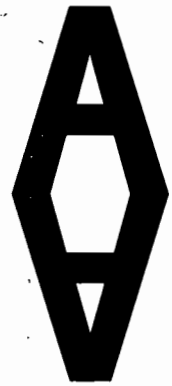
THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER.

CONDOMINIUM OFFERING PLAN



ARTISAN LOFTS

143 READE STREET
NEW YORK, NEW YORK 10013

38 Residential Units	$139,320,000
38 Storage Lockers	$865,000
2 Private Roof Terraces	$390,000
Total Offering Amount	$140,575,000

The Condominium will include: (a) 38 Residential Units, 38 Storage Lockers and 2 Private Roof Terraces, which are being offered for sale pursuant to this Offering Plan, and (b) a Non-Residential Unit which is not being offered for sale at this time.

SPONSOR:	SALES CENTER:	SELLING AGENT:
Artisan Lofts Development Owner LLC	143 Reade Street -6th floor	Corcoran Group Marketing
c/o Tribeca Associates LLC	New York, New York 10013	888 Seventh Avenue
321 Greenwich Street	(212) 732-4000	New York, New York 10106
New York, New York 10013		(212) 634-6500

Filing Date of this Offering Plan: February 28, 2007. This Offering Plan may not be used after February 27, 2008, unless this Offering Plan is extended by amendment.

This Offering Plan contains Special Risks to Purchasers. See Page 1.

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

THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS OFFERING PLAN AND TO FILE THIS OFFERING 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 OF LAW OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

ELEVENTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM

143 READE STREET
NEW YORK, NEW YORK 10013

DATED: JUNE 24, 2009

TABLE OF CONTENTS

Section **Page**

INTRODUCTION 1

1. CONDOMINIUM BOARD 1

2. FINANCIAL DISCLOSURE OF SPONSOR 1

3. BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION 3

4. PURCHASE PRICES AND RELATED INFORMATION 3

5. INCORPORATION OF PLAN 3

6. DEFINITIONS 3

7. NO MATERIAL CHANGES 3

8. EXTENSION OF PLAN 3

Exhibits

A - SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

ELEVENTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

INTRODUCTION

This Eleventh Amendment modifies and supplements the terms of the Condominium Offering Plan for the premises known as Artisan Lofts Condominium ("Condominium") located at 143 Reade Street, New York, New York 10013 (a/k/a 157 Chambers Street, New York, New York 10007) ("Building"), dated February 28, 2007 ("Plan"), and should be read in conjunction with the Plan, as previously amended.

The terms of this Eleventh Amendment are as follows:

1. CONDOMINIUM BOARD

The members and officers of the Condominium Board are as follows:

Name:	Title:
Elliott Ingerman	President
William Brodsky	Vice President
Drew Connor	Secretary/Treasurer

All of the members of the Condominium Board are affiliated with Sponsor and have an address c/o Artisan Lofts Development Owner LLC, 321 Greenwich Street, New York, New York 10013.

2. FINANCIAL DISCLOSURE OF SPONSOR

The information set forth herein is a required disclosure of all offering plans for buildings in which the sponsor or holders of unsold units own more than ten percent of the units, even if there has been no material change in the financial position of the sponsor or holders of unsold units and all payments are current.

(a) Ownership of Unsold Residential Units Owned by Sponsor as of May 20, 2009

i. As of May 20, 2009, 26 Residential Units remained unsold (the "Unsold Residential Units"). As of such date, 35 Storage Lockers and 2 Private Rooftop Terraces remain unsold.

ii. The aggregate monthly Common Charges payable by Sponsor to the Condominium with respect to the Unsold Residential Units equals approximately $52,597.20.

iii. The aggregate monthly rents received by Sponsor from tenants of Unsold Residential Units equal $0.00.

iv. The aggregate real estate taxes payable by Sponsor with respect to the Unsold Residential Units (if paid on a monthly basis, based on 2008/2009 actual taxes) equal approximately $47,705.01.

(b) Ownership of Commercial Units Owned by Sponsor as of May 20, 2009

i. Sponsor owns 2 Commercial Units. The aggregate monthly Common Charges payable by Sponsor to the Condominium with respect to the Commercial Units equals approximately $941.08.

ii. The aggregate monthly base rents received by Sponsor from tenants of Commercial Units equal $0.00.

iii. The aggregate real estate taxes payable by Sponsor with respect to the Commercial Units (if paid on a monthly basis, based on 2008/2009 actual taxes) equal approximately $3,350.80.

(c) Financial Obligations to the Condominium

Sponsor has no financial obligations to the Condominium which will become due within twelve (12) months from the Filing Date of this Amendment, other than the payment of common charges with respect to the Unsold Units and Commercial Units. The Condominium Board waived payment of common charges for December 17-31, 2008 and for the months of January through April, 2009. Sponsor has paid the Condominium's operating expenses for those months, as provided in the Plan.

(d) Financial Obligations to Lender

Sponsor pledged the Unsold Residential Units and the Commercial Units as collateral for loans ("Loans") with Wells Fargo Bank, N.A. as trustee for the Morgan Stanley Capital I Inc. CMPTC Trust Series 2007 ("Lender"). At the closing of the sale of each Unit, Sponsor pays a release price to Lender and Lender delivers to Sponsor a partial release of the lien of the Loans for the Unit. Sponsor is current on its obligations to Lender under the Loans.

(e) Payment of Sponsor Obligations

Sponsor will fund its obligations to the Condominium by means of (a) net proceeds available from sales of Units owned by Sponsor; (b) internal cash flow; and (c) other sources.

(f) Status of Financial Obligations

Sponsor is current on all financial obligations to the Condominium.

3. BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

The budget for the Condominium for the first year of condominium operation is annexed to the Tenth Amendment as Exhibit "A".

4. PURCHASE PRICES AND RELATED INFORMATION

Annexed hereto as Exhibit "A" is Schedule A – Purchase Prices and Related Information.

5. INCORPORATION OF PLAN

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

6. DEFINITIONS

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

7. NO MATERIAL CHANGES

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

8. EXTENSION OF PLAN

The Plan as modified and supplemented by this Amendment may not be used after twelve (12) months following the Filing Date of the Plan unless the Plan is extended by duly filed amendment.

SPONSOR:

ARTISAN LOFTS DEVELOPMENT OWNER LLC

EXHIBIT "A"

SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

Schedule A- 143 Reade Street- Artisan Lofts
Offering Prices and Related Information Projected Carrying Costs for the First Year of Operation
From December 1, 2008 to November 30, 2009

