction period, not to exceed three years, and for ten years following the taxable status date immediately following the completion of construction, or the three year maximum construction period, which ever is less. The real estate taxes on the Project will be partially -exempted in declining percentages during the ten years following completion of construction, as set forth below:

Year Following Completion of Construction	Percentage of Value Which is Exempt
1-2	100%
3-4	80%
5-6	60%
7-8	40%
9-10	20%
11	0%

These percentages of exemption will be diminished to the extent that the Commercial, community facility and accessory use space (collectively, the "Commercial Space") exceeds twelve percent of the aggregate floor area of the Project. In the event the Commercial Space exceeds twelve percent of the aggregate floor area of the Project, Section 6-06(b) of the 421-a program rules and regulations provides that where a project contains separately assessed parcels, such as a residential condominium, the reduction of tax exemption resulting from excess Commercial Space should be allocated entirely to the non-residential parcels.

The opinions expressed above are based on our interpretations of the Real Property Tax Law, the Administrative Code of the City of New York, and the applicable HPD regulations in effect as of the date hereof. You should be aware that the laws, regulations, practices and positions of the Building Department, Department of Finance and HPD 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. We shall not be liable if, because of any change of laws, and/or regulations, adverse determination on any unsettled law, or a changed interpretation by one or more agencies or Courts of competent jurisdiction regarding said laws and/or regulations, the Project fails to obtain, in whole or in part, §421-a benefits.

No warranties are made herein nor are any assurances or representations given that HPD, the New York City Department of Finance or any other agency with jurisdiction will approve the Section 421-a application, nor is any warranty made or assurance or representation given that a court of competent jurisdiction will determine that the Project is entitled to, in whole or in part, §421-a benefits. In addition, no warranty is made nor any assurance or representation given that the laws, rules, regulations, policies, positions and practices upon which this opinion is based will not be changed after the date of this opinion. We assume no obligation to advise you of any such changes of law or fact that may occur after the date hereof, notwithstanding that such changes may affect the legal analysis or conclusions contained herein. In addition, we do not warrant or represent the amount of tax savings if the Project receives partial real estate tax exemption benefits.

Very truly yours,

Herrick, Feinstein LLP

Herrick, Feinstein LLP

DOCUMENT NUMBER 7

DECLARATION
Establishing a Plan for Condominium Ownership of the Premises known as 340 East 23rd Street New York, New York 10010

Pursuant to Article 9-B of the Real Property Law of the State of New York

Name:

Gramercy Star Condominium

Declarant:

Victor at E 23, LLC
3349 Highway 138, Building C, Suite C
Wall, New Jersey 07719

Date of Declaration:

_____, 20__

The land affected by the within instrument lies in Section 3, Block 928, Lots _____ through ____ (formerly known as Lots 33 and 38), on the Tax Map of the Borough of Manhattan, City of New York

Prepared by:

Herrick, Feinstein LLP
2 Park Avenue
New York, New York 10016

INDEX TO DECLARATION

ARTICLE 1 DEFINITIONS....1
ARTICLE 2 SUBMISSION OF THE PROPERTY....1
ARTICLE 3 THE LAND....1
ARTICLE 4 THE BUILDING....2
ARTICLE 5 THE UNITS....2
ARTICLE 6 COMMON ELEMENTS....3
ARTICLE 7 USE OF BUILDING AND UNITS....7
ARTICLE 8 CHANGES TO THE RESIDENTIAL SECTION....8
ARTICLE 9 CHANGES TO THE COMMERCIAL SECTION....9
ARTICLE 10 PERSON TO RECEIVE SERVICE....10
ARTICLE 11 DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS....10
ARTICLE 12 ENCROACHMENTS....11
ARTICLE 13 ACCESS TO COMMON ELEMENTS....11
ARTICLE 14 EASEMENTS AND NAME OF CONDOMINIUM....12
ARTICLE 15 POWER OF ATTORNEY....15
ARTICLE 16 ACQUISITION OF UNITS BY BOARDS....16
ARTICLE 17 COVENANTS RUNNING WITH THE LAND....17
ARTICLE 18 AMENDMENTS OF DECLARATION....18
ARTICLE 19 TERMINATION OF CONDOMINIUM....21
ARTICLE 20 WAIVER....21
ARTICLE 21 CAPTIONS....21
ARTICLE 22 CERTAIN REFERENCES....21
ARTICLE 23 SEVERABILITY....22
ARTICLE 24 COVENANT OF FURTHER ASSURANCES....22
ARTICLE 25 SUCCESSORS AND ASSIGNS....23
ARTICLE 26 CONSENTS....23
ARTICLE 27 INCORPORATION BY REFERENCE....23

Exhibits

A. Description of the Land
B. Description of the Units
C. Definitions
D. By-Laws
E. Residential Unit Owner's Power of Attorney

DECLARATION
OF
GRAMERCY STAR CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

Victor at E 23, LLC, a New York limited liability company, having an office at 3349 Highway 138, Building C, Suite C, Wall, New Jersey 07719, does hereby declare as follows:

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. All capitalized terms used in this 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 shall otherwise require. All capitalized terms that are not separately defined herein or in Exhibit C annexed hereto shall have the meanings given to those terms in the By-Laws. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tenses.

ARTICLE 2

SUBMISSION OF THE PROPERTY

2.1 Declarant hereby submits the Land and Building, 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 the Condominium Act, and pursuant thereto does hereby establish a condominium to be known as "Gramercy Star Condominium."

2.2 Annexed to this Declaration as Exhibit D 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").

ARTICLE 3

THE LAND

The Land is all that certain tract, plot, piece and parcel of land situate, lying and being in the Borough of Manhattan, 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 and has an area of approximately 16,819 square feet.

ARTICLE 4

THE BUILDING

The Building, with one level below grade consisting of mechanical and storage spaces and a fitness center, comprises 21 structural floors above grade, rising to an elevation of approximately 210 feet. The Building is classified as a Class 1B (non-combustible) construction consisting of a reinforced concrete foundation supporting a reinforced concrete frame, with concrete floor slabs and exterior walls consisting of cast-in-place concrete, insulated and furred with gypsum board. The Building contains two hundred seven (207) Residential Units and two (2) Commercial Units. The Residential Units are located on the second through 21st floors and the Commercial Units occupy portions of the cellar and first floor.

ARTICLE 5

THE UNITS

5.1 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 Units together with the Commercial Common Elements and the Commercial Limited Common Elements are collectively referred to as the "Commercial Section." The owners of the Residential Units are herein collectively called "Residential Unit Owners" and each, individually, is called a "Residential Unit Owner." The owners of the Commercial Units are herein collectively called "Commercial Unit Owners" and each, individually, is called a "Commercial Unit Owner." The Residential Unit Owners and the Commercial Unit Owners are herein collectively called "Unit Owners" and each, individually, is called a "Unit Owner."

5.2 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: (i) its designation number; (ii) its tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the approximate area of its Terrace, if any, (vi) the number of rooms contained therein (for Residential Units only); (vii) the portions of the Common Elements to which such Unit has immediate access; and (viii) the Common Interest of such Unit. The precise location of each Unit within the Building is shown on the Floor Plans.

5.3 Each Unit consists of the area measured horizontally from the exterior side of the exterior walls (perimeter columns and perimeter mechanical pipes are not deducted) to the centerline of the partitions separating one Unit from another Unit; or to the exterior side of the partitions separating one Unit from corridors, stairs, elevators, and other mechanical equipment spaces and any other Common Elements; or to the exterior side of the opposite exterior walls. Each Unit consists of the area measured vertically from the top of the floor to the underside of the ceiling.

5.4 Each Unit includes the front entrance door and any other entrance doors to such Unit, smoke detectors, carbon-monoxide detectors, 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 that 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 includes (i) all lighting and electrical fixtures and appliances within the Unit, and (ii) any special equipment, fixtures or Facilities affixed, attached or appurtenant to the Unit and serving or benefiting only that Unit, including, but not limited to, any freight elevators or freight entrances servicing only one Commercial Unit. Notwithstanding anything contained in this Article 5 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 the Unit owned by such Unit Owner, 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 or mechanical and electrical systems of such Unit or of the Building or result in a violation of any law, ordinance or regulation of any governmental authority having jurisdiction.

5.5 Each Commercial Unit will include all escalators, elevators, stairs, if any, and all related Facilities exclusively serving such Commercial Unit, including outdoor signage panels for such Commercial Unit, and windows (including panes, casements and frames) exclusively opening into such Commercial Unit.

5.6 As of the date of the recording of this Declaration in the 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.

ARTICLE 6

COMMON ELEMENTS

6.1 The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereto, other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and Facilities that are for the common use of the Units and the Unit Owners or that are necessary or convenient for the existence, maintenance or safety of the Property.

6.2 The Common Elements will remain undivided, and no Unit Owner or other Person shall bring or shall 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.

6.3 The Common Elements consist of the General Common Elements, which are described in Section 6.4 below, and the Limited Common Elements, which are described in Section 6.5 below.

6.4 The "General Common Elements" consist of the Land and those rooms, areas, corridors and other parts of the Property (other than the Units), as well as those Facilities therein, either currently or hereinafter existing for the common use of all of the Units or Unit Owners, to the exclusion of none, or that are necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intention to limit the generality of the foregoing in any respect, the General Common Elements include the following:

6.4.1 the Land, together with all easements, rights, and privileges appurtenant thereto;

6.4.2 all foundations, footings, columns, beams, supports, exterior walls, interior walls, girders, floor slabs, windows (including panes, casements and frames), roofs and ceilings in, on or under the Building (except to the extent any of the same are included as part of a Unit pursuant to Article 5 hereof or as part of any of the Limited Common Elements pursuant to Sections 6.5 hereof);

6.4.3 the rooms and Facilities located as follows: electric room, boiler room, all located on the cellar level; and the water tank and related Facilities located on the roof; and

6.4.4 any other Facilities in the Building that serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of all of the Property and are not a part of any Unit or any Limited Common Elements.

6.5 The Limited Common Elements consist of those Common Elements that serve or benefit exclusively (a) all of the Residential Units or all of 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 one or more but not all of the Residential Unit Owners (in which event they are called "Residential Limited Common Elements"), (c) all of the Commercial Units or all of the Commercial Unit Owners (in which event they are called "Commercial Common Elements"), or (d) one or more but not all of the Commercial Units or one or more but not all of the Commercial Unit Owners (in which event they are called "Commercial Limited Common Elements"). Without limiting the generality of the foregoing:

6.5.1 the Residential Common Elements include the following:

(i) electric meters and panels, electric closets, feeders, risers and Facilities, gas meters and gas meter serving exclusively the Residential Section;

(ii) kitchen, bathroom and dryer exhaust ducts, dumbwaiter shafts, 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;

(iii) the service and passenger elevators and their respective shafts, pits, bulkheads, Facilities and machine rooms, the boiler pump rooms and areas, the lobby, lobby toilet room, mail room, concierge station, storage and sitting area;

(iv) CATV risers, direct burial telephone and other telecommunications cables and all other Facilities located on the Property serving or benefiting exclusively the Residential Section.

(v) residential refuse room and refuse compactor located in the cellar;

(vi) fire staircases and their landings and stairs from the landing on the cellar to the roof;

(vii) the fitness center, laundry room and storage areas located in the cellar;

(viii) the community facility room and deck located on the second floor;

(ix) the roof and the deck thereon, excepting any portion thereof that is a Residential Limited Common Element, a Commercial Common Element or a Commercial Limited Common Element;

(x) the windows (including panes, casements and frames) in the Residential Section, including windows exclusively opening into a Residential Unit; and

(xi) all passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building that are not part of any Unit or any Residential Limited Common Element and that serve or benefit exclusively the Residential Units or the Residential Unit Owners;

(xii) all other Facilities (excluding Facilities that are part of Residential Units or the Residential Limited Common Elements) exclusively serving or benefiting the Residential Section, or that are necessary or convenient for the existence, maintenance, operation or safety of the Residential Section, to the exclusion of the Commercial Section and the General Common Elements;

6.5.2 the Residential Limited Common Elements include the following:

(i) The Terraces to which one or more Residential Units have exclusive access as set forth in Exhibit B annexed hereto, which shall be for the exclusive use of the Residential Unit Owner or Owners having such exclusive access.

(ii) that portion of the equipment, fixtures or Facilities serving or benefiting one or more (but not all) Residential Units, to the extent located within another Unit or Units or located within a Common Element to which there is direct and exclusive access from the interior of the Residential Unit or Units so served or benefited; which shall be for the exclusive use of the owners of the Residential Unit or Units so served or benefited; and

(iii) all other Facilities exclusively serving or benefiting one or more (but not all) Residential Units, or that are necessary or convenient for the existence, maintenance, operation or safety of one or more (but not all) Residential Units to the exclusion of the other Units, the General Common Elements, the Residential Common Elements, the Commercial Common Elements and the Commercial Limited Common Elements; which shall be for the exclusive use of the owners of the Residential Unit or Units so served or benefited;

6.5.3 the Commercial Common Elements include the following:

(i) electric meters, separate cold water meters, gas meters and other utility meters (if any) exclusively serving or available for the exclusive use of the Commercial Section;

(ii) ductwork, and all other HVAC and electric and similar Facilities serving or benefiting exclusively the Commercial Section;

(iii) all passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building that are not part of any Unit or any Commercial Limited Common Element and that serve or benefit exclusively the Commercial Units or the Commercial Unit Owners;

(iv) all windows (including panes, casements and frames) in the Commercial Section other than windows that are part of the Commercial Units; and

(v) all other Facilities (excluding Facilities that are part of Commercial Units or the Commercial Limited Common Elements) exclusively serving or benefiting the Commercial Section or that are necessary or convenient

for the existence, maintenance, operation or safety of the Commercial Section, to the exclusion of the Residential Section and the General Common Elements; and

6.5.4 the Commercial Limited Common Elements include the following:

(i) that portion of the equipment, fixtures or Facilities serving or benefiting one or more (but not all) Commercial Units, to the extent located within another Unit or located within a Common Element to which there is direct and exclusive access from the interior of the Commercial Unit or Units so served or benefited; which shall be for the exclusive use of the owners of the Commercial Unit or Units so served or benefited; and

(ii) all other Facilities exclusively serving or benefiting one or more (but not all) Commercial Units, or that are necessary or convenient for the existence, maintenance, operation or safety of one or more (but not all) Commercial Units to the exclusion of the other Units, the General Common Elements, the Commercial Common Elements, the Residential Common Elements and the Residential Limited Common Elements; which shall be for the exclusive use of the owners of the Commercial Unit or Units so served or benefited.

There are no Commercial Limited Common Elements existing on the date of this Declaration.

ARTICLE 7

USE OF BUILDING AND UNITS

7.1 As more particularly set forth in the By-Laws, and except as expressly provided therein and below, Residential Units may be used for residential purposes only. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, the United States government or any instrumentality thereof and foreign governments or any embassy, consulate or other instrumentality thereof), may be occupied only by such individual; or by an officer, director, stockholder, or employee of such corporation; or by a partner or employee of such partnership; or by a member or employee of such limited liability company; or by such fiduciary, if an individual (or by an officer, director, stockholder, or employee of a corporate fiduciary, or by a partner or employee of a partnership fiduciary, or by a member or employee of a limited-liability-company fiduciary), or by the beneficiary of any such fiduciary; or by a principal or employee of any such other entity; or by Family Members or guests of any of the foregoing. A Residential Unit may be used for residential purposes, or for any other lawful purposes, subject, however, to (1) the terms and conditions of the then-existing certificate of occupancy covering such Residential Unit, (2) Applicable Law, (3) the use of such Residential Unit not adversely affecting the use and enjoyment of neighboring or adjacent Residential Units for residential purposes or imposing undue burdens on any building systems or staff, and (4) the prior written

permission of the Residential Board, which permission shall in no event be granted unless the Residential Board affirmatively finds that the conditions in clauses (1) through (3) above have been met. Residential Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

7.2 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, the owner of an Unsold Residential Unit may, without the permission of the Residential Board, (1) grant permission for the use of such Unsold Residential Unit as a professional office or for any other purpose, provided that such use is permitted by law and does not violate the then-existing certificate of occupancy covering such Residential Unit or any other governmental regulations and (2) use such Unsold Residential Unit as a model unit or sales and/or promotion office in connection with the sale or rental of the Units, subject only to compliance with Applicable Law.

7.3 Subject to certain restrictions set forth in the By-Laws, a Commercial Unit may be used for any lawful purpose.

ARTICLE 8
CHANGES TO THE RESIDENTIAL SECTION

Except to the extent prohibited by law, Declarant shall have the right, without the vote or consent of any Board, other Unit Owners or the Residential Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Unsold Residential Units; (b) change the use (subject to Section 7.2 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 Residential Units; by combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units; by converting a Residential Unit or any portion thereof to a Residential Common Element, a Residential Limited Common Element, a Commercial Unit, a Commercial Common Element or a Commercial Limited Common Element; or by altering the boundary walls between any Unsold Residential Units, or otherwise, including incorporating into an Unsold Residential Unit those Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) that exclusively benefit such Unsold Residential Unit; (d) designate a General Common Element, a Residential Common Element, a Residential Limited Common Element, a Commercial Common Element or a Commercial Limited Common Element as part of a newly created Residential Unit, Residential Common Element, Residential Limited Common Element, Commercial Unit, Commercial Common Element or Commercial Limited Common Element, or designate all or part of a Residential Unit as a newly created Commercial Unit, Residential Common Element, Residential Limited Common Element, Commercial Common Element or Commercial 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 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; and (iii) the soundness or structural integrity of any part of the Building or the safety of any Unit Owner, tenant or other Person shall not be jeopardized by reason thereof. Notwithstanding the other provisions of this Article 8, 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, 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. The provisions of this Article 8 may not be added to, amended, modified or deleted without the prior written consent of Declarant for so long as Declarant owns any Residential Units.