Unit	BR/ Bath/ HO	Interior SF	Exterior SF	Offering Price	% Residential Common Interest	% Common Interest	Estimated Monthly Common Charges	Estimated Monthly RE Tax With J-51	Estimated Monthly RE Tax W/O J-51	Estimated Total Monthly Carrying Costs With J-51	Estimated Total Monthly Carrying Costs W/O J-51
2A	3/3.5/1	2760	201	$3,450,000	2.943%	2.762%	$2,106.32	$2,265.86	$2,406.88	$4,372.19	$4,513.21
2B	2/2	1500	407	$1,895,000	1.702%	1.598%	$1,218.13	$1,310.40	$1,391.95	$2,528.53	$2,610.08
2D	2/2.5/1	1860		$2,295,000	1.968%	1.847%	$1,408.51	$1,515.20	$1,609.50	$2,923.71	$3,018.01
3A	4/4.5/1	3220	53	$4,095,000	3.438%	3.226%	$2,460.60	$2,646.97	$2,811.71	$5,107.57	$5,272.31
3C	2/2.5/1	1860		$2,495,000	1.992%	1.869%	$1,425.69	$1,533.67	$1,629.12	$2,959.36	$3,054.81
4A	3/3.5/1	2764	53	$3,975,000	2.980%	2.796%	$2,132.80	$2,294.35	$2,437.14	$4,427.16	$4,569.95
4B	3/3/1	2596		$3,295,000	2.789%	2.617%	$1,996.10	$2,147.30	$2,280.94	$4,143.40	$4,277.04
4C	2/2.5/1	1860		$2,595,000	2.004%	1.880%	$1,434.27	$1,542.91	$1,638.94	$2,977.19	$3,073.21
5A	3/3.5/1	2764	53	$4,095,000	2.998%	2.813%	$2,145.69	$2,308.21	$2,451.86	$4,453.90	$4,597.55
5C	2/2.5/1	1860		$2,695,000	2.013%	1.889%	$1,440.72	$1,549.84	$1,646.30	$2,990.56	$3,087.01
6A	3/3.5/1	2760	53	$4,295,000	3.031%	2.844%	$2,169.30	$2,333.62	$2,478.85	$4,502.92	$4,648.16
6B	2/2	1500		$2,250,000	1.647%	1.546%	$1,178.77	$1,268.05	$1,346.97	$2,446.82	$2,525.74
6C	2/2.5/1	1860		$2,895,000	2.045%	1.919%	$1,463.62	$1,574.48	$1,672.47	$3,038.10	$3,136.09
7A	3/3.5/1	2760	53	$4,595,000	3.090%	2.900%	$2,211.53	$2,379.04	$2,527.11	$4,590.57	$4,738.64
7B	2/2	1500		$2,350,000	1.664%	1.562%	$1,190.93	$1,281.14	$1,360.87	$2,472.08	$2,551.81
7C	2/2.5/1	1860		$3,095,000	2.076%	1.948%	$1,485.81	$1,598.35	$1,697.82	$3,084.15	$3,183.63
8A	3/3.5/1	2760	53	$4,795,000	3.138%	2.945%	$2,245.88	$2,416.00	$2,566.36	$4,661.88	$4,812.25
8B	2/2	1500		$2,425,000	1.673%	1.570%	$1,197.38	$1,288.07	$1,368.24	$2,485.45	$2,565.61
8C	2/2.5/1	1860		$3,150,000	2.086%	1.957%	$1,492.96	$1,606.05	$1,706.00	$3,099.01	$3,198.96
9A	3/3.5/1	2760	53	$4,975,000	3.156%	2.961%	$2,258.77	$2,429.86	$2,581.08	$4,688.62	$4,839.85
9B	2/2	1500		$2,495,000	1.681%	1.577%	$1,203.10	$1,294.23	$1,374.78	$2,497.33	$2,577.88
9C	2/2.5/1	1860		$3,195,000	2.094%	1.965%	$1,498.69	$1,612.21	$1,712.54	$3,110.89	$3,211.23
10A	3/3.5/1	2760	53	$5,195,000	3.174%	2.978%	$2,271.65	$2,443.72	$2,595.80	$4,715.37	$4,867.45
10B	2/2	1500		$2,650,000	1.696%	1.591%	$1,213.84	$1,305.78	$1,387.05	$2,519.62	$2,600.88
10C	2/2.5/1	1860		$3,295,000	2.104%	1.974%	$1,505.85	$1,619.90	$1,720.72	$3,125.75	$3,226.57
11A	3/3.5/1	2704	109	$5,395,000	3.146%	2.952%	$2,251.61	$2,422.16	$2,572.90	$4,673.77	$4,824.51
11B	2/2	1500		$2,750,000	1.705%	1.600%	$1,220.28	$1,312.71	$1,394.41	$2,532.99	$2,614.68
11C	2/2/1	1727	122	$3,350,000	2.028%	1.903%	$1,451.45	$1,561.39	$1,658.57	$3,012.84	$3,110.02
12A	4/3.5/1	3675	481	$6,895,000	4.345%	4.077%	$3,109.74	$3,345.29	$3,553.49	$6,455.03	$6,663.23
12C	3/3/1	2822	428	$5,650,000	3.358%	3.151%	$2,403.34	$2,585.38	$2,746.28	$4,988.72	$5,149.62
14A	2/2.5/1	2098	53	$4,095,000	2.434%	2.284%	$1,742.03	$1,873.98	$1,990.61	$3,616.01	$3,732.63
14B	2/2	1497		$2,895,000	1.733%	1.626%	$1,240.32	$1,334.27	$1,417.31	$2,574.58	$2,657.62
15A	3/3	2320		$4,595,000	2.734%	2.565%	$1,956.74	$2,104.95	$2,235.96	$4,061.69	$4,192.70
15B	3/3.5/1	2827	53	$5,695,000	3.267%	3.066%	$2,338.21	$2,515.32	$2,671.86	$4,853.53	$5,010.07
Tower 16 South	3/3.5	3168	427	$7,450,000	3.973%	3.728%	$2,843.50	$3,058.88	$3,249.25	$5,902.38	$6,092.75
Tower 17 North	3/3.5	2935	377	$7,250,000	3.745%	3.514%	$2,680.32	$2,883.34	$3,062.79	$5,563.66	$5,743.10
Tower 17 South	3/3.5	3033	173	$6,495,000	3.656%	3.431%	$2,616.62	$2,814.82	$2,990.00	$5,431.44	$5,606.62
Penthouse	5/4.5	3374	1,025	$11,000,000	4.694%	4.405%	$3,359.52	$3,613.99	$3,838.91	$6,973.51	$7,198.43
Residential Totals		***87,324***	***4,280***	***$156,055,000***	***100.000%***	***93.836%***	***$71,570.58***	***$76,991.67***	***$81,783.33***	***$148,562.25***	***$153,353.92***
Commercial 1		***4,609***		***Not Offered***	***n/a***	***5.588%***	***$853.25***	***$3,988.84***	***$3,988.84***	***$4,842.09***	***$4,842.09***
Commercial 2		***475***		***Not Offered***	***n/a***	***0.576%***	***$87.83***	***$411.16***	***$411.16***	***$498.99***	***$498.99***
Grand Total		***92,408***	***4,280***	***$156,055,000***	***100.000%***	***100.000%***	***$72,511.67***	***$81,391.67***	***$86,183.33***	***$153,903.33***	***$158,695.00***

TENTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10013

DATED: December 30, 2008

TABLE OF CONTENTS

SECTION		PAGE
INTRODUCTION		2
1.	FIRST UNIT CLOSING	2
2.	BOARD OF MANAGERS	2
3.	SCHEDULE B – FIRST YEAR'S BUDGET	2
4.	REAL ESTATE TAX PROJECTION LETTER	3
5.	SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION	3
6.	DEFINITIONS	3
7.	NO MATERIAL CHANGES	3

EXHIBIT

A	-	SCHEDULE B – FIRST YEAR'S BUDGET AND CERTIFICATIONS
B	-	REAL ESTATE TAX PROJECTION LETTER
C	-	SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

TENTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

INTRODUCTION

This Tenth Amendment modifies and supplements the terms of the Condominium Offering Plan for the premises known as Artisan Lofts Condominium ("Condominium") located at 143 Reade Street, New York, New York 10013 ("Building"), accepted for filing on February 28, 2007 ("Plan"), and should be read in conjunction with the Plan, as previously amended.

The terms of this Amendment are as follows:

1. FIRST UNIT CLOSING

The first closing of a Residential Unit occurred on December 17, 2008 at the offices of Starr Associates LLP, Sponsor's counsel. A temporary certificate of occupancy for certain units was issued by the New York City Department of Buildings on December 15, 2008. Sponsor's Architect, BKSK Architects LLP, certified that the amount of $1,217,413 is reasonably necessary for Sponsor to perform the work needed to obtain a permanent certificate of occupancy for the Property ("PCO"). Pending the receipt of the PCO, Sponsor and Starr Associates LLP ("Escrow Agent") shall comply with the provisions of Department of Law regulations with respect to maintenance of deposits in escrow, and will maintain in escrow the amount so certified by the Architect, as such amount may be revised in the future by an updated Architect's certification provided to Escrow Agent. A working capital fund in the amount of $2,381.86 was established by the Managing Agent in the name of the Condominium at Signature Bank, at its branch located at 1225 Franklin Avenue, Garden City, New York, 11530. No reserve fund is required to be established pursuant to the Plan.

2. BOARD OF MANAGERS

The members and officers of the Board of Managers are the following: Member/President: Elliott Ingerman, Member/Vice President: William Brodsky, Member/Secretary/Treasurer: Drew Connor. All of the above individuals are affiliated with Sponsor and have an address c/o Artisan Lofts Development Owner LLC, 321 Greenwich Street, New York, NY 10013.

3. SCHEDULE B – FIRST YEAR'S BUDGET

Annexed hereto as Exhibit "A" is revised Schedule B – First Year's Budget for the 12 months commencing December 1, 2008 and Certifications of the Budget.

4. **REAL ESTATE TAX PROJECTION LETTER**

Annexed hereto as Exhibit "B" is an updated real estate tax projection letter of Podell, Schwartz Schechter & Banfield, LLP. As of July 1, 2008, the Units have been separately assessed for real estate tax purposes.

5. **SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION**

Annexed hereto as Exhibit "C" is Schedule A – Purchase Prices and Related Information.

6. **DEFINITIONS**

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

7. **NO MATERIAL CHANGES**

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

SPONSOR:

ARTISAN LOFTS DEVELOPMENT OWNER LLC

EXHIBIT "A"

SCHEDULE B – FIRST YEAR'S BUDGET AND CERTIFICATIONS

SCHEDULE "B"
Artisan Lofts Condominium
Projected Budget for the First Full Year of Condominium Operation
December 1, 2008 – November 30, 2009

PROJECTED INCOME:

Common Charges (1)	
Residential Unit Common Charges.....	$ 858,847
Commercial Unit 1 Common Charge.....	$ 10,239
Commercial Unit 2 Common Charges.....	$ 1,054
TOTAL PROJECTED INCOME.....	$ 870,140

PROJECTED EXPENSES:

Salary, Wages, Payroll Taxes & Benefits (2).....	$ 371,627
Heat (3).....	$ 53,482
Hot Water & Cooking Gas (4).....	$ 71,995
Electricity (5).....	$ 93,600
Water & Sewer (6).....	$ 42,166
Repairs & Maintenance (7).....	$ 18,000
Services & Supplies (8).....	$ 81,508
Insurance (9).....	$ 51,800
Management Fee (10).....	$ 36,000
Legal & Auditing Fees (11).....	$ 7,500
Lobby Unit Expense (12).....	$ 9,462
Administration (13).....	$ 15,000
Contingency (14).....	$ 18,000
TOTAL PROJECTED EXPENSES (15).....	$ 870,140

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

Notes to Schedule B

(1) COMMON CHARGES - (Budget - $870,140)

The estimated Common Charges to be collected from Unit Owners during the first year of Condominium operation are based upon the assumption that the first year of Condominium operation will be the twelve months commencing December 1, 2008. The actual first year of operation may be earlier or later.

The allocation for the General Common Expenses to be borne by the Commercial Unit 1 and Commercial Unit 2 have been allocated on the basis of Commercial Unit 1 and Commercial Unit 2 respective Percentage of Common Interest 5.588% and .5760%

	Total	Residential Units	Commercial Unit 1	Commercial Unit 2
Projected Income				
Common Charges (1)				
Residential Unit Common Charges	$ 858,847	$ 858,847		
Commercial Unit 1 Common Charges	$ 10,239		$10,239	
Commercial Unit 2 Common Charges	$ 1,054			$1,054
Total Projected Income	$ 870,140	$ 858,847	$10,239	$1,054
Projected Expenses				
Salary, Wages, Payroll Taxes (2) & Benefits	$ 371,627	$ 370,779	$ 769	$ 79
Heat (3)	$ 53,482	$ 53,482	$ —	$ —
Hot Water & Cooking Gas (4)	$ 71,995	$ 71,995	$ —	$ —
Electricity (5)	$ 93,600	$ 93,023	$ 523	$ 54
Water & Sewer (6)	$ 42,166	$ 42,166	$ —	$ —
Repairs & Maintenance (7)	$ 18,000	$ 16,890	$ 1,006	$ 104
Services & Supplies (8)	$ 81,508	$ 80,658	$ 771	$ 79
Insurance (9)	$ 51,800	$ 48,607	$ 2,895	$ 298
Management Fee (10)	$ 36,000	$ 33,781	$ 2,012	$ 207
Legal & Auditing Fees (11)	$ 7,500	$ 7,038	$ 419	$ 43
Lobby Unit Expenses (12)	$ 9,462	$ 9,462	$ ---	$ —
Administration (13)	$ 15,000	$ 14,076	$ 838	$ 86
Contingency (14)	$ 18,000	$ 16,890	$ 1,006	$ 104
Total First Year Budget	$ 870,140	$ 858,847	$10,239	$1,054

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

If the Common Charges in the revised budget projections exceed the earlier budget projections by twenty-five percent (25%) or more, the Sponsor will offer all purchasers the right to rescind their Purchase Agreements for 15 days following presentation of an amendment to the plan containing the revised budget and have their Deposits refunded to them, whether or not the Sponsor offers to guarantee the earlier budget projections.

(2) SALARIES, WAGES, PAYROLL TAXES & BENEFITS - (Budget - $371,627)

The budgeted amount includes base wages, worker's compensation and disability insurance, welfare and pension costs, payroll taxes and the cost of sick days, holidays and vacation pay for a projected shared building staff of 1 Resident Superintendent, 4.2 concierges, and 1 porter. The full staff may not be employed until certain Building occupancy levels are achieved. The projected level of staffing for the Building complies with all applicable housing and labor laws. It is anticipated that such employees will be non union members.

Position	Weekly Base Wage Rate
(1) Resident Superintendent	$60,000 plus apartment, telephone, gas, electricity
(5.2) 4.2 Concierges, 1 Porter	$750.00 per week

The projections allow for 28 sick days, holidays and vacation pay and miscellaneous payroll expenses.

Total Base Wages	$283,015
FICA @ 7.65% of Base Wages	$ 21,651
Worker's Compensation @ 5.5% of total wages	$ 15,566
FUI and FUTA-NYS Unemployment, @ $425 per employee	$ 2,975
NYS Disability @ $60 per employee	$ 420
Health @ $8,000 per employee	$ 48,000
Total Benefit	$ 88,612
TOTAL WAGES TAXES & BENEFITS	**$371,627**

The employee's will be devoting a substantial portion of their time and effort to service the Residential Units and Residential Common Elements except that a small portion of the Resident Superintendent and one porter's time estimated at 10% (ten percent) or 4 hours per week will be devoted to the General Common Elements. Accordingly, salaries and related expenses have been allocated to the Residential Unit's except for the time charged to the General Common Elements ($13,761) that has been apportioned to all the Unit's within the Condominium based upon each Unit's respective Percentage of Common Interest.

(3) HEAT - (Budget - $53,482)

The budgeted amount is based upon a letter from Simon Rodkin P.C., located at 214 West 29th Street, New York, NY 10001 sponsor's consulting engineers dated October 30, 2008. It is anticipated that the annual consumption of gas for hot water for the Residential Units will be approximately 28,600 therm at $1.70 per therm for a total cost of $48,620. A 10% inflation factor has been added. The Commercial Unit will be separately metered for heat and hot water.

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

(4) HOT WATER & COOKING GAS (Budget - $71,995)

The Residential Units will not be separately metered for gas to be used for cooking and hot water. Based on a letter dated October 30, 2008 from Simon Rodkin P.C., located at 214 West 29th Street, New York, NY 10001, it is estimated that the gas cost for apartment cooking and hot water based on 38,500 therms of gas/year at $1.70 per therm will be $65,450. A 10% inflation factor has been added.