ARTICLE 9

CHANGES TO THE COMMERCIAL SECTION

Except to the extent 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 Board, the Condominium Board, other Unit Owners or the 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 such Commercial Unit Owner's Commercial Unit and the Commercial Limited Common Elements appurtenant thereto; (2) change the layout or number of rooms in such Commercial Unit from time to time; (3) change such Commercial Unit by subdividing the same into any desired number of Commercial Units, combining any Commercial Units or altering the boundary walls between any Commercial Units resulting therefrom; (4) designate a Commercial Common Element or Commercial Limited Common Element as part of a newly created Commercial Unit, or designate all or part of a Commercial Unit as a newly created Commercial Common Element or a Commercial Limited Common Element, (5) reapportion among the newly created Commercial Units resulting from any subdivision, combination or otherwise, their percentage interests in the Common Elements, which such reapportionment shall be based upon floor space, subject to the location of such space, the 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 further that in no case may such reapportionment result in a greater percentage of Common Interest for the total of the new Commercial Units than existed for the original Commercial Unit; and (6) change, alter or modify the facade and exterior portion of a Commercial Unit; provided, however, that (i) such Commercial Unit Owner 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, (ii) the soundness or structural integrity of any part of the Building or the safety of any Unit Owner, tenant or other Person shall not be jeopardized by reason thereof, and (iii) the percentage interest in the Common Elements of any portion of any Commercial Unit owned by another shall not be changed by reason thereof unless the owner of such Commercial Unit shall consent thereto. Notwithstanding the foregoing, the approval of the Commercial Board shall not be required for any of the foregoing actions with respect to any Commercial Unit that is owned by Declarant. Notwithstanding the other provisions of this Article 9, no reapportionment of the interests in the Common Elements appurtenant to any Commercial Unit shall be made unless there is first delivered to the Commercial 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 (x) at Declarant's election, by Declarant, the managing agent of the Condominium or any other Person reasonably acceptable to the Commercial Board in the case of any Commercial Unit owned by Declarant, and (y) by either the managing agent of the Condominium or any other Person reasonably acceptable to the Commercial Board in the case of any other Commercial Unit. The provisions of this Article 9 may not be added to, amended, modified or deleted without the prior written consent of Declarant for so long as Declarant owns any Commercial Units.

ARTICLE 10

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 that may be brought against the Condominium or any Board.

ARTICLE 11

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

11.1 The percentage interest of each Unit in the Common Elements has been based upon floor space, subject to the location of such space and the additional factors of relative value of such space 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.

11.2 The percentage interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that such Residential Unit bears to the Common Interests of all Residential Units.

11.3 The percentage interest of each Commercial Unit in the Commercial Common Elements is apportioned in the same proportion that such Commercial Unit bears to the Common Interests of all Commercial Units.

11.4 The aggregate amount of the Common Interests of all of the Units at all times shall remain at 100% notwithstanding any changes to the Residential Section pursuant to Article 8 hereof or changes to the Commercial Section pursuant to Article 9 hereof.

ARTICLE 12

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, the Residential Board or the Commercial Board, as the case may be, or made by Declarant or 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; 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 13

ACCESS TO COMMON ELEMENTS

Each Unit Owner shall have an easement in common with all other Unit Owners to use all Common Elements located in the Building, including those located in any of the other Units or elsewhere on the Property which serve such Unit Owner's Unit, including an easement to connect to existing utilities, including, but not limited to, utilities for gas, electricity, steam and ventilation. Each Unit shall be subject to an easement in favor of all Unit Owners to use all Common Elements located in such Unit or elsewhere on the Property that serve other Units. In addition, the Condominium Board, the Residential Board, the Commercial Board or their agents, to the extent such Boards are permitted by the By-Laws to act for such purposes, shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair and replace the Common Elements contained therein and elsewhere on the Property. All easements and rights of access described in this Article 13 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 14

EASEMENTS AND NAME OF CONDOMINIUM

14.1 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 and any Facilities located therein and, in common with all Unit Owners, an easement for the use of the General Common Elements and any Facilities located therein; including, but not limited to, such easement as shall be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Residential Unit Owner's Unit. The Commercial Section and the Residential Section shall be subject to such easement.

14.2 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 use of the Commercial Common Elements and any Facilities located therein and, in common with all Unit Owners, an easement for the use of the General Common Elements and any Facilities located therein, including, but not limited to, such easement as shall be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Commercial Unit Owner's Unit. The Commercial Section and the Residential Section shall be subject to such easement.

14.3 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Residential Section and the Commercial Section, as the case may be, and for the use of any Common Element, to the extent necessitated by an emergency, including but not limited to, an easement by the Commercial Unit Owners for emergency access through and over the fire stairs in the Building.

14.4 The Condominium Board shall have and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General 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 General 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. 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.

14.5 The Residential Board shall have 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 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. 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.

14.6 The Commercial Board shall have 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 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 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 days' notice, except that no notice will be necessary in the case of an emergency.

14.7 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.

14.8 Declarant, with respect to any Unsold Residential Unit, and the Commercial Unit Owner with respect to the Commercial Unit, 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, canopies, flags or awnings or other protrusions on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit; (ii) the sale of any Commercial Unit or lease of all or any portion of any Commercial Unit; and (iii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit or of any Unsold Residential Unit, as the case may be. Declarant and the Commercial Unit Owners shall have an easement and the right to change the facade of the Building and alter, replace, restore, renovate, remodel and reconstruct the existing facade of the Building through and including the second floor of the Building, provided that such penetration does not materially weaken the structural soundness of the Building. Notwithstanding the foregoing, the rights of a Commercial Unit Owner under this Section 14.8 are granted only with respect to that portion of the Property on the exterior of the Building directly abutting the Commercial Unit owned by such Commercial Unit Owner; and any signs, canopies, flags or awnings or other protrusions may be placed on such portion of the Property by such Commercial Unit Owner and any alteration, replacement, restoration, renovation, remodeling and reconstruction of the existing facade of the Building at such portion of the Property may be made by such Commercial Unit Owner only with the prior approval of the Condominium Board, which may not be unreasonably withheld, conditioned or delayed; except that any refusal of the Condominium Board to approve an unexposed neon sign or a flashing sign shall be deemed reasonable.

14.9 Declarant and the Condominium Board with respect to the Property, the Residential Board with respect to the Residential Section, and the Commercial Board with respect to the Commercial Section, shall have the right to grant such additional electric, gas, steam, ventilation or other easements for utilities, support or otherwise or relocate any easements in any portion of the Property, the Residential Section or the Commercial Section, as the case may be, as Declarant, the Condominium Board, the Residential Board or the Commercial 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 the Condominium Board shall not grant such additional easements within a Commercial Unit without the consent of the Commercial Unit Owner thereof and provided further 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 Units 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 Units or with the use of the Residential Units for their permitted purposes.

14.10 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 satellite dishes and similar equipment on the roofs and facade of the Building and elsewhere on the Common Elements and the conduits and other Facilities relating thereto, other than those portions of the roof, if any, that constitute Residential Common Elements or Residential Limited Common Elements and to retain any and all income derived therefrom, 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. The Condominium shall not be entitled to any portion of any fees, compensation or other profits received by Declarant or its assignees or licensees for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof and the facade of the Building and elsewhere on the Common Elements by Declarant or its assignees or licensees shall be the exclusive property of Declarant or its assignees or licensees, and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Notwithstanding the foregoing, additional utilities or the relocation of existing utilities cannot be installed in any Commercial Unit without the consent of the owner of such Commercial Unit, and access to any Unit or Common Element in furtherance of such easement shall be exercised in a manner that will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

14.11 The Condominium and the Building shall be designated and known as "Gramercy Star 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 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 the Building.

ARTICLE 15

POWER OF ATTORNEY

15.1 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, but substantially in the form of the Residential Unit Owner's Power of Attorney annexed hereto as Exhibit E), following due authorization (if required) from the Residential Unit Owners, (a) to acquire or lease any Residential Unit, together with its Appurtenant Interest, whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or that 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 Unit 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 that the Residential Board deems necessary or appropriate and (c) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the entire Residential Section or the Residential Common Elements or the Residential Limited Common Elements that 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 the Residential Common Elements or the Residential Limited Common Elements; and (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the entire Residential Section or the Residential Common Elements or the Residential Limited Common Elements that the Residential Board deems necessary or appropriate.

15.2 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 Owners, (a) to acquire or lease any Commercial Unit or portion thereof, together with its Appurtenant Interest, whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or that 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 all 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 entire Commercial Section or the Commercial Common Elements or the Commercial Limited Common Elements that 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 entire Commercial Section or the Commercial Common Elements or the Commercial Limited Common Elements; and (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the entire Commercial Section or the Commercial Common Elements or the Commercial Limited Common Elements that the Commercial Board deems necessary or appropriate.

15.3 Each Unit Owner shall grant to the Persons who shall from time to time constitute the Condominium Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Condominium Board shall determine), following due authorization (if required) from the Commercial Unit Owners, to execute, acknowledge and deliver (a) any declaration or other instrument affecting the General Common Elements that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium; and (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the General Common Elements that the Condominium Board deems necessary or appropriate.

15.4 Each Unit Owner shall grant to the Declarant a power of attorney to amend the Condominium Declaration and to effectuate the rights granted to Declarant under the Declaration and By-Laws.

ARTICLE 16

ACQUISITION OF UNITS BY BOARDS

16.1 If (a) any Residential Unit Owner, pursuant to the provisions of Section 339-x of the Condominium Act, surrenders his Residential Unit, together with its Appurtenant Interest, (b) the Residential Board, pursuant to Article 8 of the By-Laws, acquires Residential Unit, together with its Appurtenant Interest, or leases a Residential Unit, or (c) the Residential Board purchases, at a foreclosure or other similar sale, a Residential Unit, together with its Appurtenant Interest, then, in any such event, title to any such Residential Unit, together with its Appurtenant Interest, or the leasehold estate in any such Residential Unit, as the case may be, 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.

16.2 If (a) any Commercial Unit Owner, pursuant to the provisions of Section 339-x of the Condominium Act, surrenders such Unit Owner's Commercial Unit or any portion thereof, together with its Appurtenant Interest, (b) the Commercial Board, pursuant to this Declaration or the By-Laws, acquires a Commercial Unit, together with its Appurtenant Interest, or leases all or a portion of a Commercial Unit, or (c) the Commercial Board purchases, at a foreclosure or other similar sale, a Commercial Unit, together with its Appurtenant Interest, then, in any such event, title to any such Commercial Unit, together with its Appurtenant Interest, or the leasehold estate in any such Commercial Unit, as the case may be, 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.

16.3 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 or superintendent of the Building and, in such event, title to such Residential Unit, together with its Appurtenant Interest, shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 17

COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations that are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article 17, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions 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 such owner's 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 or any other party. 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 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.

17.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of the 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 that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is not included in 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.

17.3 Subject to Section 17.2, 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 18

AMENDMENTS OF DECLARATION

18.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or any Unsold Residential Units or the Commercial Units 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 any 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 Units 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 any 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 any Unsold Residential Units or the Commercial Units or any Commercial Unit

Owner, no amendment, modification, addition or deletion pursuant to the provisions of clause (a) or (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. No such amendment, modification, addition or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or any Unsold Residential Units or the Commercial Units or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by either (1) the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact or (2) 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 (3) the Commercial Board as attorney-in-fact for the Commercial Unit Owners, coupled with an interest, which Commercial Board is hereby authorized by the Commercial Unit Owners so to act as their attorney-in-fact, as the case may be. Subject to the foregoing provisions of this Section 18.1 and the rights of Declarant under Articles 7, 8, 9, 12, 14, 15 and 19, and the Commercial Unit Owners and the Commercial Board under Articles 7, 9, 12, 13 and 14 of this Declaration, Articles 7, 8, 9, 12, 14, 15 and 19 of this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential Mortgage Representatives, as the case may be, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby, or if only the Commercial Units are affected, 80% in number and in Common Interest of such Commercial Unit Owners, or if only Residential Units are affected, 80% in number and in Common Interest of such Residential Unit Owners, approve such amendment, modification, addition or deletion in the manner set forth above.

18.2 If the number of rooms in an Unsold Residential Unit is changed, or the use, size and/or number of Unsold Residential Units is changed (whether as a result of a subdivision or combination of Unsold Residential Units or alteration of boundary walls between Unsold Residential Units, or otherwise) and the appurtenant percentage interests of Units in the Common Elements are reapportioned as a result thereof, all in accordance with Article 8 hereof, then Declarant shall have the right to execute, or (upon its request) to require any other Unit Owner or any Board to execute, and record in the Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as Declarant deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Residential Unit or in the use, size and/or number of Unsold Residential Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Units in the Common Elements resulting therefrom, all without the approval of any Board, the Unit Owners or the Residential Mortgage Representatives, if any. Nothing contained in this Section 18.2 shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the owner of such Unit.

18.3 If (a) the number of rooms in any Commercial Unit or the size of any Commercial Unit is changed and the percentage interest in the Common Elements appurtenant to such

Commercial Units belonging to the Owner causing such change is reapportioned among any newly created Commercial Units resulting from any subdivision of a Commercial Unit, any combining of any Commercial Units resulting from a subdivision, or any alteration of the boundary walls between or among any newly created Commercial Units, or otherwise, or (b) a Commercial Common Element or Commercial Limited Common Element is designated as part of a newly created Commercial Unit, or part of a Commercial Unit is designated as a newly created Commercial Common Element or a Commercial Limited Common Element, all in accordance with Article 9 hereof, then the Commercial Board (or the Commercial Unit Owner causing any such change) shall have the right to execute, or to require upon request any other Board or Unit Owner to execute, and record in the Register's Office, and elsewhere, if required by law, an amendment to this Declaration, together with such other documents as the Commercial Unit Owner or the Commercial Board deems appropriate to effectuate the same reflecting (i) such change in the number of rooms in or size of any Commercial Unit; (ii) the subdivision of the Commercial Unit into separate commercial condominium units; (iii) any newly created commercial condominium units resulting from a subdivision; (iv) the alteration of boundary walls between or among any newly created commercial condominium units, or otherwise; (v) the reapportionment of the percentage interests in the Common Elements among such newly created commercial condominium units; (vi) such designation of a Commercial Common Element or Commercial Limited Common Element as part of a newly created commercial condominium unit; (vii) or such designation of part of a Commercial Unit as a newly created Commercial Common Element or Commercial Limited Common Element; all without the approval of any Board, the Unit Owners or the Residential Mortgage Representatives, if any. Nothing contained in this Section 18.3 shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

18.4 Amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Units or with the subdivision, combination or alteration of the Commercial Units, or of any newly created Commercial Units and/or the offering for sale or lease of all or any portion of a Commercial Unit; and in connection therewith the Commercial Board (or, when permitted, a Commercial Unit Owner after any subdivision) may cause this Declaration, the By-Laws, and the Rules and Regulations to be so 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. In the case of any such amendment, modification, addition or deletion that does not adversely affect the Residential Section or the 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 deletion.

18.5 The provisions of Sections 18.1 and 18.2 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant, and the provisions of Sections 18.1, 18.3 and 18.4 may not be modified, amended, added to or deleted, in whole or in part, without the consent of the Commercial Board.

ARTICLE 19

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% of all Unit Owners, both in number and in aggregate Common Interests. No such vote shall be effective without the written consent of the Residential Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed. The Declarant shall not vote the aggregate Common Interests appurtenant to its Units for such withdrawal unless at least 80%, both in number and in aggregate Common Interests, of all other Unit Owners so elect for such withdrawal, at which time the Declarant may choose to vote either in favor of or against withdrawal from condominium ownership, as it sees fit. In the event that such withdrawal is so authorized, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

ARTICLE 20

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 21

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 22

CERTAIN REFERENCES

22.1 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.

22.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

22.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 23

SEVERABILITY

Subject to the provisions of Sections 17.2 and 17.3, if any provision of this Declaration is invalid or unenforceable as against any Person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

ARTICLE 24

COVENANT OF FURTHER ASSURANCES

24.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of 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.

24.2 If any Unit Owner, any Board or any other party who 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 that such Unit Owner, Board, or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board that represents such Unit Owner, such Board or such other party, as the case may be, 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 24.2, 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 Board and/or Commercial Board shall be deemed to represent the Condominium Board.

24.3 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, then Declarant 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 hail be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 25

SUCCESSORS AND ASSIGNS

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant, or, with the consent of Declarant, any transferee of some or all of the Unsold Residential Units then owned by Declarant. 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 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 26

CONSENTS

Whenever the consent, approval, satisfaction or permission of Declarant is required under this Declaration or the By-Laws, such consent, approval, satisfaction or permission will not be required when Declarant no longer owns any Unsold Residential Units.

ARTICLE 27

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 Owner's 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, the undersigned has caused this Declaration to be executed as of the ____ day of_____, 200__.

VICTOR AT E 23, LLC

By: _____
Name:
Title:

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

On the ___ day of_____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) are subscribed to the within instrument and acknowledged to me that (he) (she) (they) executed the same in (his) (her) (their) capacity, and that by (his) (her) (their) signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the ___ day of _____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) are subscribed to the within instrument and acknowledged to me that (he) (she) (they) executed the same in (his) (her) (their) capacity, 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

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:

EXHIBIT B

TO BE COMPLETED AT TIME OF SUBMISSION OF DECLARATION

Unit Designation	Tax Lot Number	Location (in Portion of Building Facing Direction Set Forth below)	Approximate Area in Sq. Ft.	Number of Rooms/Baths	Common Elements to which Unit has Immediate Access	Percentage Interest in the General Common Elements
Total						

EXHIBIT C
DEFINITIONS

For convenience of presentation, definitions of certain of the terms used in the Declaration are set forth below:

"Applicable Law" means all applicable laws, statutes, treaties, rules, codes, ordinances, regulations of any Governmental Authority and, to the extent the Property, any Unit, any Unit Owner, Declarant and/or any Board, 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 Governmental Authority, court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including those pertaining to health, safety or the environment) now or hereafter in effect.

"Appurtenant Interest" means, (a) with respect to a Residential Unit, the undivided interest of the Unit Owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Residential Units owned or leased at the time in question by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners; (iii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iv) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) or subdivision (iii) of this clause (a), above; and (v) any other assets of the Condominium; and (b) with respect to a Commercial Unit, the undivided interest of the Unit Owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Commercial Units owned or leased at the time in question by the Commercial Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners; (iii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iv) any proceeds of the sale or lease of Units of the nature described in subdivision(ii) or subdivision (iii) of this clause (b), above; and (v) any other assets of the Condominium.

"Arbitration" shall have the meaning ascribed to such term in Section 2.2.1 of the By-Laws.

"Board" and "Boards" shall have the meanings ascribed to such terms in Section 2.1.1 of the By-Laws.

"Building" means the structure and improvements, including above- and below-grade segments, known as 340 East 23rd Street, New York, New York 10010, in which the Units are located.

"By-Laws" shall have the meaning ascribed to such term in Section 2.2 of the Declaration.

"Claim" or "Claims" means any claims, counterclaims, suits, actions or proceedings and any other liabilities, losses, damages, penalties, charges, costs and expenses and attorneys' fees and expenses incurred in connection with any of the foregoing.

"Commercial Board" means the governing body of the Commercial Section.

"Commercial Common Charges" means 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 share of General Common Expenses.

"Commercial Common Elements" shall have the meaning ascribed to such term in Section 6.5 of the Declaration.