(5) ELECTRICITY - (Budget - $93,600)

The electricity consumption for the first year of Condominium operation for the Common Areas was estimated by Simon Rodkin P.C. in a letter dated October 30, 2008, at 750,000 kilowatt hours of electricity, at an average rate of $.104 per kilowatt hour of electricity including applicable sales tax, resulting in an annual cost of $78,000.

This estimate includes costs for the common area air conditioning units, distribution pumps, miscellaneous floor loads, elevators and lighting and electric usage in the Resident Superintendent's apartment. Electricity costs can vary depending upon consumption and demand factors. A 20% inflation factor has been included.

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

(6) WATER & SEWER – (Budget - $42,166)

The building will have a single main water meter, which will measure actual water usage. Based upon a letter from Simon Rodkin P.C., P.C. dated October 30, 2008, water and sewer charges are based upon a combined charge of $5.98 per 100 Cu. Ft. and an estimated usage of 5853 C.C.F. This estimated is based on a usage of 60 gallons per day per estimated occupancy of 200 people in the building, for a total cost of 35,032.

Cooling tower make up water is based on 1500 hours of operation 12 gpm of make-up water at a cost of $2.31 per 100/cubic feet for a cost of $3,335.

The annual water and sewer charges during the first year of condominium operation is estimated at $42,204. A 10% inflation factor has been added.

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

(7) REPAIRS & MAINTENANCE – (Budget - $18,000)

Since the Building will be newly constructed it has no operating history upon which to project future costs of repairs and maintenance. No major capital repairs are included in the First Year's Budget since all major construction and mechanical systems will be new. Future major capital repairs to the Common Elements will be borne by all Unit Owners.

The budgeted figure for this item includes the cost of normal maintenance and repairs to the Common Elements of the Building that are the responsibility of the Condominium. Each Unit Owner will be responsible for the cost of the interior maintenance, repairs, decoration and painting of their respective units, including the appliances, incremental heating/air-conditioning units and any Limited Residential Common Elements appurtenant thereto. Repairs and Maintenance have been allocated to all Units based upon each unit's respective Percentage of Common Interest.

(8) SERVICE & SUPPLIES - (Budget - $81,508)

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

All of the mechanical systems within the Building will be new, and some will be under a full service maintenance contract for the first year of Condominium operation from the contractor who will install the system. No maintenance or service contracts have been entered into as of the date of the Plan. The budgeted amounts are based upon the experience of the Sponsor's budget expert in operating similar buildings. While this Schedule B includes a reasonable allowance for possible increases in cost that may occur prior to and during the first year of Condominium operations, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

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

Heating and Cooling System	$ 8,000
Elevator Maintenance	$ 19,508
Sprinkler System/Fire Protective Alarm System	$ 8,000
Metal, Wood, and Marble Maintenance	$ 10,000
Exterminator	$ 4,000
Uniform Cleaning & Maintenance	$ 6,000
Water Treatment	$ 5,000
Miscellaneous Supplies	$ 18,000
Electric Submeter	$ 3,000

The cost for services relating to the, sprinkler system/ fire protection alarm system, exterminator and $1,800 of the miscellaneous supplies of $18,000, have been allocated to all units within the Condominium based upon each unit's respective Percentage of Common Interest. The other services are expenses of the Residential Units only.

(9) INSURANCE – (Budget - $51,800)

Based upon the proposal dated October 31, 2008 from The Rampart Group, having an office address at 1983 Marcus Avenue, Lake Success, New York. The following insurance coverage will be obtained for the Building for the first year of Condominium operation:

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

Property Policy

$34,500,000	Building All Risk, "Special Form", No Co-insurance, Replacement Cost, $5000 Deductible
TBD	Business Income – Limit
TBD	Personal Property Limit
Included	Boiler & Machinery

General Liability Policy

$1,000,000	Per Occurrence
$2,000,000	General Aggregate
$1,000,000	Personal & Advertising Injury
$1,000,000	Non-Owned Automobile/Hired Car
$1,000,000	Employee Benefits Liability - $1000 Deductible
$ 5,000	Medical Payments
$1,000,000	Fire Legal Liability
$1,000,000	Directors & Officers Liability – Per Occurrence/Annual Aggregate

Umbrella Liability

$50,000,000	Per Occurrence/Aggregate

The annual premium for the above mentioned insurance policy is estimated to be $51,800.

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

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

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

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

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

(10) MANAGEMENT FEE - (Budget - $36,000)

At or prior to the First Closing, the Condominium will enter into a management agreement with Penmark Realty Corp., having an office address at 820 Second Avenue, New York, NY 10017, a real estate management firm. The agreement will be for an initial term of 1 year. Thereafter, the agreement will be automatically renewed from year to year, but may be cancelled by either party without cause, upon not less than thirty (30) days' prior written notice.

The Managing Agent will receive an annual fee of $36,000 payable in equal monthly installment of $3,000. The Managing Agent's fee for the first year of Condominium operation is comparable to the "going rate" for similar services in comparable buildings.

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

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

(11) LEGAL & AUDIT FEES – (Budget - $7,500)

The Condominium will engage a law firm to act as the attorney for the Condominium. The estimated cost for these services for the Condominium's first year is $1,000. It is anticipated that the Condominium will enter into an agreement with Hyman & Associates, located at 580 Sylvan Avenue, Englewood Cliffs, NJ to provide audit tax returns preparation and financial statement preparation services for the Condominium. It is estimated that the first year cost for these services will be $6,500.

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

(12) LOBBY UNIT EXPENSES – (Budget - $9,462)

This budgeted item is the amount the Artisan Lofts Condominium Unit Owners must pay to 137 Reade Street Condominium for easement rights for the lobby.

The figure includes 2.163% of the Common charges of the 137 Reade Street Condominium in the amount of $3,202 for 2008, and real estate taxes in the amount of approximately $5,400 for fiscal 08/09. A 10% inflation factor has been added to cover possible increase in common charge costs and real estate taxes for the first year of Condominium Operation.

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

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

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

(14) CONTINGENCY – (Budget - $18,000)

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

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

(15) TOTAL PROJECTED EXPENSES – (Budget - $870,140)

The projections set forth in this budget assume that the first year of Condominium operation will cover the period from December 1, 2008 – November 30, 2009.

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

PENMARK
REALTY CORP

PART 20: CERTIFICATION BY EXPERT
AS TO ADEQUACY OF CONDOMINIUM BUDGET

November 19, 2008

New York State Department of Law
Investment Protection Bureau
120 Broadway - 23rd Floor
New York, New York 10271

Re: Condominium Offering Plan
Artisan Lofts Condominium
143 Reade Street
New York, NY 10007

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedules B and review Schedule B-1 (collectively, "Schedules") containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes: the management of residential real estate for the past 40 years, managing approximately 75 cooperative and condominium buildings and is licensed as a real estate broker in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Schedules.

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

We certify that the projections in the Schedules 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 Schedules:

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

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(iii) do not omit any material fact;

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

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

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

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

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

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

PENMARK REALTY CORPORATION

By: _____
Name: Leslie Bogen Winkler
Title: Vice President

Sworn to before me this
19 day of November 2008

_____
Notary Public

MARIBEL ALVERIO
Notary Public, State of New York
No. 01AL6074898
Qualified in New York County
Commission Expires May 27, 2010

PENMARK
REALTY CORP

PENMARK
REALTY CORP

PART 20: CERTIFICATION BY EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER(S)

November 19, 2008

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

Re: Condominium Offering Plan
Artisan Lofts Condominium
143 Reade Street
New York, NY 10007

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(s) of the commercial unit(s). Our experience in this field includes:

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(s) listed in Schedule B.

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

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

We certify that the estimates in Schedule B for the common charges payable by the owner(s) of the commercial unit(s):

(i) sets forth in detail the projected common charges for the commercial unit(s) for the first year of condominium operation;

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(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner(s) of the commercial unit(s);

(iii) do not omit any material fact;

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

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

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

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

(a) knew the truth;

(b)with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit(s) 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.

Penmark Realty Corporation

By: _____
Name: Leslie Bogen Winkler
Title: Vice President

Sworn to before me this
19 day of November 2008

_____
Notary Public

MARIBEL ALVERIO
Notary Public, State of New York
No. 01AL6074898
Qualified in New York County
Commission Expires May 27, 2010

PENMARK
REALTY CORP

EXHIBIT "B"

REAL ESTATE TAX PROJECTION LETTER

LAW OFFICES

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SENIOR COUNSEL
ALLAN C. SCHWARTZ

SPECIAL COUNSEL
VICTOR HADE

OF COUNSEL
OWEN B. CARRAGHER

November 13, 2008

Artisan Lofts Development Owner LLC
C/O Tribeca Associates
321 Greenwich Street
New York, NY 10013

Re: ARTISAN LOFTS CONDOMINIUM
143 Read Street
Block: 140 Lot: 1401-1440 (Former Lot 10)
Borough: Manhattan

Gentlemen:

You have requested that we provide you with an updated estimate of the real estate tax assessment on the condominium to be created from the renovation and conversion of the above property. This letter supercedes our earlier Opinion Letter dated January 23, 2008.

You have also requested an updated estimate of the real estate taxes that would be applicable to the condominium upon completion of conversion, without regard to the granting of any exemption or abatement credits, as well as an updated estimate of potential post-conversion real property tax benefits pursuant to section 11-243 (previously J51-2.5) of the Administrative Code of the City of New York (hereinafter referred to as the "J-51 Program").

You have advised us that you are the fee owner of certain real property located at 157 Chambers Street, New York, New York, which was formerly designated as Block 140, Lot 10 on the Official Tax Map of the City of New York. The property has subsequently been apportioned into 40 condominium tax lots designated as Block 140, Lots 1401-1440. According to NYC Department of Finance records, the property consists of a land area of 7,662 square feet and was formerly improved by a sixteen (16) story, 111,500 square-foot (gross, above-grade), tax "class 4", office building.

You have advised us that you are in the process of renovating and converting the existing office structure to residential use, expand floors 15 and 16 and adding a new penthouse level thereby increasing the square footage of the existing building by 3,672 square feet in total. You have further advised us that the resulting 17-story building will be converted into a condominium consisting of the following: 1) 38 residential units located on floors 2 through 17 (penthouse); 2) two (2) ground level commercial retail units comprised of 5,084 square feet in total (4,609 square feet and 475 square feet, respectively); 3) a 1,042 square-foot "resident manager's unit" located on the third floor (a "common element"); and 4) cellar space consisting of a 978 square-foot fitness center and a 617 square-foot recreation room.

You have advised us that you purchased ground level space in an adjacent building located at 143 Reade Street consisting of approximately 916 square feet and that this space was allocated into a separate condominium unit within the 143 Reade Street building designated on the Official Tax Map of the City of New York as Block 140, Lot 1215. You have further advised us that this space is being renovated and attached to 157 Chambers Street as part of 157 Chambers Street's residential lobby. You have informed us that this tax lot will be owned by the Artisan Lofts Condominium, whose unit owners will be required to pay the real estate taxes imposed thereon as part of the Condominium's common charges. As such, the taxable value of this lobby unit is not included in the within projections of post-conversion assessments and real property taxes.

You have informed us that you started renovation work during August, 2006, that the renovation and conversion is expected to be completed during November, 2008, and that the first year of condominium operation is expected to be from December 1, 2008 through November 30, 2009.

Although the setting of an assessment on any particular property is subject to an individual assessor's subjective determination based upon general assessment guidelines, it is possible to estimate an approximate assessed value based upon a number of factors. These factors include actual construction costs, the property's location, a hypothetical economic analysis of the condominium as if it were a rental property (as required pursuant to section 581 of the New York Real Property Tax Law), assessed valuations of comparable buildings and New York City Department of Finance Assessment Guidelines. We have examined these factors in arriving at our estimates.

The assessment history of the 157 Chambers Street property is as follows:

Final 2008/09:		Land	Total
Residential Lots 1403-1440	Actual	$ 1,017,667	$ 6,084,836
	Transition	$ 1,017,667	$ 5,872,853
Retail Lots 1401-1402	Actual	$ 66,848	$ 399,705
	Transition	$ 66,848	$ 385,778
Total	Actual	$ 1,084,515	$ 6,484,541
	Transition	$ 1,084,515	$ 6,258,631

Former Tax Lot 10:

Final	2007/08	Actual	$ 1,084,500	$ 4,338,000
		Transition	$ 1,154,700	$ 3,667,500
Final	2006/07	Actual	$ 1,084,500	$ 4,176,000
		Transition	$ 1,189,800	$ 3,388,500
Final	2005/06	Actual	$ 1,084,500	$ 4,176,000
		Transition	$ 1,189,800	$ 3,388,500

New York City is an annual assessing jurisdiction and is required to assess property for each upcoming fiscal tax year (July 1 – June 30) based upon its use and condition on January 5th (taxable status date). Annual increases or decreases in assessed value resulting from construction, demolition or other physical changes to the property (i.e., "physical" or "alteration" increases) are taxable the year they are levied. For "class 4" commercial properties, and "class 2" residential properties having more than 10 units, annual assessment increases or decreases not resulting from physical changes (i.e., "equalization" changes) are phased in for tax purposes over a five (5) year period at 20% per year. Hence, two assessed values: 1) the "actual assessment," which is reflective of the City's claimed market value; and 2) the "transitional assessment," which is based on physical increases and the 5-year phase in of equalization changes. Real property taxes in any given year are based on the lesser of the actual or transitional assessment.

You have advised us that as of January 5, 2008, the second taxable status date following the 2006 start of construction and the basis for the property's 2008/09 assessed value, the project was approximately 65% complete. The City's final 2008/09 assessment roll classifies the residential units (lots 1403-1440) for tax purposes in residential tax class "2" and the retail units in commercial tax class "4." As set forth above, the New York City Department of Finance has set the property's taxable assessed values (i.e., the lesser of the actual or transitional assessments) for the fiscal 2008/09 tax year in the amounts:

Residential Units . . .	$5,872,853
Retail Units . . .	385,778
Total . . .	$6,258,631

Based upon the City's 2008/09 residential class "2" tax rate of 12.139% and commercial class "4" tax rate of 9.87%, we estimate that the gross real estate taxes due for the fiscal year July 1, 2008 through June 30, 2009 will be in the following amounts:

Residential Units . . .	$713,000
Retail Units . . .	38,100
Total . . .	$751,100

A schedule setting forth the final 2008/09 assessments and estimated 2008/09 real estate taxes by tax lot is attached hereto.

The first taxable status date following the anticipated November, 2008 completion of the property's renovation and conversion will be January 5, 2009, which will be the basis for the property's 2009/10 assessed values. We estimate the assessed values for the building to be in the following amounts:

Actual . . .	$11,370,000
Transition . . .	$11,322,800

We have been advised that 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 (both residential and commercial) based upon the percentage of common interest contained in the Condominium Declaration. Based on the schedule "A" in the Offering Plan, the percentage of common interest assigned to the residential units is in the total amount of 93.836%, and the percentage assigned to the retail units is in the total amount of 6.164%.