"Commercial Common Expenses" means 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 or the Commercial Limited Common Elements (to the extent such costs and expenses are not the obligation of the Commercial Unit Owners owning the Commercial Units to which such Commercial Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefiting the Commercial Section or all of the Commercial Unit Owners.

"Commercial Common Interest" means, with respect to a Commercial Unit, the number, expressed as a percentage, obtained by dividing the Common Interest appertaining to such Commercial Unit by the aggregate Common Interests appertaining to all Commercial Units.

"Commercial Limited Common Elements" shall have the meaning ascribed to such term in Section 6.5 of the Declaration.

"Commercial Section" shall have the meaning ascribed to such term in Section 5.1 of the Declaration.

"Commercial Special Assessments" means the charges allocated and assessed against all Commercial Units by the Commercial Board and payable by all Commercial Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with Section 6.1.6 of the By-Laws.

"Commercial Unit" means any Unit designated as a Commercial Unit in the Declaration.

"Commercial Unit Owner" shall have the meaning ascribed to such term in Section5 .1 of the Declaration.

"Common Charges" means General Common Charges, Commercial Common Charges and Residential Common Charges.

"Common Elements" means all parts of the Property other than the Units; the Common Elements consist of the General Common Elements and the Limited Common Elements.

"Common Expenses" means the General Common Expenses, the Residential Common Expenses and the Commercial Common Expenses.

"Common Interest" means the undivided interest in the Common Elements appurtenant to a Unit, expressed as a percentage.

"Condominium" means Gramercy Star Condominium.

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

"Condominium Board" means the governing body of the Condominium.

"CPI Factor" means the fraction, expressed as a percentage, the numerator of which is the Consumer Price Index (defined below) for January of the year with respect to which the calculation of the CPI Factor is being made, and the denominator of which is the Consumer Price Index for January of the year in which this Declaration was recorded. The "Consumer Price Index" is the Consumer Price Index for all Urban Consumers, New York-Northeastern New Jersey, All Items, (1982-84=100), issued by the Bureau of Labor Statistics of the United States Department of Labor, or any successor index thereto, appropriately adjusted, If such Consumer Price Index shall hereafter be converted to a different standard reference base or a change is made in the term components or the number of items contained in such Consumer Price Index, or if such Consumer Price Index is altered, modified, converted or revised in any other way, such Consumer Price Index shall be adjusted to the figure that would have been arrived at had the change in the manner of computing such Consumer Price Index in effect at the date this Declaration was recorded had not been altered. In the event that such Consumer Price Index is no longer issued, the parties shall use such conversion factor, formula or table as may be published by Prentice Hall, Inc., or failing such publication, by any other nationally recognized publisher of similar statistical information as is then generally recognized and accepted for similar determinations of cost-of-living increases, as selected by the Condominium Board.

"Declarant" means (a) Victor at E 23, LLC, a New York limited liability company, and/or (b) any Sponsor Successor, as the context may require.

"Declaration" means this declaration as executed by Victor at E 23, LLC, for the purpose of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof, as the same may be amended from time to time.

"Facilities" means all personal property and fixtures now or hereafter existing in, on or under the Land or the Building and either existing for the common use of two or more Units or Unit Owners or necessary or convenient for the existence, maintenance or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing, fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail

chutes, mail boxes, carpeting, tiles, floor coverings, draperies, shades, window coverings, wallpaper, wall coverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

"Family Members" means, with respect to any natural person, such person's spouse, parents, grandparents, children, grandchildren and siblings (in each case, including by adoption).

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

"First Year's Budget" shall have the meaning ascribed to such term in Section 2.3.1.1(c) of the By-Laws.

"Floor Plans" means the floor plans of the Building certified by Gerner Kronick & Valcarcel, Architects, PC, and intended to be filed in the Register's Office simultaneously with the recording of the Declaration, together with any amendments and supplements thereto.

"General Common Charges" means assessments payable to the Condominium Board by the Residential Board and the Commercial Board for the purpose of meeting General Common Expenses.

"General Common Elements" shall have the meaning ascribed to such term in Section 6.4 of the Declaration

"General Common Expenses" means costs and expenses incurred or projected and attributable to the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements and as otherwise provided in the Declaration and By-Laws or in connection with any services or facilities benefiting both the Residential Section and the Commercial Section or all of the Unit Owners.

"General Special Assessments" means the charges allocated and assessed against all Units by the Condominium Board and payable by all Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with Section 6.1.6 of the By-Laws.

"Governmental Authority" means any federal, state, county, municipal, foreign, international, regional or other governmental authority, agency, board, body, instrumentality or court having jurisdiction.

"Initial Control Period" means the period ending the earlier of (i) the closing of title with purchasers under the Plan to Units having more than 50% of the aggregate Common Interests appertaining to all Units or (ii) the fifth (5th) anniversary of the First Closing.

"Insurance Trustee" means a bank or trust company, in either event having both an office in the City of New York and a capital surplus and individual profits of $500,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

"Land" means the parcel of land upon which the Building is situated, as more fully described in Exhibit A of the Declaration.

"Limited Common Elements" means the Residential Common Elements, the Residential Limited Common Elements, the Commercial Common Elements and the Commercial Limited Common Elements.

"Managing Agent" means a Person employed by a Board as a managing agent or manager pursuant to Section 2.4 of the By-Laws who undertakes to perform such duties and services as such Board shall direct and who shall have whatever powers the such Board shall delegate, subject to the limitations contained said Section 2.4.

"Majority of Residential Unit Owners," "Majority of Commercial Unit Owners" and "Majority of Unit Owners" shall n\have the meaning ascribed to such terms in Section 3.10 of the By-Laws.

"Permitted Mortgage" shall have the meaning ascribed to such term in Section 7.6.1 of the By-Laws.

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

"Person" means any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, limited liability company, organization, government or any department or agency thereof, or any other entity.

"Plan" means the offering plan for the establishment of condominium ownership of the Property, as filed with the New York State Department of Law, as the same may be amended from time to time.

"Property" shall have the meaning ascribed to such term in Section 2.1 of the Declaration.

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

"Residential Board" means the governing body of the Residential Section.

"Residential Common Charges" means assessments payable to the Residential Board by Residential Unit Owners for the purpose of meeting (a) Residential Common Expenses and (b) each Residential Unit Owner's share of General Common Expenses.

"Residential Common Elements" shall have the meaning ascribed to such term in Section 6.5 of the Declaration.

"Residential Common Expenses" means 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 Residential Common Elements or the Residential

Limited Common Elements (to the extent such costs and expenses are not the obligation of the Residential Unit Owners owning the Residential Units to which such Residential Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefiting the Residential Section or all of the Residential Unit Owners.

"Residential Common Interest" means, with respect to a Residential Unit, the number, expressed as a percentage, obtained by dividing the Common Interest appertaining to such Residential Unit by the aggregate Common Interests appertaining to all Residential Units.

"Residential Limited Common Elements" shall have the meaning ascribed to such term in Section 6.5 of the Declaration.

"Residential Mortgage Representatives" shall have the meaning ascribed to such term in Section 7.6.1 of the By-Laws.

"Residential Section" shall have the meaning ascribed to such term in Section 5.1 of the Declaration..

"Residential Special Assessments" means the charges allocated and assessed against all Residential Units by the Residential Board and payable by all Residential Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with Section 6.1.6 of the By-Laws.

"Residential Unit" means any Unit designated as a Residential Unit in the Declaration.

"Residential Unit Owner" shall have the meaning ascribed to such term in Section 5.1 of the Declaration.

"Rules and Regulations" means the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

"Special Assessments" means General Special Assessments, Commercial Special Assessments and Residential Special Assessments.

"Sponsor Successor" means (i) any corporation, partnership, limited liability company or other entity that through amalgamation, consolidation, or other legal succession becomes invested with the rights and assumes the burdens of Victor at E 23, LLC, or (ii) any Person who, at any time, (a) purchases from Victor at E 23, LLC, or otherwise succeeds to the ownership of (x) ten or more Units or (y) one or more Units then owned by the Declarant and is designated as a Sponsor Successor by the Declarant, and (b) is not purchasing such Units for his, her or its own occupancy or for occupancy by one or more of such Person's Family Members, and, in any case, shall also include any nominee holding any Unit for the account of the Person referred to in clause (i) or (ii) above. The phrase "owned by" shall include owned by any such nominee.

"Unit" means a space designated in the Declaration as a Residential Unit or a Commercial Unit, consisting, generally, of either a specific apartment or a portion of the commercial space in the Building.

"Unit Owner" shall have the meaning ascribed to such term in Section 5.1 of the Declaration.

"Unsold Residential Unit" means any Residential Unit that is owned or retained, by way of lease or any other arrangement by which management or financial responsibility is retained, by Declarant; or a Residential Unit that is acquired, individually or collectively, by either the holder of a Permitted Mortgage given by Declarant or the designee of a holder of such a Permitted Mortgage.

DOCUMENT NUMBER 8

EXHIBIT D TO THE DECLARATION

BY-LAWS

OF

Gramercy Star Condominium
340 East 23rd Street
New York, New York 10010

TABLE OF CONTENTS

ARTICLE 1	GENERAL	1
1.1	Purpose	1
1.2	Definitions	1
1.3	Applicability of By-Laws	1
1.4	Principal Office of Condominium	1
ARTICLE 2	BOARDS OF MANAGERS	1
2.1	Number, Term and Qualification.	1
2.2	Powers and Duties	2
2.3	Certain Limitations on Powers of Boards.	11
2.4	Managing Agents and Managers	15
2.5	First Boards	15
2.6	Resignation and Removal	**Error! Bookmark not defined.**
2.7	Vacancies	16
2.8	Organizational Meetings of the Residential and Commercial Boards	16
2.9	Regular Meetings of Boards	16
2.10	Special Meetings of Boards	16
2.11	Resolutions of Boards	16
2.12	Meetings of the Condominium Board	17
2.13	Waiver of Notice	17
2.14	Determinations by Boards; Quorums	17
2.15	Compensation	17
2.16	Liability of Boards and Unit Owners.	18
2.17	Fidelity Bonds	18
2.18	Committees	19
2.19	Principal Offices of Boards	19
2.20	Status of Boards	19
2.21	Incorporation of Boards	19
2.22	Boards as Agents of Unit Owners	19
2.23	Prohibited Transactions	19
ARTICLE 3	UNIT OWNERS	20
3.1	Annual Meetings.	20
3.2	Place of Meetings	21
3.3	Special Meetings	21
3.4	Notice of Meetings and Actions Taken	21
3.5	Adjournment of Meetings	22
3.6	Order of Business	22
3.7	Title to Units	22
3.8	Voting.	22

3.9	Election of Board Members; Rights of Declarant	23
3.10	Majority of Unit Owners	24
3.11	Quorum	24
3.12	Majority Vote	25
3.13	Determination of Unit Owners	25
ARTICLE 4	OFFICERS	25
4.1	Designation	25
4.2	Election of Officers	25
4.3	Resignation and Removal of Officers	26
4.4	Presidents	26
4.5	Vice Presidents	26
4.6	Secretaries	26
4.7	Treasurers	26
4.8	Execution of Documents	27
4.9	Compensation of Officers	27
ARTICLE 5	NOTICES	27
5.1	Notices	27
5.2	Waiver of Service of Notice	27
ARTICLE 6	OPERATION OF THE PROPERTY	28
6.1	Determination of Common Expenses and Fixing of Common Charges	28
6.2	Insurance.	32
6.3	Repair or Reconstruction after Fire or Other Casualty.	34
6.4	Payment of Common Charges.	35
6.5	Collection of Common Charges	36
6.6	Default in Payment of Common Charges	37
6.7	Foreclosure of Liens for Unpaid Common Charges	37
6.8	Statement of Common Charges	38
6.9	Maintenance and Repairs.	38
6.10	Violations of Maintenance Obligations.	40
6.11	Structural Alterations, Additions, Improvements and Repairs of Units.	41
6.12	Alterations, Additions, Improvements or Repairs to Common Elements	42
6.13	Use of the Units.	43
6.14	Use of Common Elements.	44
6.15	Other Provisions as to Use.	45
6.16	Right of Access.	46
6.17	Rules and Regulations	47
6.18	Real Estate Taxes, Water Charges and Sewer Rents	47
6.19	Fuel	47

6.20	Gas	47
6.21	Electricity	47
6.22	Utilities Serving the General Common Elements	48
6.23	Abatement and Enjoinment of Violations by Unit Owners.	48
ARTICLE 7	MORTGAGES	48
7.1	Notice to Boards	48
7.2	Restrictions on Mortgaging	49
7.3	Notice of Default and Unpaid Common Charges	49
7.4	Performance by Permitted Mortgagees	49
7.5	Examination of Books	49
7.6	Representatives of Mortgagees.	50
7.7	Consent of Mortgagees	50
ARTICLE 8	SELLING AND LEASING OF UNITS	51
8.1	General	51
8.2	Right of First Refusal.	51
8.3	Acceptance of Offer.	52
8.4	Failure to Accept Offer.	53
8.5	Termination of the Right of First Refusal	54
8.6	Exceptions to the Right of First Refusal	54
8.7	No Severance of Ownership	55
8.8	Payment of Common Charges	55
8.9	Power of Attorney	55
8.10	Gifts and Devises, Etc	56
8.11	Charges Imposed on Sale or Lease of Residential Units.	56
8.12	Notices Concerning Residential Unit Occupancy and Changes in Ownership	56
8.13	Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common	56
8.14	Subordination, Non-disturbance and Attornment Agreements	57
ARTICLE 9	CONDEMNATION	57
ARTICLE 10	RECORDS AND AUDITS	58
10.1	Records	58
10.2	Audits	58
10.3	Availability of Documents	59
ARTICLE 11	ARBITRATION	59
11.1	General Procedure	59
11.2	Costs and Expenses	59
11.3	Agreement by Parties	59

ARTICLE 12 MISCELLANEOUS 60
12.1 Waiver 60
12.2 Captions 60
12.3 Certain References. 60
12.4 Severability 60
12.5 Insurance Trustee 60
12.6 Successors and Assigns 61
12.7 Covenant of Further Assurances. 61
ARTICLE 13 AMENDMENT TO BY-LAWS 62
13.1 Amendments by Unit Owners 62
13.2 Amendments Affecting Declarant or Commercial Unit Owners 63
13.3 Amendments Affecting Permitted Mortgagees 63
ARTICLE 14 AMENDMENTS CONCERNING COMMERCIAL SECTION 63

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 the Condominium. The Condominium covers the Property, which consists of the Land, the Building and all other improvements thereon (including, without limitation, the Units and the Common Elements), and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed real and personal, that is intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording in the Register's Office of the Declaration of which these By-Laws form a part.

1.2 **Definitions.** All capitalized terms used in these By-Laws not otherwise defined in any of the Articles hereof shall have the meanings set forth in the Declaration or in Exhibit C to the Declaration, unless the context otherwise requires. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context otherwise requires. Each of the capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

1.3 **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. 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.

1.4 **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.

ARTICLE 2

BOARDS OF MANAGERS

2.1 **Number, Term and Qualification.**

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by the Condominium Board, the affairs of the Residential Section shall be governed by the Residential Board and the affairs of the Commercial Section

shall be governed by the Commercial 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 five persons elected by the Residential Unit Owners, subject to the rights of Declarant pursuant to Subsection 3.9.3 below, and the Commercial Board shall consist of three persons. The Condominium Board shall consist of seven persons: the five members of the Residential Board and two of the three members of the Commercial Board, subject to the provisions of Section 2.5. The Condominium Board, the Commercial Board and the Residential Board are herein sometimes referred to collectively as the "Boards" and individually as a "Board." The number of members of the Residential Board may not be changed without consent of the Declarant so long as the Declarant owns any Residential Units

2.1.2 Each member of the Residential Board and of the Commercial Board, except for the first Boards as provided in Section 2.5 and except as otherwise provided herein, shall be elected at the separate annual meetings of Residential Unit Owners and Commercial Unit Owners, respectively, 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 designated by Declarant, (a) all members of the Residential Board shall be either Residential Unit Owners or officers, directors, shareholders, partners, principals, members, trustees, employees or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries or any other entities that own Residential Units, Permitted Mortgagees of the Residential Units, or Family Members of any of the foregoing, and (b) all members of the Commercial Board shall be either Commercial Unit Owners or officers, directors, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries or any other entities that own Commercial Units, Permitted Mortgagees of the Commercial Units, lessees of the Commercial Units or portions thereof, or Family Members of any of the foregoing. Additionally, no Unit Owner may be elected to serve on any Board if any Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien (and pay all expenses incurred by such Board, its committees, the Managing Agent or any agents of any of the foregoing in connection with the matter resulting in the perfection of the lien, including without limitation, attorneys' fees and expenses) has not been paid at the time of such election. After the expiration of the Initial Control Period, a majority of the Residential Board must be Unit Owners who own Residential Units and who occupy their Residential Units or members of such Unit Owners' households and must not be related to Declarant or its principals. Other than Board members designated by Declarant, no Board member shall continue to serve after such member ceases to be qualified as set forth above.

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, that (a) affect only the Residential Section and do not adversely affect the Commercial Section or the use of the Commercial Units for their

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 that (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.

2.2.2 Subject to the provisions of Subsection 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:

(a) The operation, care, upkeep, maintenance, repair and replacement of the General Common Elements, including contracts for utilities, services and supplies.

(b) The amount of General Common Charges and General Special Assessments, if any.

(c) The collection of General Common Charges and General Special Assessments, if any.

(d) The employment and dismissal of the personnel necessary for the maintenance and operation of the General Common Elements.

(e) The adoption of, and amendments and additions to, the Rules and Regulations as they affect the General Common Elements.

(f) Making additions and improvements to, or alterations of, the General Common Elements.

(g) 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.

(h) Enforcing by legal and equitable means the terms, covenants and conditions contained in the Condominium Documents (other than those relating solely to the Residential Section, the Residential Unit Owners, the Commercial Section or the Commercial Unit Owners), and in connection therewith, to bring or defend against any proceedings, actions or suits that may be instituted on behalf of, or against, the Unit Owners (other than proceedings, actions or suits instituted on behalf of, or against only the Residential Unit Owners or the Commercial Unit Owners, as opposed to all Unit Owners).

(i) Levying fines against Unit Owners, the Commercial Board or the Residential Board for violations of the Rules and Regulations as they pertain to the General Common Elements (any such fines shall constitute General Common Charges payable by the Unit Owner or Board against which they are levied).

(j) 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.

(k) 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 Section 6.2.

(l) 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 66-2/3% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of $100,000, multiplied by the CPI Factor, 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 Subsection 2.2.2.1(l) is not repaid by said Board, a Unit Owner who pays to the creditor a percentage thereof equal to the Common Interest appertaining to his Unit shall be entitled to obtain from the creditor a release of any judgment or other lien that said creditor has filed or has the right to file against such Unit.