Based on these percentages, our estimates of the post-conversion assessed values for the residential and commercial portions of the building for the 2009/10 tax year are as follows:

	Estimated Actual	Estimated Transition
Residential Units . . .	$10,669,150	$10,624,860
Retail Units . . .	700,850	697,940
Total . . .	$11,370,000	$11,322,800

We assume that the residential units will continue to be classified for tax purposes as tax class "2" and that the retail units will continue to be designated as tax class "4." The most recent tax rates available as of the date of this letter are those passed by the New York City Council for the 2008/09 tax year. The 2008/09 residential class "2" tax rate is 12.139% and the commercial class "4" tax rate is 9.87%. For purposes of this projection, we have estimated that the 2009/10 residential class "2" tax rate will be in the approximate amount of 12,750% and the class "4" rate will be approximately 10.500%. Assuming a residential class "2" tax rate of 12, 750% and a commercial class "4" rate of 10.500%, based on the projected taxable 2009/10 assessed values (i.e., the lesser of the actual or transitional assessments), we estimate that the gross real estate taxes due for the fiscal year July 1, 2009 through June 20, 2010 will be as follows:

Residential Units . . .	$1,354,700
Retail Units . . .	73,300
Total . . .	$1,428,000

You have advised us that the Condominium will be operated on a fiscal year basis and that the first full year of operation will be from December 1, 2008 through November 30, 2009. Based on the forgoing projections, and apportioning the fiscal 2008/09 and 2009/10 estimated tax liability between the residential and commercial portions of the property based on their relative 2009/10 estimated post-conversion assessed values (i.e., 93.836% residential and 6.164% retail), we estimate that the property's tax liability for the period December 1, 2008 through November 30, 2009 will be as follows:

Residential Units . . .	$ 981,400
Commercial Units . . .	52,800
Total . . .	$ 1,034,200

You have advised us that you intend to apply for J-51 real estate tax benefits. The J-51 program provides potential real property tax abatement and exemption benefits to qualified non-residential buildings that are converted to Class "A" multiple dwellings. These benefits are limited to residential units and are not available for space subsequently used for non-residential purposes. Also, additions to the existing structure's cubic dimensions do not qualify for J-51 benefits.

To qualify, the renovation must be completed (as evidenced by either a final Certificate of Occupancy or Temporary C of O covering all residential units) within three (3) years from the date alteration work commenced (typically the date the first work permit was issued by the NYC Department of Buildings). Assuming work commenced in August, 2006, a Certificate of Occupancy covering all residential units must be issued before August, 2009.

J-51 abatement benefits serve to reduce the property's tax liability otherwise payable. For conversions of non-residential buildings, the abatement is calculated and determined based on 50% of the lesser of: 1) the "reasonable cost" of the eligible alteration or improvement as established by the N.Y.C. Department of Housing Preservation & Development ("HPD"); or 2) a maximum allowance of $15,000 per one-bedroom apartment with an increase for larger apartments of $2,400 for each additional room. The allowance is reduced by ineligible non-residential portions of the converted structure and by additions to the pre-conversion structure's cubic dimensions.

The abatement may be realized over a period of up to twenty years, with the maximum amount of property tax deductible in any one year limited to 8 1/3% of the total allowance. If the maximum annual abatement is used, the benefits would run for six (6) years. If in any one year the tax abatement is greater than the tax due, however, the property's taxes may be reduced to zero, with the remaining abatement carried forward. After a twenty year period, any unused tax abatement benefits are lost.

Based upon the facts presented, it appears that the property would qualify for J-51 tax abatement benefits upon full compliance with applicable filing requirements as promulgated by HPD.

Applying the maximum abatement allowances set forth in the J-51 Rules and Regulations, we estimated that these abatement benefits would be in the approximate amount of $345,050 (i.e., 50% of $690,100 - - the maximum allowance reduced by anticipated commercial occupancy and added cubic space). Assuming full use of the annual 8 1/3% credit, the annual abatement would be in the approximate amount of

$57,500 for each of the first six years following the approval of benefits. These benefits would be apportioned to the 38 residential units.

The J-51 program also provides for a tax exemption on the increase in the property's assessed value, reduced by ineligible space, resulting from the property's renovation or improvement. For renovations in Manhattan below 110th Street, however, these benefits are only available to properties having an average post-renovation assessed valuation of less than $38,000 per dwelling unit. Since we estimate that the resulting assessed value will exceed $38,000 per apartment, it does not appear that the property will qualify for the J-51 exemption.

Assuming HPD approval prior to April 30, 2009, we estimate potential J-51 tax abatement benefits would commence with the 2009/10 fiscal tax year (i.e., July 1, 2009).

We make no warranty or guarantee regarding the property's eligibility for J-51 tax benefits. No representations are made herein that the property will ultimately qualify, or be approved, for J-51 benefits, or that these benefits will be realized, or realized in the amounts estimated herein.

This letter was prepared at the sponsor's request. The figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. No government agency has passed upon these figures or the estimates of assessed valuation and taxes herein. We have not passed on the accuracy of any figures or estimates contained in the Offering Plan, and offer no warranties on real estate assessments, tax classifications, taxes, or tax rates for any period. All prospective purchasers are advised that, although the estimate of assessed valuation upon completion of conversation is a good faith estimate, such assessed valuation when actually made may be less or greater than as estimated herein.

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 above opinion is based upon our interpretation of The New York State Real Property Tax Law and The Administrative Code of the City of New York and is not intended to be a guarantee or assurance that the actual tax assessments or actual taxes will be as estimated.

No representation is made that the provisions of law or New York City Department of Finance policies and practices will apply at the time the renovation and conversion of the building is complete. You should be aware that the laws, regulations and practices of the

Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one of more agencies of the City of New York, or Courts of competent jurisdiction.

While we believe our opinions are well-founded, they are not intended, and should not be construed as representations or warranties that assessment and taxes will not be determined in a different amount. The foregoing analysis is based upon our knowledge of the making and review of assessments by the Real Property Assessment Department and the Tax Commission of the City of New York with respect to mixed-use properties held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a different result.

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

Very truly yours,

PODELL, SCHWARTZ, SCHECHTER
& BANFIELD, LLP

BY: _____
PAUL V. GRECO

PVG/gls:

PODELL, SCHWARTZ, SCHECHTER & BANFIELD, LLP

ARTISAN LOFTS CONDOMINIUM
157 CHAMBERS STREET
SCHEDULE OF 2008/09 FINAL ASSESSED VALUES BY TAX LOT AND
ESTIMATED REAL PROPERTY TAXES:

LOT	UNIT #	TAX CLASS	TRANSITIONAL	ACTUAL	TAXABLE	TAX RATE	EST TAXES
1401	COM1	4	349,732	362,354	349,732	9.87%	34,519
1402	COM2	4	36,046	37,351	36,046	9.87%	3,558
1403	2A	2	172,860	179,101	172,860	12.139%	20,983
1404	2B	2	100,011	103,623	100,011	12.139%	12,140
1405	2D	2	115,597	119,770	115,597	12.139%	14,032
1406	3A	2	201,901	209,188	201,901	12.139%	24,509
1407	3C	2	116,973	121,196	116,973	12.139%	14,199
1408	4A	2	174,993	181,308	174,993	12.139%	21,242
1409	4B	2	163,791	169,704	163,791	12.139%	19,883
1410	4C	2	117,662	121,911	117,662	12.139%	14,283
1411	5A	2	176,056	182,412	176,056	12.139%	21,371
1412	5C	2	118,226	122,492	118,226	12.139%	14,351
1413	6A	2	178,000	184,424	178,000	12.139%	21,607
1414	6B	2	96,754	100,249	96,754	12.139%	11,745
1415	6C	2	120,107	124,442	120,107	12.139%	14,580
1416	7A	2	181,499	188,052	181,499	12.139%	22,032
1417	7B	2	97,758	101,287	97,758	12.139%	11,867
1418	7C	2	121,918	126,319	121,918	12.139%	14,800
1419	8A	2	184,317	190,970	184,317	12.139%	22,374
1420	8B	2	98,258	101,806	98,258	12.139%	11,928
1421	8C	2	122,842	126,904	122,842	12.139%	14,912
1422	9A	2	185,315	192,005	185,315	12.139%	22,495
1423	9B	2	98,702	102,264	98,702	12.139%	11,981
1424	9C	2	122,979	127,421	122,979	12.139%	14,928
1425	10A	2	186,383	193,111	186,383	12.139%	22,625
1426	10B	2	99,580	103,174	99,580	12.139%	12,088
1427	10C	2	123,546	128,006	123,546	12.139%	14,997
1428	11A	2	184,754	191,422	184,754	12.139%	22,427
1429	11B	2	100,137	103,752	100,137	12.139%	12,156
1430	11C	2	119,102	123,400	119,102	12.139%	14,458
1431	12A	2	255,171	264,378	255,171	12.139%	30,975
1432	12C	2	197,207	204,325	197,207	12.139%	23,939
1433	14A	2	142,947	148,105	142,947	12.139%	17,352
1434	14B	2	101,762	105,436	101,762	12.139%	12,353
1435	15A	2	160,537	166,330	160,537	12.139%	19,488
1436	15B	2	191,884	198,812	191,884	12.139%	23,293
1437	TW16S	2	233,319	241,741	233,319	12.139%	28,323
1438	TW17N	2	219,931	227,867	219,931	12.139%	26,697
1439	TW17S	2	214,739	222,487	214,739	12.139%	26,067
1440	PH	2	275,695	285,642	275,695	12.139%	33,467