(m) Organizing corporations and limited liability companies to act as designees of the Condominium Board with respect to such matters as such Board may determine.

(n) Executing, acknowledging and delivering (i) any declaration or other instrument affecting the Property that the

Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Condominium Board deems necessary or appropriate.

(o) Preparing, executing and recording, 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.

(p) Obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Section 6.2.

(q) Leasing or purchasing an apartment for use as the residence of the building superintendent or resident manager, either in the Building or elsewhere (in compliance with Applicable Law) and, in connection therewith, amending, modifying, extending, renewing, and executing all necessary documents, and otherwise dealing in any way with respect to such apartment.

2.2.2.2 The Residential Board shall be entitled to make determinations with respect to the following matters:

(a) The operation, care, upkeep, maintenance, repair and replacement of the Residential Section, including contracts for utilities, services and supplies.

(b) The amount of Residential Common Charges and Residential Special Assessments, if any.

(c) The collection of Residential Common Charges and Residential Special Assessments, if any.

(d) The employment and dismissal of the personnel necessary for the maintenance and operation of the Residential Section.

(e) The adoption of, and amendments and additions to, the Rules and Regulations as they affect the Residential Section.

(f) Subject to Subsection 8.2.2, 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.

(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.

(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.

(i) Making additions and improvements to, or alterations of, the Residential Common Elements and the Residential Limited Common Elements.

(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.

(k) Enforcing by legal and equitable means the terms, covenants and conditions contained in the Condominium Documents relating solely to the Residential Section or the Residential Unit Owners, and in connection therewith, to bring or defend against any proceedings, actions or suits that may be instituted on behalf of, or against, only the Residential Unit Owners, as opposed to all Unit Owners or the Commercial Unit Owners.

(l) Levying fines against Residential Unit Owners for violations of the Rules and Regulations as they affect the Residential Section (any such fines shall constitute Residential Common Charges payable by the Residential Unit Owner against whom they are levied).

(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.

(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 Section 6.2.

(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 Subsection 8.3.2, the consent of at least 66-2/3% in Common Interest of all Residential Unit Owners shall be required for any borrowings in excess of the aggregate amount of $100,000, multiplied by the CPI Factor (including the pro rata share of the Residential Section with respect to any borrowing made by the Condominium Board pursuant to Subsection 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 Residential Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Residential Unit, and (iii) the Commercial Unit Owners 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 Subsection 2.2.2.2(o) is not repaid by said Board, a Residential Unit Owner who pays to the creditor a percentage thereof equal to the Residential Common Interest appertaining to his Residential Unit shall be entitled to obtain from the creditor a release of any judgment or any lien that said creditor has filed or has the right to file against such Residential Unit.

(p) Organizing corporations and limited liability companies 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 all Residential Unit Owners.

(q) Executing, acknowledging and delivering (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.

(r) Executing, acknowledging and delivering 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.

(s) Operating, maintaining and supervising all Residential Common Elements and Residential Limited Common Elements.

(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.

(u) Imposing 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.

2.2.2.3 The Commercial Board shall be entitled to make determinations with respect to the following matters:

(a) The operation, care, upkeep, maintenance, repair and replacement of the Commercial Section, including contracts for utilities, services and supplies.

(b) The amount of Commercial Common Charges and Commercial Special Assessments, if any.

(c) The collection of Commercial Common Charges and Commercial Special Assessments, if any.

(d) The employment and dismissal of personnel necessary for the maintenance and operation of the Commercial Section.

(e) The adoption of, and amendments and additions to, the Rules and Regulations as they affect the Commercial Section.

(f) Selling, leasing, mortgaging and otherwise dealing with all or any portion of the Commercial Section. This Subsection 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 Owners to sell, lease, mortgage, subdivide or combine portions of their individual Units.

(g) Making additions and improvements to or alterations of the Commercial Common Elements or the Commercial Limited Common Elements.

(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.

(i) Enforcing by legal and equitable means the terms, covenants and conditions contained in the Condominium Documents relating solely to the Commercial Section or the Commercial Unit Owners, and in

connection therewith, to bring or defend against any proceedings, actions or suits that may be instituted on behalf of, or against, only the Commercial Unit Owners, as opposed to all Unit Owners or the Residential Unit Owners.

(j) Opening and maintaining bank accounts with respect to the Commercial Section and designating the signatories required therefor.

(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 Section 6.2.

(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 $75,000, multiplied by the CPI Factor (including the pro rata share of the Commercial Section with respect to any borrowing made by the Condominium Board pursuant to Subsection 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 Commercial Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Commercial 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 Subsection 2.2.2.3(l) is not repaid by said Board, a Commercial Unit Owner who pays to the creditor a percentage thereof equal to the Commercial Common Interest appertaining to his Commercial Unit shall be entitled to obtain from the creditor a release of any judgment or any lien that said creditor has filed or has the right to file against such Commercial Unit.

(m) Organizing corporations to act as designees of the Commercial Section with respect to such matters as the Commercial Board may determine.

(n) Executing, acknowledging and delivering (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.

(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 Units or portions thereof offered for sale or lease or surrendered by their owners to the Commercial Board.

(p) Purchasing the Commercial Units 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.

(q) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) the Commercial Units or portions thereof acquired by, and subleasing the Commercial Units or portions thereof leased by, the Commercial Board or its designee, on behalf of all Commercial Unit Owners.

(r) Operating, maintaining and supervising 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 the 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 Section 2.16, 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 that is taken or omitted to be taken by or on behalf of the Residential Board or the Residential Unit Owners with respect to the use of any portion of the Residential Section shall be deemed to adversely affect in any way the Commercial Section or the use of the Commercial Units for their permitted purposes and thus shall not require the consent or approval of the Commercial Board pursuant to Subsection 2.2.1 unless such use would result in or involve a violation of the provisions of Subsection 6.15.1 or 6.15.2, (b) no action that is taken or omitted to be taken by or on behalf of the Commercial Board or the Commercial Unit Owners with respect to the use of any portion of the Commercial Section shall be deemed to adversely affect in any way the Residential Section or the use of the Residential Units for their permitted purposes and thus shall not require the consent or approval of the Residential Board pursuant to Subsection 2.2.1 unless such use would result in or involve a violation of the provisions of Subsection 6.13.5, 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 Owners under Subsection 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 Building.

2.3 **Certain Limitations on Powers of Boards.**

2.3.1 Notwithstanding anything to the contrary contained in these By-Laws, as long as the Declarant continues to own at least 25% of the Units, during the five (5) years following the First Closing,

2.3.1.1 the Condominium Board may not, without the Declarant's prior written consent:

(a) make any addition, alteration or improvement to the General Common Elements, unless required by Applicable Law;

(b) assess any General Common Charges or General Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency or surplus fund in excess of five percent in the aggregate of the estimated General Common Expenses for any one fiscal year of operation, provided the same does not violate Applicable Law, in which event the maximum assessment permitted hereunder shall equal the minimum required by Applicable Law;

(c) increase the number or change the type of employees of the Condominium from that described in "Schedule B: Projected Budget for First Year of Condominium Operation" set forth in the Plan (the "First Year's Budget");

(d) enter into any service or maintenance contracts for work, labor or services not covered in the First Year's Budget; or

(e) borrow money on behalf of the Condominium; and

2.3.1.2 the Residential Board may not, without the Declarant's prior written consent:

(a) make any addition, alteration or improvement to the Residential Common Elements, the Residential Limited Common Elements or any Residential Unit, unless required by Applicable Law;

(b) assess any Residential Common Charges or Residential Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency or surplus fund in excess of five percent in the aggregate of the estimated Residential Common Expenses for any one fiscal year of operation, provided the same does not violate Applicable Law, in which event the maximum assessment permitted hereunder shall equal the minimum required by Applicable Law;

(c) increase the number or change the type of employees of the Residential Section from that described in the First Year's Budget;

(d) enter into any service or maintenance contracts for work, labor or services not covered in the First Year's Budget;

(e) borrow money on behalf of the Residential Section; or

(f) exercise a right of first refusal to lease or purchase a Residential Unit.

2.3.1.3 the Commercial Board may not, without the Declarant's prior written consent:

(a) make any addition, alteration or improvement to the Commercial Common Elements or to any Commercial Unit, unless required by Applicable Law;

(b) assess any Commercial Common Charges or Commercial Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency or surplus fund in excess of five percent in the aggregate of the estimated Commercial Common Expenses for any one fiscal year of operation, provided the same does not violate Applicable

Law, in which event the maximum assessment permitted hereunder shall equal the minimum required by Applicable Law;

(c) increase the number or change the type of employees of the Commercial Section from that described in the First Year's Budget;

(d) enter into any service or maintenance contracts for work, labor or services not covered in the First Year's Budget;

(e) borrow money on behalf of the Commercial Section; or

(f) exercise a right of first refusal to lease or purchase a Commercial Unit.

2.3.2 Notwithstanding the foregoing, the Declarant may neither exercise a veto over nor direct any member of the Residential Board appointed or otherwise chosen by the Declarant to vote against expenditures that: (a) conform to the First Year's Budget and are for the period covered by the First Year's Budget; or (b) are required to comply with Applicable Law, including to cure any notices of violations; or (c) are necessary to remedy any work order by an insurer which is the responsibility of the Condominium Board or the Residential Board to remedy.

2.3.3 Notwithstanding anything to the contrary contained in these By-Laws, the Condominium Board shall not take any of the actions set forth below in clauses 2.3.3.1 through 2.3.3.4 unless 75% of the members thereof so approve in writing or by vote at a duly constituted meeting called for such purpose:

2.3.3.1 increase the number or change the type of employees of the Condominium from that described in the First Year's Budget;

2.3.3.2 provide for new or additional services, apart from those described in the First Year's Budget;

2.3.3.3 impose any General Common Charge or General Special Assessment for the purpose of making any capital or major improvement, alteration or addition to the General Common Elements, unless required by Applicable Law (provided, however, that nothing contained herein shall restrict the rights and obligations of the Condominium Board to maintain and repair the General Common Elements); or

2.3.3.4 establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements or replacements, other than a twelve (12)-month reserve for contingencies not exceeding five percent of the budgeted General Common Expenses for the ensuing twelve (12) months of operation (provided, however,

that nothing contained herein shall restrict the right of the Condominium Board to assess Unit Owners from time to time for any budget deficiency).

2.3.4 Notwithstanding anything to the contrary contained in these By-Laws, the Residential Board shall not take any of the actions set forth below in clauses 2.3.4.1 through 2.3.4.4 unless 75% of the members thereof so approve in writing or by vote at a duly constituted meeting called for such purpose:

2.3.4.1 increase the number or change the type of employees of the Residential Section from that described in the First Year's Budget;

2.3.4.2 provide for new or additional services, apart from those described in the First Year's Budget;

2.3.4.3 impose any Residential Common Charge or Residential Special Assessment for the purpose of making any capital or major improvement, alteration or addition to the Residential Common Elements, the Residential Limited Common Elements or any Residential Unit, unless required by Applicable Law (provided, however, that nothing contained herein shall restrict the rights and obligations of the Residential Board to maintain and repair the Residential Common Elements or the Residential Limited Common Elements); or

2.3.4.4 establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements or replacements, other than a twelve (12)-month reserve for contingencies not exceeding five percent of the budgeted Residential Common Expenses for the ensuing twelve (12) months of operation (provided, however, that nothing contained herein shall restrict the right of the Residential Board to assess Residential Unit Owners from time to time for any budget deficiency).

2.3.5 Notwithstanding anything to the contrary contained in these By-Laws, the Commercial Board shall not take any of the actions set forth below in clauses 2.3.5.1 through 2.3.5.4 unless 75% of the members thereof so approve in writing or by vote at a duly constituted meeting called for such purpose:

2.3.5.1 increase the number or change the type of employees of the Commercial Section from those hired at the time of recording the Declaration;

2.3.5.2 provide for new or additional services, apart from those being provided at the time of recording the Declaration;

2.3.5.3 impose any Commercial Common Charge or Commercial Special Assessment for the purpose of making any capital or major improvement, alteration or addition to the Commercial Common Elements, the Commercial Limited Common Elements or any Commercial Unit, unless required by Applicable Law (provided, however, that nothing contained herein shall restrict the rights

and obligations of the Commercial Board to maintain and repair the Commercial Common Elements or the Commercial Limited Common Elements); or

2.3.5.4 establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements or replacements, other than a twelve (12)-month reserve for contingencies not exceeding five percent of the budgeted Commercial Common Expenses for the ensuing twelve (12) months of operation (provided, however, that nothing contained herein shall restrict the right of the Commercial Board to assess Commercial Unit Owners from time to time for any budget deficiency).

2.4 **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 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 other powers granted to such Board by these By-Laws, except the powers set forth in Subsections 2.2.2.1(b), (e), (g), (h), (i), (k), (l), (m), (n), (o), (p) and (q); 2.2.2.2(b), (e), (f), (g), (h), (k), (l), (n), (o), (p), (q), (r), (t) and (u); and 2.2.2.3(b), (e), (f), (i), (k), (1), (m), (n), (o), (p) and (q). Subject to the limitations set forth in this Section 2.4, the Commercial Board, the Condominium Board and the Residential Board may by mutual agreement employ one Managing Agent to act jointly on their respective behalves, 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 shall not be the subject of Arbitration.

2.5 **First Boards.** The Condominium Board shall initially consist of the two (2) persons designated by Declarant to initially constitute the Residential Board and the one (1) person designated by Declarant to initially constitute the Commercial Board. 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 Section 3.1. The terms of each such member of the Residential Board and the Commercial Board shall expire annually.

2.6 **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. Any Residential Board member 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 Board members or Commercial Board members designated by Declarant or the owner of the Commercial Unit designated on Exhibit B annexed hereto as Commercial Unit #1 may only be removed with cause and replaced as described in Section 2.7. In addition, any member of either Board who is designated as such by Declarant or the owner of Commercial Unit #1, may be removed by Declarant or the owner of

Commercial Unit #1, as the case may be, with or without cause, and Declarant or the owner of Commercial Unit #1, as the case may be, shall have the right to designate the replacement for such member.

2.7 **Vacancies.** Subject to the provisions of Subsection 3.9.3 and 3.9.4, any vacancy on the Residential Board or Commercial Board for whatever reason shall be filled by the members of the Residential Board 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 such 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 that is created by the resignation or removal of any Board member designated by Declarant or the owner of the Commercial Unit designated on Exhibit B annexed hereto as Commercial Unit #1, or that is otherwise created when a Board member designated by Declarant or the owner of Commercial Unit #1 ceases to be a member of such Board, Declarant or the owner of Commercial Unit #1, as the case may be, shall have the sole right to designate a replacement for such member.

2.8 **Organizational Meetings of the Residential and Commercial Boards.** The first meetings of the Residential Board and the Commercial Board following each annual meeting of the Residential Unit Owners and each annual meeting of the Commercial Unit Owners shall be held immediately following each such annual meeting.

2.9 **Regular Meetings of Boards.** Regular meetings of the Residential Board and the 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, nationally recognized overnight courier, facsimile or e-mail, at least five business days prior to the day named for such meeting.

2.10 **Special Meetings of Boards.** Special meetings of the Residential Board and the Commercial Board may be called by the respective President or Vice President of the Residential Board or the Commercial Board by giving five business days' prior notice to each member of such Board by personal delivery, mail, facsimile or e-mail, 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 a 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.

2.11 **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.

2.12 **Meetings of the 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, facsimile or e-mail 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 each such Board by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place (which shall be in the Borough of Manhattan) and purpose of the meeting.

2.13 **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.

2.14 **Determinations by Boards; Quorums.**

2.14.1 Except as otherwise set forth in Subsection 2.14.4, 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.

2.14.2 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 that is required or permitted to be determined by the Condominium Board, such determination shall constitute the determination of the Condominium Board and no meeting of the Condominium Board for any such determination shall be necessary.

2.14.3 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.

2.14.4 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.

2.15 **Compensation.** No member of any Board shall receive any compensation for acting as such.

2.16 **Liability of Boards and Unit Owners.**

2.16.1 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 in connection with the affairs or operation of the Condominium, the Commercial Section, or the Residential Section (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 thereof shall state that it is made by such Board or Managing Agent only as agent for all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, and that the members of such Board or such Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners). Every such contract 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 Section or the Commercial Section, as the case may be, 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, to the extent permitted by Applicable Law, shall be limited to such Unit Owner's interest in such Unit Owner's Unit and its Appurtenant Interest, so that such Unit Owner shall have no personal liability for such contract, act or omission unless expressly stated to the contrary in such contract (as determined by the relevant Board in its sole and absolute discretion). Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges and Special Assessments, if any. Board members shall have no liability to Unit Owners, except that a Board member shall be liable for such board member's 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 relating to, arising out of, or in connection with such Board member's actions in his capacity as a Board member, except those arising out of such member's own bad faith or willful misconduct.

2.16.2 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; or (ii) any injury, loss or damage to any individual or property, occurring in, on or upon either a Unit or the Common Elements, and either (a) caused by the elements, any Unit Owner or any other Person, or (b) resulting from electricity, water, snow or ice that may leak or flow from a Unit or any portion of the Common Elements, or (c) arising out of theft or otherwise; except, in each case, when caused by the acts of bad faith or willful misconduct of such Board or such member thereof, as the case may be.

2.17 **Fidelity Bonds.** Each Board shall have the authority to 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, 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.

2.18 **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 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 of any Board, any committee appointed by any such Board shall have as at least one of its members a member appointed by Declarant.

2.19 **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.

2.20 **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 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 Section 2.21 below, the provisions of this Section 2.20 shall no longer be applicable to such Board.

2.21 **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.

2.22 **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.

2.23 **Prohibited Transactions.** Each member of each Board shall perform his duties, and shall exercise his powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Applicable Law, no contract or other transactions between a Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, limited liability company, association or other entity in which any of the members of such Board are officers, directors, employees, partners, members, fiduciaries, beneficiaries or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such interested member of such Board was present at the meeting or meetings of such Board during which such contract or transaction was discussed, authorized, approved or

ratified, or (ii) the vote of any such interested member was counted for such purposes; provided, however, that either:

2.23.1 the material facts as to such Board member's interest in such contract or transaction are disclosed in good faith or known to such Board or are noted in the minutes thereof, and such Board approves, authorizes or ratifies such contract or transaction in good faith by a vote sufficient for such purpose without counting the vote of such interested member of such Board or, if the votes of the disinterested members of such Board are insufficient to constitute a quorum, by unanimous vote of the disinterested members; or

2.23.2 the fact thereof is disclosed to, or known by, a Majority of Unit Owners with respect to any such contract or transaction involving the Condominium Board, a Majority of Residential Unit Owners with respect to any such contract or transaction involving the Residential Board, or a Majority of Commercial Unit Owners with respect to any such contract or transaction involving the Commercial Board; and a Majority of Unit Owners, a Majority of Residential Unit Owners or a Majority of Commercial Unit Owners, as the case may be, shall authorize, approve or ratify such contract or transaction; or

2.23.3 the contract or transaction is considered commercially reasonable by such Board at the time it is authorized, approved, ratified, executed or otherwise consummated.

Any interested member of a Board may be counted in determining the presence of a quorum of any meeting of such Board that authorizes, approves or ratifies any such contract or transaction, and, except as set forth in Subsection 2.23.1, shall also be entitled to vote thereat to authorize, approve or ratify such contract or transaction.

ARTICLE 3

UNIT OWNERS

3.1 Annual Meetings.

3.1.1 The first annual meeting of Residential Unit Owners shall be held no later than 180 days after the First Closing. At such meeting, the incumbent Residential Board shall resign and the Residential Unit Owners shall elect or designate (in accordance with the provisions of Section 2.1 and as otherwise provided in these By-Laws) a Residential Board consisting of five members. Thereafter, annual meetings of Residential Unit Owners shall be held within approximately thirty (30) days of each anniversary of the first annual meeting of Residential Unit Owners. At such meetings, the incumbent Board members shall resign and new Board members shall be elected or designated in accordance with Section 2.1 and as otherwise provided in these By-Laws, 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.

3.1.2 The first annual meeting of Commercial Unit Owners shall be held no later than 180 days after the First Closing. At such meeting, the incumbent Commercial Board shall resign and the Commercial Unit Owners shall elect or designate (in accordance with Section 2.1 and as otherwise provided in these By-Laws) a Commercial Board consisting of three members. Thereafter, annual meetings of Commercial Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting of the Commercial Unit Owners. At each such annual meeting, the incumbent Commercial Board members shall resign and new Board members shall be elected or 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 of these By-Laws two representatives to the Condominium Board.

3.1.3 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 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 Board shall call a special meeting of the Residential Unit Owners and the President of the Commercial Board shall call a special meeting of the Commercial Unit Owners if so directed by duly adopted resolution of such Board or upon receipt of by the Secretary of such Board of a petition calling for such a meeting signed by Residential Unit Owners or Commercial Unit Owners, as the case may be, having in the aggregate not less than 40% of the Common Interests of all Residential Unit Owners or all Commercial Unit Owners, as the case may be. The President of the Condominium shall call a special joint meeting of all Unit Owners if so directed by duly adopted resolution of the Condominium Board or upon receipt of by the Secretary of the Condominium of a petition calling for such a meeting signed by Unit Owners having in the aggregate (a) not less than 25% in Common Interest of all Unit Owners, or (b) not less than 25% in Common Interest of the Residential Unit Owners, or (c) not less than 66-2/3% in Common Interest of all 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, nationally recognized overnight courier, facsimile or e-mail, at least ten (10) days but no more than forty (40) 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 named 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 such Unit Owner's 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 If two or more Persons own a Unit, they shall designate in writing to the Secretary of the Condominium one Person among them to vote the entire Common Interest appurtenant to their Unit, and the vote of such designee shall be binding on all such Persons. Failing such designation, all of such Persons shall mutually vote such Common Interest under one ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

3.8.3 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or such Unit Owner's proxy) entitled to vote thereat (including Declarant with respect to Units owned by Declarant) shall be entitled to cast one vote for each .0001% of Common Interest attributable to such Unit Owner's Unit.

3.8.4 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 Subsection 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 and until the expiration of the Initial Control Period, Declarant shall be entitled to designate three (3) members of the Residential Board. Further, after the expiration of the Initial Control Period, for so long as the Residential Common Interests attributable to Residential Units owned by Declarant equal, in the aggregate, 15% or greater, Declarant shall have the right to designate two (2) members of the Residential Board; and for so long as Declarant owns at least one Unsold Residential Unit and the Residential Common Interests attributable to Residential Units owned by Declarant equals, in the aggregate, less than 15%, Declarant shall have the right to designate one (1) member of the Residential Board. In addition to members of the Residential Board designated by Declarant, Declarant shall, at all times, also have the right to cast its votes for all remaining positions on the Residential Board for candidates who reside in the Building and who are unrelated to or unaffiliated with Declarant.

3.9.4 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 Commercial Unit Owners and until such time after the date of the recording of this Declaration, if any, as the Commercial Unit designated on Exhibit B annexed hereto as Commercial Unit #1 is subdivided into two or more Units in accordance with the provisions of this Declaration, the owner of Commercial Unit #1 shall be entitled to designate one (1) member of the Commercial Board, and the member so designated shall be one of the members of the Commercial Board that will serve on the Condominium Board. During any period in which the owner of Commercial Unit #1 has the right to designate a member of the Commercial Board, such owner shall not be entitled to cast its votes for any of the remaining positions on the Commercial Board; nor shall the member of the Commercial Board so designated have any right to vote or otherwise participate in determining which other members of the Commercial Board shall serve on the Condominium Board.

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 all Residential Unit Owners, all Commercial Unit Owners, or all Unit Owners, as the case may be, determined in accordance with the provisions of Section 3.8, who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11 **Quorum.** Except as otherwise provided in these By-Laws, the presence in person or by proxy of (a) Residential Unit Owners owning Residential Units to which are appurtenant, in the aggregate, more than 50% of the Residential Common Interests shall constitute a quorum at all meetings of Residential Unit Owners, (b) Commercial Unit Owners owning Commercial Units to which are appurtenant, in the aggregate, more than 50% of the Commercial Common Interests shall constitute a quorum at all meetings of Commercial Unit Owners, and (c) Unit Owners owning Units to which are appurtenant, in the aggregate, more than 50% of the Common Interests shall constitute a quorum at all joint meetings of Unit Owners, except that the Commercial Board shall have the absolute right, regardless of such quorum being present, to

require an adjournment of any 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 Board, a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Residential Board; (b) for the Commercial Board, a President, Vice-President, Secretary and Treasurer, all of whom shall be elected by the Commercial Board; and (c) for the entire Condominium: (i) a President, who shall be the same person serving as President of the Residential Board, (ii) a Vice President and Treasurer, who shall be the same person serving as President of the Commercial Board, and (iii) a Secretary, who shall be the same person serving as Secretary of the Residential Board. The Condominium Board, the 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 director of the Residential Board may also be an officer or director of the Commercial Board and any officer or director of the Commercial Board may also be an officer or director of the Residential Board. None of the officers of the Residential Board, the Commercial Board 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 Board must be members of the Residential Board.

4.2 **Election of Officers.** The officers of the Residential Board and the Commercial Board shall be elected annually by the members of the Residential Board and the Commercial Board, respectively, at the organizational meetings thereof, except that the initial officers of the Residential Board and the Commercial Board shall be elected, respectively, by the initial Residential Board members and the initial Commercial Board members 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 that elected such officer. Such resignation shall take effect at the time specified in such notice, 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 meetings of the Condominium Board and at all joint meetings of Unit Owners. The President of the Residential Board 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 Board 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 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 the President decides is appropriate to assist in the conduct of the affairs of the entire Condominium or of the Residential Board or the Commercial Board, as the case may be.

4.5 **Vice Presidents.** Each of the Vice Presidents shall take the place of the President under whom such Vice President serves and shall perform the duties of the President whenever such President shall be absent or unable to act. If both the President and the Vice President of the Residential Board, the Commercial Board, 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 by the Board or by the President under whom such Vice President serves.

4.6 **Secretaries.** The Secretary of the Condominium shall keep the minutes of meetings of the Condominium Board and joint meetings of Unit Owners. The Secretary of the Residential Board shall keep the minutes of the meetings of the Residential Board and Residential Unit Owners. The Secretary of the Commercial Board 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 such Secretary serves shall direct and shall in general perform all the duties incident to the office of secretary of a corporation organized under the Business Corporation Law of the State of New York.

4.7 **Treasurers.** Each of the Treasurers shall have the care and custody of the funds and securities of the Condominium, the Commercial Board or the Residential Board, 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 under which such Treasurer 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 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 Board or Commercial Board 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 of whom is a member of 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 that elected or appointed such officer, 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 and to all Permitted Mortgagees, 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 Board or the 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, the 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 General Common Expenses shall be determined by the Condominium Board as set forth below, and shall be borne by the Unit Owners. 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), 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), provided, however, that such allocations are reasonable under the circumstances and are in accordance with the provisions of Applicable Law. Notwithstanding anything to the contrary set forth above, the Condominium Board may not, without the written consent of the Commercial Unit Owners, modify the method of allocation of Common Expenses and assessment of Common Charges used in the First Year's Budget, which is presumptively deemed reasonable, or increase the number of building employees servicing the Commercial Units in such a manner as would increase the Common Charges otherwise payable by the Commercial Unit Owners.

6.1.2 Except as otherwise provided herein, all Residential Common Expenses shall be determined exclusively by the Residential Board and shall be borne solely by the Residential Unit Owners in proportion to their respective Residential Common Interests. Notwithstanding anything to the contrary in this Subsection 6.1.2, the costs of repair, maintenance, replacement, restoration and operation of and any alteration, addition or improvement to a Residential Limited Common Element (except in connection with a casualty or condemnation) shall be borne solely by those Residential Unit Owners who benefit from such Residential Limited Common Element in the proportion that the Residential Common Interest appurtenant to the Residential Unit owned by each benefiting Residential Unit Owner bears to the Residential Common Interests appurtenant to the Residential Units of all benefiting Residential Unit Owners. 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 and such amounts, determined by the Residential Board, as may be required for the rental or purchase of an apartment to be used as the residence of the Building's resident manager and all costs and expenses associated therewith.

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 Residential Common Interests (except as otherwise provided in the Declaration or these By-Laws), Residential Common Charges to meet (a) Residential Common Expenses and (b) the Residential Unit Owners' 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), provided that such allocations are reasonable under the circumstances and are in accordance with the provisions of Applicable 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.

6.1.3 Except as otherwise provided herein, all Commercial Common Expenses shall be determined by the Commercial Board and shall be borne solely by the Commercial Unit Owners in proportion to their respective Commercial Common Interests. Notwithstanding anything to the contrary in this Subsection 6.1.3, the costs of repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to a Commercial Limited Common Element (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from such Commercial Limited Common Element in the proportion that the Commercial Common Interest appurtenant to the Commercial Unit owned by each benefiting Commercial Unit Owner bears to the Commercial Common Interests appurtenant to the Commercial Units owned by all benefiting Commercial Unit Owners. 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 or the Commercial Limited 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, the Commercial Unit or portion thereof whose owner has elected to sell, lease, transfer or convey such Unit or portion thereof, or that 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), Commercial Common Charges to meet (a) Commercial Common Expenses, and (b) the Commercial Unit Owners' 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 submetering, contract allocations and usage (both projected and actual), provided, however, that such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the 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.

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. The excess of all rents, profits and revenues derived from the rental or use of any space or facility, or forming a part of or included in any Residential Common Element or Commercial 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, as agent for and on behalf of the Residential Unit Owners, if a Residential Common Element is involved, or (ii) the Commercial Board, as agent for and on behalf of the Commercial Unit Owners, if a Commercial Common Element is involved. If the collection of any such rents, profits and revenues derived from the General Common Elements, together with the General Common Charges and any General Special Assessments, exceeds the Common Expenses for such year (such excess being referred to as a "General Excess"), or if the collection of any such rents, profits and revenues derived from the Residential Common Elements, together with the Residential Common Charges and any Residential Special Assessments, exceeds the Residential Common Expenses for such year (such excess being referred to as a "Residential Excess"), or if the collection of any such rents, profits and revenues derived from the Commercial Common Elements, together with the Commercial Common Charges and any Commercial Special Assessments, exceeds the Commercial Common Expenses for such year (such excess being referred to as a "Residential Excess"); then any such General Excess shall be applied by the Condominium Board against the Common Expenses for the next succeeding year of operation, any such Residential Excess shall be applied by the Residential Board against the Residential Common Expenses for the next succeeding year of operation, and any such Commercial Excess shall be applied by the Commercial Board against the Commercial Common Expenses for the next succeeding year of operation; and no Unit Owner shall be entitled to a distribution of any portion of any such General Excess, Residential Excess or Commercial Excess unless the Condominium Board shall determine to distribute all or part of any such General Excess to all Unit Owners pro rata in proportion to their respective Common Interests, the Residential Board shall determine to distribute all or part of any such Residential Excess to all Residential Unit Owners pro rata in proportion to their respective Residential Common Interests or the Commercial Board shall determine to distribute all or part of any such Commercial Excess to all Commercial Unit Owners pro rata in proportion to their respective Commercial Common Interests. 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 In addition to their foregoing duties to determine the amounts of Common Charges:

6.1.6.1 The Condominium Board shall have the right, subject, in all respects, to the restrictions contained in Section 2.3 hereof, to levy General Special Assessments against all Unit Owners, which shall be allocated among the Unit Owners in the same manner as General Common Charges and which may be payable in either one lump sum or in installments, as the Condominium Board determines; provided, however, that the Condominium Board shall give each Unit Owner not less than fifteen (15) days' written notice prior to the date upon which any such General Special Assessment, or the first installment thereof, is due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof.

6.1.6.2 the Residential Board shall have the right, subject, in all respects, to the restrictions contained in Section 2.3 hereof, to levy Residential Special Assessments against the Residential Unit Owners, which shall be allocated among the Residential Unit Owners in the same manner as Residential Common Charges and which may be payable in either one lump sum or in installments, as the Residential Board determines; provided, however, that the Residential Board shall give each Residential Unit Owner not less than fifteen (15) days' written notice prior to the date upon which any such Residential Special Assessment, or the first installation thereof, is due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof.

6.1.6.3 The Commercial Board shall have the right, subject, in all respects, to the restrictions contained in Section 2.3 hereof, to levy Commercial Special Assessments against the Commercial Unit Owners, which shall be allocated among the Commercial Unit Owners in the same manner as Commercial Common Charges and which may be payable in either one lump sum or in installments, as the Commercial Board determines; provided, however, that the Commercial Board shall give each Commercial Unit Owner not less than fifteen (15) days' written notice prior to the date upon which any such Commercial Special Assessment, or the first installation thereof, is due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof.

Each Board shall have all rights and remedies for the collection of the General, Residential or Commercial Special Assessments, as the case may be, as are provided herein for the collection of the General, Residential or Commercial Common Charges, as the case may be (including, without limitation, the provisions of Sections 6.6 and 6.7 hereof).

6.1.7 Notwithstanding anything to the contrary herein, no part of the net earnings of the Condominium may inure to the benefit of any Unit Owner or individual, 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.

6.1.8 If any Unit Owner disputes the allocation of Common Charges or Special Assessments made by any Board pursuant to Section 6.1.1, Section 6.1.2, Section 6.1.3, Section 6.1.6.1, Section 6.1.6.2 or Section 6.1.6.3, such dispute shall be determined by Arbitration.

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, insuring the entire Building, 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) loss of income insurance (Common Charges); (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 to be necessary; (f) water damage insurance to the extent, if any, determined by the Condominium Board to be necessary; (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; (j) commercial umbrella insurance; and (k) such other insurance as the Condominium Board may from time to time determine to be necessary or appropriate. 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 Owners 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 regarding premiums 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 the Insurance Trustee. 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.

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 each Board, the officers thereof, the Managing Agents thereof, the employees of each Board and the Condominium, each Board member and each Unit Owner; except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's Unit or within the Residential Limited Common Elements or Commercial Limited Common Elements, if any, appurtenant to such Unit Owner's 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 combined single limits of liability of $1,000,000 for bodily injury or death arising out of any one occurrence, plus at least $2,000,000 umbrella liability coverage. Such limits of liability 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. Subject to the requirements herein, Unit Owners shall not be prohibited from carrying other insurance for their own benefit, at their own expense, and the Board shall not be prohibited from carrying additional insurance; provided, however, that all policies of insurance obtained by any Unit Owner with respect to occurrences within or about a Unit or the Common Elements appurtenant thereto shall contain a waiver of the insurer's rights of subrogation against the Board. The liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. To the extent any party is insured, or required to be insured for loss or damage to property hereunder, such party will look to its own insurance policies for recovery. Notwithstanding the foregoing, the insurance that is procured by a Commercial Unit Owner may be part of blanket policies covering the Commercial Unit owned

by such Commercial Unit Owner and other properties owned or operated by such Commercial Unit Owner or its affiliates. Further, a Commercial Unit Owner may elect to self insure for any of the coverages provided for as long as it customarily employs self insurance in other locations owned or operated by it and it maintains a net worth of $50,000,000, multiplied by the CPI Factor.

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 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 or any part thereof 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 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 Residential 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 Units 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 Subsection 6.1.1 or shared by all Unit Owners in proportion to their respective 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 that are not Permitted Mortgages) on any such Unit in the order or priority of such liens.

6.3.2 Unless the Unit Owners have elected not to restore the Building as provided in Subsection 6.3.3, damage or destruction to a Unit or a Limited Common Element as a result of fire or other casualty shall be promptly repaired and reconstructed by the owner of the affected Units to the extent that such repair or reconstruction does not involve Common

Elements the repair or reconstruction of which is the obligation of the Condominium Board, the Residential Board or the Commercial Board as provided in Subsection 6.3.1. If a Unit Owner fails to repair or reconstruct such Unit Owner's Unit, the Condominium Board may cause the Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be charged to the defaulting Unit Owner as a General Special Assessment.

6.3.3 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 such Unit Owner's share of such funds, such amounts as may be necessary to discharge or reduce all unpaid liens on such Unit Owner's Unit (other than mortgages that 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.