EXHIBIT "C"

SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

Schedule A- 143 Reade Street- Artisan Lofts
Offering Prices and Related Information Projected Carrying Costs for the First Year of Operation
From December 1, 2008 to November 30, 2009

Unit	BR/ Bath/ HO	Bath	Interior SF	Exterior SF	Offering Price	% Residential Common Interest	% Common Interest	Estimated Monthly Common Charges	Estimated Monthly RE Tax With J-51	Estimated Monthly RE Tax W/O J-51	Estimated Total Monthly Carrying Costs With J-51	Estimated Total Monthly Carrying Costs W/O J-51
2A	3/3.5/1	3.5	2760	201	$3,450,000	2.943%	2.762%	$2,106.32	$1,702.10	$2,406.88	$3,808.42	$4,513.21
2B	2/2	2	1500	407	$1,895,000	1.702%	1.598%	$1,218.13	$934.92	$1,391.95	$2,153.05	$2,610.08
2D	2/2.5/1	2.5	1860		$2,295,000	1.968%	1.847%	$1,408.51	$1,132.27	$1,609.50	$2,540.78	$3,018.01
3A	4/4.5/1	4.5	3220	53	$4,095,000	3.438%	3.226%	$2,460.60	$2,020.32	$2,811.71	$4,480.92	$5,272.31
3C	2/2.5/1	2.5	1860		$2,495,000	1.992%	1.869%	$1,425.69	$1,230.94	$1,629.12	$2,656.63	$3,054.81
4A	3/3.5/1	3.5	2764	53	$3,975,000	2.980%	2.796%	$2,132.80	$1,961.12	$2,437.14	$4,093.92	$4,569.95
4B	3/3/1	3	2596		$3,295,000	2.789%	2.617%	$1,996.10	$1,625.63	$2,280.94	$3,621.73	$4,277.04
4C	2/2.5/1	2.5	1860		$2,595,000	2.004%	1.880%	$1,434.27	$1,280.28	$1,638.94	$2,714.55	$3,073.21
5A	3/3.5/1	3.5	2764	53	$4,095,000	2.998%	2.813%	$2,145.69	$2,020.32	$2,451.86	$4,166.01	$4,597.55
5C	2/2.5/1	2.5	1860		$2,695,000	2.013%	1.889%	$1,440.72	$1,329.61	$1,646.30	$2,770.33	$3,087.01
6A	3/3.5/1	3.5	2760	53	$4,295,000	3.031%	2.844%	$2,169.30	$2,118.99	$2,478.85	$4,288.30	$4,648.16
6B	2/2	2	1500		$2,250,000	1.647%	1.546%	$1,178.77	$1,110.07	$1,346.97	$2,288.83	$2,525.74
6C	2/2.5/1	2.5	1860		$2,895,000	2.045%	1.919%	$1,463.62	$1,428.28	$1,672.47	$2,891.90	$3,136.09
7A	3/3.5/1	3.5	2760	53	$4,595,000	3.090%	2.900%	$2,211.53	$2,267.00	$2,527.11	$4,478.53	$4,738.64
7B	2/2	2	1500		$2,350,000	1.664%	1.562%	$1,190.93	$1,159.40	$1,360.87	$2,350.34	$2,551.81
7C	2/2.5/1	2.5	1860		$3,095,000	2.076%	1.948%	$1,485.81	$1,526.96	$1,697.82	$3,012.76	$3,183.63
8A	3/3.5/1	3.5	2760	53	$4,795,000	3.138%	2.945%	$2,245.88	$2,365.67	$2,566.36	$4,611.56	$4,812.25
8B	2/2	2	1500		$2,425,000	1.673%	1.570%	$1,197.38	$1,196.40	$1,368.24	$2,393.78	$2,565.61
8C	2/2.5/1	2.5	1860		$3,150,000	2.086%	1.957%	$1,492.96	$1,554.09	$1,706.00	$3,047.05	$3,198.96
9A	3/3.5/1	3.5	2760	53	$4,975,000	3.156%	2.961%	$2,258.77	$2,454.48	$2,581.08	$4,713.25	$4,839.85
9B	2/2	2	1500		$2,495,000	1.681%	1.577%	$1,203.10	$1,230.94	$1,374.78	$2,434.04	$2,577.88
9C	2/2.5/1	2.5	1860		$3,195,000	2.094%	1.965%	$1,498.69	$1,576.29	$1,712.54	$3,074.98	$3,211.23
10A	3/3.5/1	3.5	2760	53	$5,195,000	3.174%	2.978%	$2,271.65	$2,563.02	$2,595.80	$4,834.67	$4,867.45
10B	2/2	2	1500		$2,650,000	1.696%	1.591%	$1,213.84	$1,307.41	$1,387.05	$2,521.25	$2,600.88
10C	2/2.5/1	2.5	1860		$3,295,000	2.104%	1.974%	$1,505.85	$1,625.63	$1,720.72	$3,131.47	$3,226.57
11A	3/3.5/1	3.5	2704	109	$5,395,000	3.146%	2.952%	$2,251.61	$2,661.69	$2,572.90	$4,913.30	$4,824.51
11B	2/2	2	1500		$2,750,000	1.705%	1.600%	$1,220.28	$1,356.75	$1,394.41	$2,577.02	$2,614.68
11C	2/2/1	2.5	1727	122	$3,350,000	2.028%	1.903%	$1,451.45	$1,652.76	$1,658.57	$3,104.22	$3,110.02
12A	4/3.5/1	3.5	3675	481	$6,895,000	4.345%	4.077%	$3,109.74	$3,401.73	$3,553.49	$6,511.48	$6,663.23
12C	3/3/1	3	2822	428	$5,650,000	3.358%	3.151%	$2,403.34	$2,787.50	$2,746.28	$5,190.84	$5,149.62
14A	2/2.5/1	2.5	2098	53	$4,095,000	2.434%	2.284%	$1,742.03	$2,020.32	$1,990.61	$3,762.35	$3,732.63
14B	2/2	2	1497		$2,895,000	1.733%	1.626%	$1,240.32	$1,428.28	$1,417.31	$2,668.60	$2,657.62
15A	3/3	3	2320		$4,595,000	2.734%	2.565%	$1,956.74	$2,267.00	$2,235.96	$4,223.74	$4,192.70
15B	3/3.5/1	3.5	2827	53	$5,695,000	3.267%	3.066%	$2,338.21	$2,809.70	$2,671.86	$5,147.91	$5,010.07
Tower 16 South	3/3.5	3.5	3168	427	$7,450,000	3.973%	3.728%	$2,843.50	$3,675.55	$3,249.25	$6,519.05	$6,092.75
Tower 17 North	3/3.5	3.5	2935	377	$7,250,000	3.745%	3.514%	$2,680.32	$3,576.88	$3,062.79	$6,257.20	$5,743.10
Tower 17 South	3/3.5	3.5	3033	173	$6,495,000	3.656%	3.431%	$2,616.62	$3,204.39	$2,990.00	$5,821.01	$5,606.62
Penthouse	5/4.5	5.5	3374	1,025	$11,000,000	4.694%	4.405%	$3,359.52	$5,426.99	$3,838.91	$8,786.51	$7,198.43
Residential Totals			***87,324***	***4,280***	***$156,055,000***	***100.000%***	***93.836%***	***$71,570.58***	***$76,991.67***	***$81,783.33***	***$148,562.25***	***$153,353.92***
Commercial 1			***4,609***		***Not Offered***	***n/a***	***5.588%***	***$853.25***	***$3,988.84***	***$3,988.84***	***$4,842.09***	***$4,842.09***
Commercial 2			***475***		***Not Offered***	***n/a***	***0.576%***	***$87.83***	***$411.16***	***$411.16***	***$498.99***	***$498.99***
Grand Total			***92,408***	***4,280***	***$156,055,000***	***100.000%***	***100.000%***	***$72,511.67***	***$81,391.67***	***$86,183.33***	***$153,903.33***	***$158,695.00***