6.3.4 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 All Unit Owners shall be obligated to pay to the Condominium Board the General Common Charges and General Special Assessments assessed 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 shall be obligated to pay Residential Common Charges and Residential Special Assessments assessed by the Residential Board pursuant to the provisions of Section 6.1 at such time or times as the Residential Board determines. All Commercial Unit Owners shall be obligated to pay Commercial Common Charges and Commercial Special Assessments assessed by the Commercial Board pursuant to the provisions of Section 6.1 at such time or times as the Commercial Board determines. The Condominium Board may designate either or both the Residential Board and the Commercial Board to act as its agent to collect General Common Charges and General Special Assessments from the Residential Unit Owners and the Commercial Unit Owners, as applicable. The Residential Board or the Commercial Board (or both such Boards) may designate the Condominium Board to act as its agent to collect Residential Common Charges, Residential Special Assessments, Commercial Common Charges and Commercial Special Assessments, as applicable. 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 or Special Assessments assessed against such Unit Owner's Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit

together with its Appurtenant Interest. Any Unit Owner may, subject to the terms and conditions of these By-Laws, convey for no consideration such Unit together with its Appurtenant Interest, to the Condominium Board or its designee, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Common Charges and Special Assessments thereafter accruing, provided, however, 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 Special Assessments (provided that no amounts are owing under any such lien), and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit. A purchaser of a Unit shall be liable for the payment of Common Charges and any Special Assessments accrued and unpaid against such Unit prior to the acquisition by such purchaser 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 and any Special Assessments 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 and Special Assessments assessed against such Unit that accrued prior to such sale. Except to the extent prohibited by law, (x) the Condominium Board, on behalf of all Unit Owners, shall have a lien on each Unit for unpaid General Common Charges and General Special Assessments, together with interest thereon, assessed against such Unit; (y) the Residential Board, on behalf of all Residential Unit Owners, shall have a lien on each Residential Unit for unpaid Residential Common Charges and Residential Special Assessments, together with interest thereon, assessed against such Residential Unit; and (z) the Commercial Board, on behalf of all Commercial Unit Owners, shall have a lien on each Commercial Unit for unpaid Commercial Common Charges and Commercial Special Assessments, together with interest thereon, assessed against such Commercial Unit.

6.4.3 All liens provided for in Subsection 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 Subsection 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 or Special Assessments against such Residential Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Residential Board regarding such unpaid Common Charges or Special Assessments.

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 Subsection 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 that 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 or Special Assessments within ten days of the date on which they are due (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of $150.00 or 4% of such unpaid amount, and (b) interest on such unpaid amounts at the rate of two percent 2% per month (but in no event in excess of the maximum rate permitted by law), 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 Special Assessments or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges or Special Assessments as provided in Section 339-z of the 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; provided, however, that such alternate fees do not exceed the maximum rate permitted by law.

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 or Special Assessments, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of such Unit Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect such rent. 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 Commercial Unit at the foreclosure sale thereof, and to acquire, hold, lease, mortgage, convey or otherwise deal with such Residential Unit or such Commercial Unit, as the case may be (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money judgment for unpaid Common Charges or Special Assessments 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, and advertising costs, brokerage commissions and other costs and expenses incurred in connection with the sale or rental of such Unit) 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 Commercial Board, at the request of Declarant, will enter into an agreement with any tenant with which Declarant has entered into a lease for any of the Commercial Units. Under the terms of such agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration, and the Condominium Board and the Commercial Board 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 lien of either the Condominium Board or the

Commercial Board on a Commercial Unit for Common Charges or any other sums of any sort, and the Condominium Board and the Commercial Board 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 any such lien or in the exercise of any rights of the Condominium Board or the Commercial Board, or, in case the Condominium Board or the Commercial Board takes possession of the Commercial Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided, however, that if the Condominium Board or the Commercial 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 and Special Assessments 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 as a General Common Expense to the Residential Unit Owners and the Commercial Unit Owners; (c) in or to the Residential Common Elements shall be made by the Residential Board and the cost and expense thereof shall be charged as a Residential Common Expense to all Residential Unit Owners; (d) in or to the Residential Limited Common Elements shall be made by the Residential Board and the cost and expense thereof shall be charged as a Residential Common Expense to the Residential Unit Owners who benefit from such Residential Limited Common Elements; (e) in or to the Commercial Common Elements shall be made by the Commercial Board and the cost and expense thereof shall be charged as a Commercial Common Expense to all Commercial Unit Owners; and (f) in or to the Commercial Limited Common Elements shall be made by the Commercial Board and the cost and expense thereof shall be charged as a Commercial Common Expense to the Commercial Unit Owners who benefit from such Commercial Limited Common Elements.

6.9.2 Notwithstanding the provisions of Subsection 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 or any guest, agent, licensee, tenant or invitee of a 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 all 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 written consent of the Residential Board. The Residential Board may establish such other rules and regulations as it deems necessary to protect the Residential Section, and the Condominium Board may establish such rules and regulations as it deems necessary to protect the Commercial Section, the General Common Elements and the health and safety of the occupants of the Building.

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 Units shall be washed and cleaned by the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense.

6.9.2.4 The exterior of all front doors of Residential Units shall not be painted or decorated, except with the written consent of the Residential Board.

6.9.3 Each Unit and all portions of the Common Elements shall be kept in first-class condition (and, with respect to any terrace, 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, whoever or 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 Owners, with respect to the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in their respective Commercial Units; 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 such Unit Owner's Unit. Notwithstanding anything to the contrary set forth above, the Condominium Board shall not, without the consent of the Commercial Unit Owner, decrease the level of services (including, but not limited to, heating and cooling) supplied to such Commercial Unit Owner's Commercial Unit as of the date of the filing of the Declaration.

6.9.4 In the event of an emergency affecting (i) the Residential Section, the Condominium employees and the Commercial Section employees, if any, will assist the Residential Section employees, if any; or (ii) the Commercial Section, the Condominium employees and the Residential Section employees, if any, will assist the Commercial Section employees, if any. The costs incurred in remedying any such emergency shall be appropriately allocated to whichever of the Residential Section and the Commercial Section receives the benefit of such assistance.

6.9.5 For purposes of this Article 6, an "emergency" shall mean any condition requiring immediate repair or replacement for the preservation or safety of the Building or for the safety of occupants of the Building or other persons, or to avoid the suspension of any necessary service in the Building.

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 Residential Unit as provided in this Article 6 or of any Residential Limited Common Element for which such Residential 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 (or sooner in the case of emergency), cures such default, or in the case of default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, 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 Residential 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 its Commercial Unit as provided in this Article 6 or of any Commercial Limited Common Element for which such Commercial Unit Owner is responsible under the Declaration or these By-Laws, 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 such 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 such Commercial Unit Owner does not promptly act or complete the repair or replacement, and (b) such Commercial Unit Owner, within five days after receiving such notice (or sooner in the case of emergency), 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 by the Commercial Board 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 Commercial Board first incurs any cost or expense (but in no event in excess of 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. In the event that the Commercial Unit Owner disputes its obligation to pay any such Commercial Common Charges or disputes the amount of such charge, the Commercial Board shall have the right to submit such dispute to Arbitration. Such 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 such Commercial Unit Owner, (ii) such 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. The Commercial Board shall be solely responsible for the quality of any repair or replacement performed by it pursuant to this Subsection 6.10.2 and for the proper completion thereof. The Commercial Board shall indemnify such Commercial Unit Owner and hold it harmless from and against any and all claims, costs, expenses or liabilities whatsoever, including reasonable counsel fees, incurred by such Commercial Unit Owner in connection with any such painting, decorating, maintenance, repair or replacement; but not for any claims, costs, expenses or liabilities relating to, arising from, or in connection with the existence of the condition requiring such painting, decorating, maintenance, repair or replacement.

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 such Unit Owner's Unit without the prior written approval of the Residential Board for Residential Units, or the Commercial Board for Commercial Units. 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 Board for its costs incurred in reviewing or supervising the aforesaid work. Notwithstanding anything to the contrary contained in this 6.11.1, neither Declarant nor a Permitted Mortgagee (nor its designee or assignee) of Declarant 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, related thereto, or in connection therewith.

6.11.3 Any application by a Unit Owner 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 (if such approval is required) 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; and the Unit Owner shall indemnify and hold harmless the Boards, collectively and severally, from and against any claims, costs, expenses and liabilities whatsoever (including attorneys' fees) arising therefrom, related thereto and/or in connection therewith. 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 Residential Units, Commercial Units 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 Applicable 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.

6.12 **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 Common Elements, any Residential Common Elements or Residential Limited Common Elements, or any Commercial Common Elements or Commercial Limited Common Elements shall be made by the Condominium Board or the Residential Board or the Commercial Board, as the case may be. Whenever in the judgment of the Condominium Board, the Residential Board or the Commercial Board, as the case may be, the cost of any alteration, addition, improvement or repair would exceed $100,000, multiplied by

the CPI Factor, in the aggregate in any calendar year (except if such alteration, addition, improvement or repair is provided for in a duly approved budget), then such proposed alteration, addition, improvement or repair shall not be made unless first approved by a Majority of Unit Owners, a Majority of Residential Unit Owners or a Majority of Commercial Unit Owners, as the case may be, who shall be required to bear the cost and expense thereof as aforesaid and by the Residential Mortgage Representatives, if any, with respect to alterations, additions, improvements or repairs made by the Residential Board. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions, improvements or repairs costing in the aggregate $100,000, multiplied by the CPI Factor, or less in any calendar year may be made as aforesaid without the approval of the Unit Owners or said Mortgage Representatives.

6.13 **Use of the Units.**

6.13.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 6.13 and as otherwise expressly provided in the Declaration or these By-Laws.

6.13.2 Subject to the terms of Subsections 6.13.3 and 6.13.4, a Residential Unit shall be used only as a residence, and not more than one family may occupy a Residential Unit at any one time. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other Person may be occupied only by such individual, or by an officer, director, stockholder or employee of such corporation, or by a partner or employee of such partnership, or by an individual member or employee of such limited liability company, or by an officer, director, stockholder, partner, employee or individual member of any corporate, partnership or limited-liability-company member of such limited liability company, or by such fiduciary, if an individual (or by an officer, director, stockholder or employee of a corporate fiduciary, or by a partner or employee of a partnership fiduciary or by a member or employee of a limited-liability-company fiduciary), or by the beneficiary of such fiduciary, or by a principal or employee of such other Person, respectively, or by Family Members or guests of any of the foregoing (however, nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests). Notwithstanding the foregoing, Declarant (or, when Declarant no longer owns any Residential Units, the Residential Board) may, in its sole discretion, permit Persons other than those set forth above to occupy a Unit. In no event, however, shall a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this Subsection 6.13.2) may be accommodated therein.

6.13.3 Notwithstanding anything to the contrary contained in this Section 6.13, the Residential Board may, in its sole discretion, without the consent of any other Board or any Unit Owners, at the request of a Residential Unit Owner, consent to the use of the Residential Unit owned by such Residential Unit Owner as a professional or business office, or for any home occupation use or for any purpose, provided that the nature and manner of such use complies with Applicable Law, does not violate the certificate of occupancy of the Building, and does not adversely affect the use and enjoyment of neighboring or adjacent Residential Units for

residential purposes or impose undue burdens on any building systems or staff. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Residential Unit Owner shall be required to obtain the prior written consent of the Declarant or the Residential Board (as the case may be) before using such Residential Unit for any purpose other than that set forth in Subsection 6.13.2.

6.13.4 Notwithstanding anything to the contrary contained in this Section 6.13, the Declarant may, without the consent of any Board or Unit Owners, use or grant permission for the use of any of its Residential Units as a professional or business office or for any other purpose, including, without limitation, use of any one or more of its Units as model units and offices for the sales, promotions, management and operation of its Units, or lease its Units to third parties for their occupancy, provided only that the nature and manner of such use complies with Applicable Law and does not violate the certificate of occupancy of the Building.

6.13.5 Except as otherwise provided in the Declaration or these By-Laws, a Commercial Unit may be used for any lawful purpose including, without limitation, as a parking garage, department or other retail store or outlet, storage facility, theater, bank, restaurant or commercial or professional office or studio; except that no Commercial Unit may be used (a) for any illegal or pornographic purposes or (b) as a commercial establishment in which are provided sex-related activities consisting of nude or semi-nude live performances, sex clubs, massage parlors, adult book stores, peep shows or (c) as a homeless shelter or (d) as a drug or alcohol rehabilitation facility. Nor shall the Commercial Unit designated on Exhibit B annexed hereto as Commercial Unit #2 be used as a so-called "quick-service" restaurant (except that this restriction shall no longer apply if, after title to the Commercial Unit designated on Exhibit B annexed hereto as Commercial Unit #1 is conveyed to McDonald's Corporation or its affiliate, such Commercial Unit ceases to be owned by McDonald's Corporation or its affiliate). A diner or coffee store of the type operated by Starbucks on the date of this Declaration shall be deemed not to be a "quick-service" restaurant.

6.13.6 No sale of any Commercial Unit or lease or sublease of all or any portion of any Commercial Unit shall be deemed to adversely affect the Residential Section.

6.14 **Use of Common Elements.**

6.14.1 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 and capable.

6.14.2 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.

6.14.3 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.

6.14.4 In the event that the Condominium Board erects a sidewalk bridge or other scaffolding at the Building, such sidewalk bridge or other scaffolding shall be "double height" and may not contain advertising of a business or person (other than Declarant) not occupying space in the Building. Further, the Condominium Board shall give due regard to the use of the Commercial Units at the time in question and shall use best efforts to (i) minimize any disruption to the use of such Commercial Units and (ii) not restrict ingress or egress through the exterior doorways to the Commercial Units. In furtherance thereof, the Condominium Board agrees to consult with the Commercial Unit Owners prior to the installation of such sidewalk bridge or other scaffolding and to permit the Commercial Unit Owners to install, at their cost and expense, signs upon the sidewalk bridge and scaffolding.

6.14.5 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 Owners, including, but not limited to, the tenants and occupants of any portion of the Commercial Units or their respective licensees or invitees.

6.14.6 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 or 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 that 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 its Residential Units to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by clauses (a) and (b) above.

6.15 **Other Provisions as to Use.**

6.15.1 No nuisance shall be allowed in the Residential Section, nor shall any use or practice be allowed in the Residential Section that either is a source of annoyance to the residents, tenants or other occupants of the Property or that interferes with the peaceful

possession or proper use of the Property by its residents, tenants or other occupants. No immoral, improper, offensive or unlawful use shall be made of the Residential Section or any portion thereof.

6.15.2 No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that shall result in the cancellation of insurance on the Property or the contents thereof or that would be in violation of any Applicable Law. No waste shall be committed in the Common Elements.

6.15.3 Nothing shall be done in any Unit or in, on or to the Common Elements that would impair the structural integrity of the Property or structurally change any one or more Buildings, except as is otherwise expressly provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

6.15.4 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.

6.16 **Right of Access.**

6.16.1 The Commercial Unit Owners shall, upon the same terms and conditions as set forth in 6.23.1, grant a right of access to the Commercial Units to each of the Boards, the Managing Agents, the resident manager or superintendent and/or any other Person authorized by any of the foregoing for the purpose of: making inspections of, or removing violations noted or issued by any governmental authority against the General Common Elements or the Limited Common Elements or any other part of the Property; curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner; correcting any conditions originating in such Unit Owner's Unit or any other Unit in the Building; or correcting any condition that violates the provisions of any Permitted Mortgage covering another Unit; provided, however, that requests for any such access 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 Units 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.

6.16.2 A Unit Owner shall grant a right of access to such Unit Owner's Unit, and the appropriate Boards shall grant rights of access to the General Common Elements and the Limited Common Elements, to Declarant and its contractors, subcontractors, architects, engineers, 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.

6.17 **Rules and Regulations.** Annexed hereto as Schedule A and made a part hereof are the Rules and Regulations. The Residential Board may from time to time, modify, amend or add to the Rules and Regulations as they affect the Residential Section, 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, from time to time, modify, amend or add to the Rules and Regulations as they affect the use of the Commercial Units and the Commercial Common Elements, except that a Majority of Commercial Unit Owners may overrule said Board with respect to any adoption, modification, amendment or addition affecting such Commercial Unit Owners. The Condominium Board may, from time to time, modify, amend or add to the Rules and Regulations as they affect 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.

6.18 **Real Estate Taxes, Water Charges and Sewer Rents.** Water and sewer services for the Building shall be supplied by the City of New York. Except to the extent real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the proper authorities, the Condominium Board shall promptly pay such taxes, charges and rents as a General Common Expense. To the extent that a meter measures the water consumption to an individual Unit only, the owner of that Unit shall be solely responsible for the cost thereof. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes, water charges and sewer rents) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such Unit Owner's Unit to the date of the closing of title to such Unit.

6.19 **Fuel.** The cost and expense of fuel for heating the Building shall be paid by the Condominium Board and charged to the Unit Owners as a General Common Expense.

6.20 **Gas.** The charges for gas consumed or used in the Building to service or benefit the General Common Elements and for cooking in the Units shall be paid by the Condominium Board as a General Common Expense.

6.21 **Electricity.** Electricity shall be supplied to each Unit through a separate meter for such Unit, and each Unit Owner shall be required to pay directly to the utility company all charges for electricity consumed or used in his Unit or any Residential Limited Common Elements or Commercial Limited Common Elements appurtenant thereto. However, the Condominium Board shall have the right, exercisable in its sole discretion, to require that electricity be supplied to the Condominium through one or more common meters. In such an event, the cost thereof shall be borne by each Unit Owner based upon the consumption or usage of electricity in his Unit, as determined by sub-metering, survey, or any other reasonable method prescribed by the Condominium Board and permitted by Applicable Law, and shall be payable either to the Condominium Board or to the utility company servicing the Buildings, as directed by the Condominium Board.

6.22 **Utilities Serving the General Common Elements.** Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, steam, electricity and gas serving or benefiting any General Common Element shall be (a) determined by the Condominium Board, (b) considered part of the expense of maintaining such General Common Element, and (c) charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense. Any dispute as to the amount of such cost or expense shall be determined by Arbitration.

6.23 **Abatement and Enjoinment of Violations by Unit Owners.**

6.23.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give (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 following rights, in addition to such other rights set forth in these By-Laws: (i) the right 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(s), 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, and (ii) the right to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, any such violation or breach.

6.23.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations, or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant shall give to Declarant 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, any such violation or breach.

ARTICLE 7

MORTGAGES

7.1 **Notice to Boards.** Each Unit Owner shall have the right to mortgage his Unit, subject only to the terms and conditions contained in Section 7.2 hereof. A Residential Unit Owner who mortgages such Residential Unit Owner's Residential Unit, or the holder of any mortgage encumbering such Residential Unit, shall notify the Residential Board of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with such Board. A mortgage encumbering a Residential Unit shall be substantially in the form of the New York Board of Title Underwriters or such other forms customarily used by lenders making loans secured by individual residential condominium units. Such Residential Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against such Residential Unit Owner's Residential Unit other than Permitted Mortgages. A Residential Unit Owner who satisfies a mortgage covering such Residential Unit Owner's Residential Unit shall so notify the Residential Board and shall file a conformed copy of the satisfaction of mortgage with such

Board. The Residential Board shall maintain such information in a book entitled "Mortgages of Units."

7.2 **Restrictions on Mortgaging.**

7.2.1 No Unit Owner shall be permitted to mortgage, pledge or hypothecate his Unit unless and until he has paid in full to the appropriate Board all unpaid Common Charges and Special Assessments theretofore assessed by such Board against such Residential Unit and has satisfied all unpaid liens against such Residential Unit, other than liens of Permitted Mortgages.

7.2.2 No Unit Owner shall execute any mortgage or other document mortgaging, pledging or hypothecating title to his Unit without including therein its Appurtenant Interest, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

7.3 **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, Residential Special Assessments, Commercial Common Charges or Commercial Special Assessments, as the case may be, or any other default by the owner of such Unit under the provisions of the Declaration or these By-Laws that 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. However, the no Board shall have any liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by his mortgagor under the provisions of the Declaration or these By-Laws, provided that (a) such Board advises such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if such Board forecloses a lien on such mortgagor's Unit pursuant to the terms of Section 6.7 hereof by reason of such default, such Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to such Board pursuant to the Declaration and these By-Laws) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

7.4 **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.

7.5 **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.

7.6 **Representatives of Mortgagees.**

7.6.1 In the manner more particularly set forth in Subsection 7.6.2, the holders of Permitted Residential Mortgages (as hereinafter defined) may, at their election, designate one or more (but not more than three) representatives ("Residential Mortgage Representatives"), who shall be empowered to act on behalf of all holders of Permitted Residential Mortgages with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Residential Mortgage Representatives are so designated and notice thereof is given to the Residential Board, the act of any such Representative (or a majority of such Representatives, if more than one is so designated) shall be deemed binding upon the holders of all Permitted Residential Mortgages. As used herein, the term "Permitted Residential Mortgage" means a Permitted Mortgage (defined below) covering one or more Residential Units. As used herein the term "Permitted Mortgage" means (a) any first mortgage covering one or more Units, the holder of which is (i) Declarant, (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust, (iii) a federal, state, municipal, teachers' or union employees' welfare, pension or retirement fund or system having assets in excess of $300,000,000, in each case doing business in the State of New York, or (iv) any Government Authority; and (b) any first mortgage covering any one or more Units owned by Declarant.

7.6.2 Any designation of a Residential Mortgage Representative made by the holders of Permitted Residential Mortgages the then-outstanding principal balances of which, in the aggregate exceed 50% of the then-outstanding principal balances of all Permitted Residential Mortgages shall be binding upon the holders of all Permitted Residential Mortgages. Any such designation of any Residential 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, Permitted Mortgagees other than holders of Permitted Residential Mortgages shall have no right to participate in the selection of Residential Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Residential Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.7 **Consent of Mortgagees.** Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to 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 its mortgagor.

ARTICLE 8

SELLING AND LEASING OF UNITS

8.1 **General**. Subject to the terms of Section 8.6 hereof, no Residential Unit Owner may sell or lease his Residential Unit except in compliance with the applicable provisions of this Article 8. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Residential Board, and, if the Residential Board so elects, the selling or leasing Residential Unit Owner shall be deemed to have authorized and empowered the Residential Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of such Residential Unit Owner as the owner or landlord, as the case may be. Such Residential Unit Owner shall reimburse the Residential Board for all costs and expenses paid or incurred in connection with such proceedings, including without limitation attorneys' fees and expenses and court costs.

8.2 **Right of First Refusal.**

8.2.1 Subject to the terms of Sections 8.6 and 8.10 hereof, any contract to sell a Residential Unit together with its Appurtenant Interest and any lease of a Unit (a "Sale or Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE RESIDENTIAL BOARD OF GRAMERCY STAR CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF ARTICLE 8 OF THE BY-LAWS OF SUCH CONDOMINIUM, AS SAME MAY BE AMENDED FROM. TIME TO TIME." Promptly after any such contract of sale or lease is fully executed by a Residential Unit Owner (the "Offeree Unit Owner"), he shall send written notice thereof to the Residential Board by certified or registered mail, return receipt requested, accompanied by a fully-executed, original counterpart of the contract of sale or the lease, as the case may be, containing all the terms offered in good faith by the prospective purchaser or tenant (the "Outside Offeror").

8.2.2 The sending of the notice referred to in Subsection 8.2.1 will constitute an offer by the Offeree Unit Owner to sell his Residential Unit, together with its Appurtenant Interest, or to lease his Unit, as the case may be, to the Residential Board or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to any variance therefrom provided in Section 8.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Residential Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Residential Board, the Offeree Unit Owner shall submit to the Residential Board, in writing, such further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Residential Board may reasonably request.

8.2.3 Not later than thirty (30) days after receipt of such notice together with such information as may have been requested pursuant to the terms of Subsection 8.2.2, the Residential Board may elect, by sending written notice thereof by certified or registered mail, return receipt requested, to the Offeree Unit Owner before the expiration of such thirty (30)-day period, to purchase such Residential Unit together with its Appurtenant Interest or to lease such Residential Unit, as the case may be (or to cause such Residential Unit to be purchased or leased by the Residential Board's designee, corporate or otherwise) on behalf of all Residential Unit Owners upon the same terms and conditions as contained in the Sale or Lease Agreement and stated in the response by the Offeree Unit Owner to any requests for additional information pursuant to the terms of Subsection 8.2.2. Notwithstanding anything to the contrary contained herein, the Residential Board shall not exercise any option set forth in this Section 8.2 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 any such option without prior approval of a Majority of Residential Unit Owners. The Residential Board may not discriminate against any person because of sex, race, creed, color, national origin, ancestry, or other ground prohibited by Applicable Law in connection with the exercise of its option to purchase or lease such Residential Unit.

8.3 **Acceptance of Offer.**

8.3.1 If the Condominium Board elects, within the time and in the manner provided in Section 8.2 hereof, to purchase a Residential Unit together with its Appurtenant Interest, to lease such Residential Unit, or to cause such Residential Unit to be purchased or leased by the Residential Board's designee, title shall close or a lease shall be executed, in either event in accordance with the term of the Sale or Lease Agreement at the office of the Managing Agent or at the office of the attorneys for the Condominium as directed by the Residential Board, within forty-five (45) days after the day upon which the Residential Board gives notice of its election to accept such offer; provided, however, that in the event that the closing date or commencement date of the term of the lease, as the case may be, as set forth in the Sale or Lease Agreement, is later than forty-five (45) days after the giving of notice by the Residential Board of its election to accept the aforesaid offer, the Residential Board shall be required to perform or cause to be performed all of the terms of the Sale or Lease Agreement (except as otherwise expressly set forth in this Article 8), including, but not limited to, payment of a down payment or advance rentals and security deposits, or closing of title or acceptance of occupancy, 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 Sale or Lease Agreement as the intended closing date or commencement date, as the case may be.

8.3.2 If such Unit and its Appurtenant Interest are to be purchased by the Residential Board or its designee on behalf of all Residential Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Residential Board. If the funds in such accounts are insufficient to effectuate such purchase, the Residential Board may levy a Residential Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of Subsection 6.1.6.1 hereof and/or the Residential Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that no such financing may be secured by an encumbrance on or a

hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its Appurtenant Interest. In addition, if the Outside Offeror was to assume or to take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale or Lease Agreement, the Residential Board may purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages, as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interest, to the Residential Board or to its designee, on behalf of all Residential Unit Owners, by deed in the form required by Section 339-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Real estate taxes (including water and sewer charges, if separately assessed), mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Residential Board or its designee as of the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Thereafter, such Residential Unit shall be held, while owned by the Residential Board or its designee, on behalf of all Residential Unit Owners, as tenants in common, and all such Residential Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit and the entire Property, as herein provided.

8.3.3 If such Residential Unit is to be leased by the Residential Board or its designee on behalf of all Residential Unit Owners, the Offeree Unit Owner shall execute and deliver to the Residential Board or such designee a lease covering such Residential Unit by and between the Offeree Unit Owner, as landlord, and the Residential Board or such designee, as tenant. Such lease shall be in the then-current form of apartment lease recommended by the Real Estate Board of New York, Inc., and will contain all the terms and conditions of the Sale or Lease Agreement that are not in conflict with such form of lease (including, but not limited to, the rental and term provided for therein) or that, if they are in conflict with such form of lease, the Residential Board is willing, in its sole and absolute discretion, to accept. Notwithstanding anything to the contrary set forth hereinabove or in the Sale or Lease Agreement, however, such lease shall expressly provide that the Residential Board or such designee may enter into a sublease of the premises demised thereunder without the consent of the landlord.

8.4 **Failure to Accept Offer.**

8.4.1 If the Residential Board fails to accept an offer made pursuant to the terms of Section 8.2. hereof within the time period set forth in Subsection 8.2.3, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within ninety (90) days after (i) notice of refusal is sent to the Offeree Unit Owner by the Residential Board or (ii) the expiration of the period within which the Residential Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner fails to consummate the transaction embodied in the Sale or Lease Agreement within such ninety (90)-day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Unit together with its Appurtenant Interest or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all the terms and provisions of Sections 8.2, 8.3 and 8.4 hereof.

8.4.2 Any deed of a Residential Unit and its Appurtenant Interest to an Outside Offeror shall expressly provide, or, in the absence of such provision, shall be conclusively deemed to provide, that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.4.3 Each lease of a Residential Unit to an Outside Offeror shall be in the then-current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board. Notwithstanding the foregoing, each such lease shall be consistent with the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time, and shall expressly provide that:

8.4.3.1 such lease may not be amended, modified or extended without the prior written consent of the Residential Board;

8.4.3.2 the tenant thereunder shall not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Residential Board; and

8.4.3.3 the Residential Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

8.5 **Termination of the Right of First Refusal.** A certificate executed and acknowledged by the Secretary of the Residential Board or the Managing Agent, stating that the provisions of Section 8.2 hereof have been met by a Residential Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Residential Board and that, as a result thereof, the rights of the Residential Board thereunder have terminated, shall be conclusive upon the Residential Board and all Residential Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Residential Unit may be conveyed (together with Appurtenant Interests) or leased free and clear of the terms and conditions contained in Section 8.2 hereof. The Residential Board shall furnish or cause the Managing Agent to furnish, without charge, such certificate upon written request to any Residential Unit Owner in respect to whom the provisions of Section 8.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 8.2 hereof be deemed released or waived by the Residential Board (as opposed to satisfied pursuant to the express terms of Sections 8.2, 8.3 and 8.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the Residential Board or the Managing Agent as aforesaid.

8.6 **Exceptions to the Right of First Refusal.** The terms and conditions in Sections 8.2, 8.3 and 8.4 hereof shall not apply with respect to any sale, together with its Appurtenant Interest, or lease of a Residential Unit, by:

8.6.1.1 the owner of such Residential Unit to any of his adult Family Members (individually or in any combination), or to a trust for the benefit of any of them or, in the case of a Residential Unit Owner that is not an individual, to any Affiliate of such Residential Unit Owner;

8.6.1.2 the Declarant or any Affiliate of the Declarant;

8.6.1.3 the Residential Board;

8.6.1.4 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 by the Residential Unit Owner delivering a deed in lieu of such foreclosure;

8.6.1.5 any Permitted Mortgagee or his nominee who has acquired title to any Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; or

8.6.1.6 in accordance with the provisions of Section 8.10 hereof;

provided however, that each succeeding Residential Unit Owner shall be bound by, and his Residential Unit shall be subject to, all of the terms and conditions of this Article 8. For the purposes hereof, the term "Affiliate" shall mean, with respect to any Person, an entity or individual that owns more than fifty percent (50%) of the legal and beneficial interest of such Person and to any entity with respect to which such Person owns more than fifty percent (50%) of the legal and beneficial interest thereof.

8.7 **No Severance of Ownership**. No Unit Owner shall execute any deed or other instrument conveying title to his Unit without including therein its Appurtenant Interest, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interest of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance or other disposition of such part of the Appurtenant Interests of all Units.

8.8 **Payment of Common Charges**. No Residential Unit Owner shall be permitted to convey or lease his Residential Unit unless and until he has paid in full to the appropriate Board all unpaid Common Charges and Special Assessments theretofore assessed by such Board against such Residential Unit and has satisfied all unpaid liens against such Residential Unit, other than liens of Permitted Mortgages.

8.9 **Power of Attorney**. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his title insurance company (or, if no such representative is present, to the Declarant, or, if the

Declarant is not then the owner of any Unit, to the Residential Board), for recording in the Register's Office, a power of attorney as required in Article 15 of the Declaration.

8.10 **Gifts and Devises, Etc.** Any Residential Unit Owner shall be free to convey or transfer his Residential Unit, together with its Appurtenant Interest, by gift, or to devise such Unit by will or to have it pass by intestacy, without restriction; provided, however, that each succeeding Residential Unit Owner shall be bound by, and his Residential Unit shall be subject to, the provisions of this Article 8.

8.11 **Charges Imposed on Sale or Lease of Residential Units.**

8.11.1 If not prohibited by Applicable Law, the Residential Board shall have the right and authority to fix by resolution and collect, before any sale or lease of a Residential Unit is consummated, a reasonable charge to cover its expenses, including payment of any fees due to the Managing Agent or any attorney retained by the Residential Board, in connection with such sale or lease. If any such charge is adopted, it shall be added to and constitute Residential Common Charges payable by the selling or leasing Residential Unit Owner. Such charge shall not be fixed or collected for any sale or lease that is exempted under Section 8.6 hereof from the provisions of Sections 8.2, 8.3 and 8.4 hereof.

8.11.2 In addition, if not prohibited by Applicable Law, and if approved by two-thirds of its members, the Residential Board shall have the right to impose a transfer fee (or so-called "flip-tax") to be payable upon the sale of a Residential Unit, in such amount as shall be determined by the Residential Board from time to time with the approval of two-thirds of the members of the Residential Board, except that no such fee shall be payable on a sale or transfer that is exempted under Section 8.6 hereof from the provisions of Sections 8.2, 8.3 and 8.4 hereof. If any such fee is adopted, it shall be added to and constitute Residential Common Charges payable by the Offeree Unit Owner. Notwithstanding the foregoing, such fee shall not be collected from an Offeree Unit Owner if the right of first refusal is exercised by the Residential Board pursuant to Section 8.2 hereof.

8.12 **Notices Concerning Residential Unit Occupancy and Changes in Ownership.** Within five (5) days following acquisition of a Residential Unit or the commencement of a lease relating thereto, the new Unit Owner or the lessor, as the case may be, shall notify the Managing Agent of the Residential Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by these By-Laws, who will be using or occupying the Unit. The individuals so designated to use or occupy the Unit 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.

8.14 **Subordination, Non-disturbance and Attornment Agreements.** The Condominium Board and the Commercial Board, at the request of a Commercial Unit Owner, will enter into an agreement with any tenant with which the Commercial Unit Owner has entered into a lease for all or a portion of such Commercial Unit. Under the terms of such agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration, and the Condominium Board and the Commercial Board will agree that so long as there is no event of default under said lease as would entitle the 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 lien of either the Condominium Board or the Commercial Board on such Commercial Unit for Common Charges or any other sums of any sort, and the Condominium Board and the Commercial Board shall agree that the lease shall not be terminated in any foreclosure or other action or proceeding instituted in connection with any such lien or in the exercise of any rights of the Condominium Board or the Commercial Board, or, in case the Condominium Board or the Commercial Board takes possession of the Commercial Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided, however, that if the Condominium Board or the Commercial Board or any other party succeeds to the interests of the Commercial Unit Owner 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.

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 the sum of $1,000,000, multiplied by the CPI Factor, 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 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 Owners 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 Owners, 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 Residential Common Interests; and (c) borne and shared by all Residential Unit Owners having exclusive access to Residential Limited Common Elements with respect to any taking of such Residential Limited Common Elements, pro rata in accordance with their respective interests 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 Limited 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 Residential Common Charges and Residential Special Assessments, if any, made by the Residential Board against each such Residential Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid; and the Commercial Board shall keep a separate account for each Commercial Unit, which, among other things, shall contain the amount of each assessment of Commercial Common Charges and Commercial Special Assessments, if any, made by the Commercial Board against each such Commercial 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 such arbitrator's appointment. Any arbitrator appointed or selected in connection with any arbitration under this Article 11 shall be a lawyer or real estate owner, developer, or manager familiar with condominium properties and having general legal or real estate experience, as the case may be, of not less than fifteen years.

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 such Unit Owner's counsel and expert witnesses. All costs and expenses paid or incurred by the Condominium Board in connection or resulting from with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, will constitute General Common Expenses. Notwithstanding anything to the contrary in this Section 11.2, with respect to any dispute between a Unit Owner and a Board that is submitted to arbitration pursuant to the provisions of Section 6.1.8, such Board shall bear the fees, costs and expenses of the arbitrator if such arbitration shall result in the amount of that portion of the contested item of Common Expenses or Special Assessments allocated to such Unit Owner's Unit as originally determined by such Board being reduced by an amount equal to more than 10% of the amount of such contested item; and the Unit Owner challenging such apportionment shall bear the fees, costs and expenses of the arbitrator if such arbitration shall result in no reduction in the amount of that portion of the contested item of Common Expenses or Special Assessments allocated to such Unit Owner's Unit or a reduction in an amount equal to 10% or less of the amount of such contested item.

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 Section 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 or intent of these By-Laws or 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, Subsections or other provisions are references to Articles, Sections, Subsections 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 or 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.** If an Insurance Trustee is required pursuant to the provisions of Subsection 6.2.2, the Condominium Board shall promptly appoint such Insurance Trustee. In the event the Insurance Trustee appointed to serve as such by the Condominium Board 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 obligations of Declarant as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or, with the consent of Declarant, any transferee of some or all then Unsold Residential Units then owned by Declarant, as the case may be. The rights and 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 and the Commercial Unit Owners 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 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 and at the expense of any requesting party, execute, acknowledge and deliver to such requesting party any instruments and take any action which such Unit Owner, lessee or sublessee, occupant, member or officer is required to take 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 Subsection 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 (ii) to deliver a written notice to Declarant, 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 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 any Unsold Residential Units or the Commercial Units 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, 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, 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 of the Residential Mortgage Representatives, if any, (which consent shall not be unreasonably withheld or delayed); (ii) no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent of the respective Residential Mortgage Representatives, if any (which consent shall not be unreasonably withheld or delayed); and (iii) 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 Mortgage Representatives, 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 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 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 the owner of any Unsold Residential Unit, as the case may be, or otherwise adversely affecting Declarant 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 Sections 6.1, 6.2, 6.4.2, 6.4.3 or 8.11 or Subsections 8.6.1.4 or 8.6.1.5 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 Units. In connection therewith, it is contemplated that the Commercial Board will cause the Declaration, these By-Laws and the Rules and Regulations to be 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 that does not adversely affect the

Residential Section or any Residential Unit Owners, as determined by the Commercial Board in its sole discretion, 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 deletion.

SCHEDULE A

RULES AND REGULATIONS

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 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, terraces, balconies, 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 halls, elevators, vestibules, corridors, stairways or fire towers of the Residential Section or the Commercial Section.

4. No public hall or public elevator vestibule of the Residential Section shall be decorated or furnished by any Residential Unit Owner in any manner.

5. Each Residential Unit Owner shall keep such Residential Unit Owner's Unit and any Residential Limited Common Elements appurtenant thereto (including the surface of any terrace appurtenant to a Residential Unit) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance. Any determination as to what constitutes a good state of preservation and cleanliness for any Residential Unit Owner's terrace shall be within the sole but reasonable discretion of the Residential Board.

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, disk or similar devices 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, window, terrace, balcony or roof of the Residential Section without similar approval except as may otherwise be required by law.

8. No heat, 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 such electrical equipment in such Residential Unit Owner's Unit.

10. No velocipedes, 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 terraces or balconies or in any 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 Commercial 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, radio, television, computer, stereo or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 7:00 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 8:00 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 pets other than dogs, caged birds, cats and fish 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 its sole discretion, at any time. In no event shall any Unit Owner maintain more than one (1) pet in a Unit nor 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, terraces, balconies 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 such Unit Owner's Residential Unit may be required to enter into an agreement with the Residential Board setting forth such other rules regarding pets as the Residential Board shall deem suitable and indemnifying and holding harmless the Condominium, all Unit Owners and the Managing Agents from all claims and expenses resulting from the acts of such pet.

13. Servants, messengers and tradespersons visiting or residing in the Residential Section may be required to 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, nurses' aides, nannies and babysitters in the employ of the Residential Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, Family Members, guests or tenants. However, any family member, guest or visitor of a Residential Unit Owner may use any of the elevators freely, if authorized by such Residential Unit Owner.

14. All service and delivery persons will be required to use the service entrance and deliver all packages, whenever feasible to the package room in the lobby, where such packages will be held for pick-up by Residential Unit Owners. Deliveries will be made from the package room to the individual Residential Units by building personnel only. 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 must first register with building personnel and, upon being approved by the Residential Unit Owner, will be permitted to make deliveries directly to individual Residential Units.

15. Trunks and heavy baggage shall be taken in or out of the Residential Section only by the elevators and entrance designated by the Residential Board or the Managing Agent of the Residential Section for that purpose.

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 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 its Managing Agent out of the Building on any private business.

19. The agents or the Managing Agent of the Residential Board 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 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. If any lock is altered or a new lock is installed, the Residential Unit Owner shall be required to provide the Residential Board or the Managing Agent of the Residential Section with a key thereto immediately upon the alteration or installation of any new lock. If the Residential Unit Owner is not personally present to open and permit an entry to such Unit Owner's Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and such Residential Unit Owner has not furnished a key to the Residential Board or its Managing Agent as required hereunder, then the Residential Board or its Managing Agent or their agents may forcibly enter such Unit without liability for damages or trespass by reason thereof provided, however, that (i) an emergency exists; (ii) specific authorization by an officer of the Residential Board or an officer of the Managing Agent has been given; and (iii) reasonable care under the circumstances is given to such Unit Owner's personal belongings and 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 by another vehicle to any entrance to or exit from the Building.

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 Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Condominium Board, the Residential Board or the Commercial Board, as the case may be, at any time by resolution of the Residential Board and any such consent or approval may, in the discretion of the Residential Board, be conditional in nature.

25. Residential Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing in the hopper door, (e) deposit all bundles of waste into the hopper; (f) never deposit waste of an explosive nature into the hopper; and (g) observe all Laws regarding the recycling of refuse then imposed by governmental agencies having jurisdiction thereover.

26. 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.

27. 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.

28. No Residential Unit Owner or any of such Unit Owner's agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

29. If any key or keys are entrusted by a Residential Unit Owner or by any member of such Unit Owner's family or by such Unit Owner's 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 in connection therewith, provided, however, reasonable care under the circumstances was given to such Unit Owner's personal belongings and property.

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. There will be no barbecuing in the Residential Units, in their Limited Common Elements, or the General Common Elements, except for those areas (if any) specifically designated for barbecuing by the Residential Board.

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 article, including, but not limited to, bicycles and similar vehicles, shall be stored or allowed to stand on any terraces, other than furniture of the kind usually maintained in outdoor areas.

DOCUMENT NUMBER 9

ESCROW AGREEMENT

AGREEMENT made as of the ___ day of _____, 200__, between VICTOR AT E 23, LLC ("SPONSOR"), as SPONSOR, and LINETT, SCHECHTER, REICHER & OFSEVIT LLP ("ESCROW AGENT"), as ESCROW AGENT.

WHEREAS, SPONSOR is the sponsor of a condominium offering plan for the sale of Condominium Units in a condominium to be known as The 340 East 23rd Street Condominium, located at 340 East 23rd Street, New York, New York (the "Premises") (such condominium offering plan being called the "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 the Down Payment by purchasers on account of the purchase price of units in such Condominium (collectively, "Units" and each a "Unit") under the Plan, together with all accrued interest thereon, pursuant to the terms of this agreement. All sums comprising part of the Down Payment unconditionally tendered, together with the interest thereon, comprise the "Down Payment."

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers on account of the purchase price of Units under the Plan. The escrow account has been opened with JP Morgan Chase Bank at its branch located at 1166 Avenue of the Americas, New York, New York 10036.

1.2 The name of the account is "Linett, Schechter, Reicher & Ofsevit, LLP/ Attorney Escrow Account/ The 340 East 23rd Street Condominium."

1.3 Members of the ESCROW AGENT are the sole signatories on such account (the "escrow account").

1.4 The escrow account shall be an interest-bearing account.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All sums comprising part of the Down Payment received by ESCROW AGENT from each prospective purchaser of a Unit under the Plan, on account of the purchase price thereunder, prior to closing of such Unit, whether in the form of checks, drafts, money orders,

wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of "Linett, Schechter, Reicher & Ofsevit, LLP, as escrow agent." Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly after receipt by ESCROW AGENT of such instrument following any attempts to deposit it; but, in any event, following such unsuccessful attempts to deposit it, ESCROW AGENT shall mail or otherwise send such instrument to such prospective purchaser within five business days of such receipt of such instrument by ESCROW AGENT. In the event of such return of such instrument, then such instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 For purposes of this Section 2.2, an unconditional tender and delivery of the Down Payment shall be deemed to have been made if the Down Payment is delivered together with a Purchase Agreement in the form agreed to by SPONSOR without any request for a change in such form or the terms of such Purchase Agreement. Within 10 business days after unconditional tender and delivery to the Selling Agent of the Down Payment, ESCROW AGENT shall notify such purchaser of the deposit of such funds in the bank indicated in the Plan, provide the account number, and disclose the initial interest rate. Subject to the provisions of the next sentence, if such purchaser does not receive notice of such deposit within fifteen (15) business days after unconditional tender and delivery to the Selling Agent of the Down Payment then such purchaser may cancel the purchase and rescind such purchaser's Purchase Agreement so long as such right to rescind is exercised within ninety (90) days after such purchaser's unconditional tender and delivery of the Down Payment to the Selling Agent, if any, or such purchaser may apply to the Attorney General for relief. However, a purchaser shall not be entitled either to rescind such purchaser's Purchase Agreement or to receive a refund of such purchaser's Down Payment where proof satisfactory to the Attorney General is submitted establishing that the Down Payment was timely deposited and notice as provided above was timely mailed to such purchaser in accordance with all regulations of the Attorney General.

3. RELEASE OF FUNDS.

3.1 "Consummation of the Plan" shall mean the first closing of title for the sale of a Unit under the Plan and in accordance with its requirements.

3.2 ESCROW AGENT shall continue to hold a purchaser's Down Payment in escrow until: (a) otherwise directed in one or more writings signed (whether on the same or separate counterparts) by each of SPONSOR and such purchaser, or (b) otherwise directed in a determination of the Attorney General, pursuant to the dispute resolution procedures contained in the Attorney General's regulations, or (c) a judgment or order of a court of competent jurisdiction permits or requires the release of such Down Payment, or (d) such Down Payment is paid by ESCROW AGENT into a court of competent jurisdiction, or (e) such Down Payment is paid to SPONSOR as provided below, or (f) such Down Payment is paid to such purchaser as provided below.

3.3 SPONSOR shall not object to the release of the Down Payment of any purchaser to such purchaser, provided such purchaser has not defaulted and has timely and validly

rescinded such purchaser's Purchase Agreement in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

3.4 If there is no written agreement between SPONSOR and a purchaser to release the Down Payment paid by such purchaser, ESCROW AGENT shall not pay such Down Payment to SPONSOR until after 10 business days following the date that ESCROW AGENT has given such purchaser written notice that ESCROW AGENT intends to pay to SPONSOR such Down Payment. Thereafter, such Down Payment may be paid to SPONSOR unless such purchaser has already 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, within such 10 business day period, notice from such purchaser that such application has been made.

4. RECORD KEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

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

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

5. GENERAL RIGHTS AND OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship, pursuant to this Agreement, shall exist between ESCROW AGENT and purchasers who have paid Down Payments which are held by ESCROW AGENT, and ESCROW AGENT acknowledges such fiduciary obligations.

5.3 ESCROW AGENT undertakes to perform only such duties as are expressly set forth herein. If there is any conflict or inconsistency between the provisions of this Agreement and either the Plan or the Purchase Agreement (as defined in the Plan), the provisions of this Agreement shall be controlling.

5.4 If conflicting demands are made or notices are served upon ESCROW AGENT with respect to this Agreement, or if ESCROW AGENT shall hold a good faith belief that the rights of a claimant to any Down Payment are not absolutely clear, the signatories hereto agree that ESCROW AGENT may refuse to comply with any such claim or demand and, except as hereinafter set forth in this Agreement, may withhold and stop all further proceedings in the performance of this Agreement so long as such disagreement shall continue. In so doing, ESCROW AGENT shall not be or become liable for damages or interest to any of the signatories hereto or to any other person for its failure to comply with such conflicting or adverse demands

or notices. ESCROW AGENT may continue to so refrain and so refuse to act until (i) the rights of the adverse claimants have been finally adjudicated in a court having and assuming jurisdiction of the parties and/or the Down Payment, as the case may be, or (ii) all differences, with respect to any Down Payment, shall have been resolved by mutual agreement of SPONSOR and the purchaser who paid such Down Payment, and ESCROW AGENT shall have been notified thereof in writing signed by both of said parties. In the alternative, ESCROW AGENT may, but shall not be obligated to, file a suit in interpleader for a declaratory judgment for the purpose of having the respective rights of the claimants adjudicated, and/or may deposit any Down Payment with a court of competent jurisdiction, in which event SPONSOR agrees to pay all costs, expenses and attorneys' fees incurred by ESCROW AGENT in connection therewith. If ESCROW AGENT shall deposit any Down Payment with such court, the ESCROW AGENT shall be fully released and discharged from any and all further duties and obligations hereunder with respect to such Down Payment.

5.5 ESCROW AGENT shall not be responsible for any interest on any Down Payment except for such as is actually received by ESCROW AGENT.

5.6 SPONSOR hereby agrees to indemnify ESCROW AGENT from, and to hold it harmless against, any loss, liability or expense (including, without limitation, attorneys' fees and expenses) incurred without gross negligence, willful default, or bad faith on the part of ESCROW AGENT, arising out of or in connection with its entering into this Agreement and carrying out its duties hereunder, including the costs and expenses of defending itself against any claim or liability.

5.7 In any action or proceeding, ESCROW AGENT may represent SPONSOR, even if such action or proceeding relates to or involves any Down Payment, at the same time as ESCROW AGENT is holding such Down Payment pursuant to this Agreement.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver to ESCROW AGENT each Down Payment on account of the sale of a unit under the Plan which has been received by SPONSOR or such agents prior to closing of the sale of such unit within one business day of receipt thereof.

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

7. TERMINATION OF AGREEMENT.

7.1 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 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, which resignation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor ESCROW AGENT; or

(c) All Down Payments held by ESCROW AGENT have been paid by ESCROW AGENT from the escrow account as provided in this Agreement.

ESCROW AGENT shall not be responsible for any delay between either i) any such cancellation by SPONSOR of the designation of ESCROW AGENT or ii) the resignation of ESCROW AGENT, and, in either such case, the date on which an amendment to the Plan appointing a successor ESCROW AGENT has been filed by the Department of Law and notice thereof has been given to ESCROW AGENT. Once any such cancellation of the designation of ESCROW AGENT has been given to ESCROW AGENT, or once ESCROW AGENT has given to SPONSOR notice of resignation as ESCROW AGENT, then in either case ESCROW AGENT shall not be obligated to accept thereafter any new Down Payments in the escrow account.

7.2 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 Down Payments held by it in escrow to the new successor ESCROW AGENT set forth in such amendment to the Plan, provided ESCROW AGENT has received a copy of such amendment.

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from the Down Payments nor from any interest accruing thereon (unless and to the extent SPONSOR is entitled to be paid such Down Payments pursuant to this Agreement) and that compensation to ESCROW AGENT, if any, shall not be deducted from the Down Payments (unless and to the extent SPONSOR is entitled to be paid such Down Payments pursuant to this Agreement) by any financial institution under any circumstance. SPONSOR shall reimburse to ESCROW AGENT any fees or charges incurred in connection with the establishment and maintenance of the escrow account.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this

Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

13. NOTICE.

13.1 All notices and communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or sent by regular, certified or registered mail, with or without return receipt requested, postage prepaid, addressed as follows:

To SPONSOR:
VICTOR AT E 23, LLC
3349 Highway 138, Building C,
Suite C
Wall, New Jersey 07719
Attention: Ran E. Korolik

To ESCROW AGENT:
LINNETT, SCHECHTER,
REICHER & OFSEVIT LLP
810 Seventh Avenue
New York, New York 10019
Attention: Samuel M. Ofsevit, Esq.

or at such other address as any of the above may have furnished, as the address of such party, to the other parties in a notice given in accordance with the provisions of this Section. All notices sent in accordance with this Section shall be deemed given upon personal delivery or five days after the date of mailing, as the case may be.

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

SPONSOR:

VICTOR AT E 23, LLC

By: Victor East Mezz, LLC,
its Sole Member

By: Victor Seven Manager, LLC,
its Managing Member

By: _____
Moshe Shuster, Manager

ESCROW AGENT:

LINNETT, SCHECHTER, REICHER & OFSEVIT, LLP

By:_____
Name:
Title:

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPAL

New York State Department of Law
Investment Protection Bureau - Real Estate Financing Section
120 Broadway, 23rd Floor
New York, New York 10271

Re: 340 East 23rd Street, New York, New York 10010

We are the sponsor and principal of the sponsor of the offering plan to convert the referenced property to condominium ownership.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

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

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

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

Sponsor:

VICTOR AT E 23, LLC

By: Victor East Mezz, LLC, its Sole Member

By: Victor Seven Manager, LLC, its Managing Member

By: _____
Moshe Shuster, Manager

Sworn to before me
this 28th day of April, 2006

_____
Notary Public
JAY L. SCHWARTZ
Notary Public, State of New York
No. 01SC6118837
Qualified in New York County
Commission Expires November 22, 2008

Principal:

_____
MOSHE SHUSTER

Sworn to before me
this 28th day of April, 2006

_____
Notary Public
JAY L. SCHWARTZ
Notary Public, State of New York
No. 01SC6118837
Qualified in New York County
Commission Expires November 22, 2008

HF 3242443v.2 #11491/0003

CERTIFICATION OF ARCHITECT

New York State Department of Law
Investment Protection Bureau - Real Estate Financing Section
120 Broadway, 23rd Floor
New York, New York 10271

RE: 340 East 23rd Street, New York, New York

The sponsor of the offering plan to convert the referenced property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We examined the building plans and specifications that were prepared by us, and prepared the Report dated October 3, 2006, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are registered architects in the State in which the property is located.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it 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 discernible 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 as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

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

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

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

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing this Report 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.

GERNER KRONICK + VALCARCEL, ARCHITECTS, PC

Sworn to before me this
3rd day of October, 2006

By _____
Name: Randolph H. Gerner
Title: Principal

John M. Tansey
Notary Public

JOHN M. TANSEY
Notary Public, State of New York
No. 01TA4962931
Qualified in New York County
Commission Expires February 26, 2006
2010

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET

21 September 2006

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

Attention: Investment Protection Bureau
Real Estate Financing Section

Re: Condominium Offering Plan for
340 East 23rd Street
New York, New York, 10010

The undersigned certify as follows:

The Sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B, containing projections of income and expenses for the first year of condominium operation; and to review Schedule B-1, which was prepared by the Consulting Engineer and includes projections of heating and electricity. Our experience in this field includes the following:

We are a licensed real estate broker and our principal, directly or in association with other New York City management firms, has been engaged in the business of managing residential properties in the New York City and adjacent areas including cooperatives and condominiums for more than 20years. This included management of more than 10,000 residential units in over 20 properties for varying periods of approximately one to fifteen years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1.

We have prepared Schedule B 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 have reviewed Schedule B-1 prepared by the Consulting Engineer and rely on his projections.

We certify that the projections in Schedule B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule:

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

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

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

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

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

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

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

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

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

PLATINUM PROPERTIES
OF NEW YORK LTD.

Elizabeth A. Hurley

Elizabeth A. Hurley, President

Sworn to before me this
day of September 2006. 21

Notary Public

CAROLYN E. WOODS
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires May 14, 2008

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

26 April 2006

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

Attention: Investment Protection Bureau
Real Estate Financing Section

Re: Condominium Offering Plan for
340 East 23rd Street
New York, New York, 10010

The undersigned certifies as follows:

The Sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B which includes projections of common charges payable by the owner of the commercial unit.

Our experience in this field includes the following: we are a licensed real estate broker and our principal, directly or in association with other New York City management firms, has been engaged in the business of managing residential properties in the New York City and adjacent areas including cooperatives and condominiums for more than 20 years. This included management of more than 10,000 residential units in over 20 properties for varying periods of approximately one to eight years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial unit listed in Schedule B.

We have prepared the Schedule as it impacts upon the commercial unit 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 for common charges payable by the owners of the commercial unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit 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 owner of the commercial unit:

(i) set forth in detail the projected common charges for the commercial/storage 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/storage units;

(iii) do not omit any material fact;

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

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

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

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

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or the 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 unit 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 civil and criminal penalties of the General Business Law and Penal Law.

PLATINUM PROPERTIES
OF NEW YORK LTD.

Elizabeth A. Hurley, President

Sworn to before me this
26 day of April, 2006.

Notary Public

CAROLYN E. WOODS
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires May 14, 2008



THE WORLD OF PHILIPPE STARCK...
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GKV ARCHITECTS + VICTOR HOMES DEVELOPMENT + SHVO + EXCLUSIVE MARKETING AND SALES

All illustrations and renderings are not to scale and do not constitute a representation of any aspects of the final product. Sponsor: Victor at F 23, LLC, 33-19 Highway 138, Building C, Suite C, Wall, NJ 07719.