Storage Units

Storage Unit	Interior Sq.Ft.	License Purchase Price
1	33	$20,000
2	34	$20,500
3	34	$20,500
4	33	$20,000
5	33	$20,000
6	44	$27,000
7	89	$53,000
8	34	$20,500
9	32	$19,500
10	37	$22,000
11	37	$22,000
12	37	$22,000
13	28	$17,000
14	37	$22,000
15	37	$22,000
16	35	$21,000
17	37	$22,000
18	34	$20,500
19	35	$21,000
20	33	$20,000
21	34	$20,500
22	34	$20,500
23	33	$20,000
24	33	$20,000
25	44	$27,000
26	89	$53,000
27	34	$20,500
28	32	$19,500
29	37	$22,000
30	37	$22,000
31	37	$22,000
32	28	$17,000
33	37	$22,000
34	37	$22,000
35	35	$21,000
36	37	$22,000
37	34	$20,500
38	35	$21,000
Totals	***1440***	***$865,000***

Private Rooftop Terraces

1	278	$195,000
2	248	$195,000
Totals	***526***	***$390,000***

NINTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10013

DATED: July 3, 2008

TABLE OF CONTENTS

SECTION **PAGE**

INTRODUCTION 2

1. RECORDING OF CONDOMINIUM DECLARATION AND FLOOR PLANS 2

2. PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION 2

3. SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION 2

4. DEFINITIONS 2

5. NO MATERIAL CHANGES 3

EXHIBIT

A - SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

NINTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

INTRODUCTION

This Ninth Amendment modifies and supplements the terms of the Condominium Offering Plan for the premises known as Artisan Lofts Condominium ("Condominium") located at 143 Reade Street, New York, New York 10013 ("Building"), accepted for filing on February 28, 2007 ("Plan"), and should be read in conjunction with the Plan, as previously amended.

The terms of this Amendment are as follows:

1. RECORDING OF CONDOMINIUM DECLARATION AND FLOOR PLANS

The Condominium Declaration dated January 7, 2008 was recorded in the New York County Office of the Register of the City of New York ("Register's Office") on February 28, 2008 under CRFN 2008000082597. The Floor Plans certified by BKSK Architects LLP were recorded in the Register's Office on February 28, 2008 under CRFN 2008000082598. As noted in the Eighth Amendment, the Declaration, unit deeds and other conveyance documents will reflect the Condominium's address as 157 Chambers Street, New York, New York 10007 as required by the NYC Department of Buildings. However, the post office address of the Condominium and the primary physical entrance thereto, upon completion of the lobby, will be 143 Reade Street, New York, New York 10013.

2. PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION

Sponsor currently anticipates that the First Year of Condominium Operation will commence on approximately July 15, 2008. As set forth in the Eighth Amendment, Purchasers who received fully-executed countersigned Purchase Agreements from Sponsor prior to the date of the Eighth Amendment will have the right to rescind such Purchase Agreements in the event the First Unit Closing does not occur by December 31, 2008.

3. SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

Annexed hereto as Exhibit "A" is Schedule A – Purchase Prices and Related Information.

4. DEFINITIONS

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

5. **NO MATERIAL CHANGES**

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

SPONSOR:

ARTISAN LOFTS DEVELOPMENT OWNER LLC

EXHIBIT "A"

SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

Schedule A- 143 Reade Street- Artisan Lofts
Offering Prices and Related Information Projected Carrying Costs for the First Year of Operation
From April 1, 2008 to March 31, 2009

Unit	BR/ Bath/ HO	Interior SF	Exterior SF	Offering Price	% Residential Common Interest	% Common Interest	Estimated Monthly Common Charges	Estimated Monthly RE Tax With J-51	Estimated Monthly RE Tax W/O J-51	Estimated Total Monthly Carrying Costs With J-51	Estimated Total Monthly Carrying Costs W/O J-51
2A	3/3.5/1	2760	201	$3,450,000	2.943%	2.762%	$2,268.19	$863.26	$989.36	$3,131.46	$3,257.55
2B	2/2	1500	407	$1,895,000	1.702%	1.598%	$1,311.75	$417.33	$543.43	$1,729.08	$1,855.18
2D	2/2.5/1	1860		$2,295,000	1.968%	1.847%	$1,516.75	$532.04	$658.14	$2,048.80	$2,174.89
3A	4/4.5/1	3220	53	$4,095,000	3.438%	3.226%	$2,649.70	$1,048.23	$1,174.32	$3,697.92	$3,824.02
3C	2/2.5/1	1860		$2,495,000	1.992%	1.869%	$1,535.25	$589.40	$715.49	$2,124.65	$2,250.74
4A	3/3.5/1	2764	53	$3,975,000	2.980%	2.796%	$2,296.71	$1,013.81	$1,139.91	$3,310.53	$3,436.62
4B	3/3/1	2596		$3,295,000	2.789%	2.617%	$2,149.51	$818.81	$944.91	$2,968.32	$3,094.41
4C	2/2.5/1	1860		$2,595,000	2.004%	1.880%	$1,544.50	$618.07	$744.17	$2,162.57	$2,288.67
5A	3/3.5/1	2764	53	$4,095,000	2.998%	2.813%	$2,310.58	$1,048.23	$1,174.32	$3,358.81	$3,484.91
5C	2/2.5/1	1860		$2,695,000	2.013%	1.889%	$1,551.44	$646.75	$772.85	$2,198.18	$2,324.28
6A	3/3.5/1	2760	53	$4,295,000	3.031%	2.844%	$2,336.02	$1,105.58	$1,231.68	$3,441.60	$3,567.69
6B	2/2	1500		$2,250,000	1.647%	1.546%	$1,269.36	$519.14	$645.23	$1,788.49	$1,914.59
6C	2/2.5/1	1860		$2,895,000	2.045%	1.919%	$1,576.10	$704.10	$830.20	$2,280.20	$2,406.30
7A	3/3.5/1	2760	53	$4,595,000	3.090%	2.900%	$2,381.49	$1,191.61	$1,317.71	$3,573.10	$3,699.20
7B	2/2	1500		$2,350,000	1.664%	1.562%	$1,282.46	$547.81	$673.91	$1,830.27	$1,956.37
7C	2/2.5/1	1860		$3,095,000	2.076%	1.948%	$1,599.99	$761.46	$887.55	$2,361.45	$2,487.54
8A	3/3.5/1	2760	53	$4,795,000	3.138%	2.945%	$2,418.48	$1,248.97	$1,375.06	$3,667.45	$3,793.55
8B	2/2	1500		$2,425,000	1.673%	1.570%	$1,289.40	$569.32	$695.42	$1,858.72	$1,984.81
8C	2/2.5/1	1860		$3,150,000	2.086%	1.957%	$1,607.70	$777.23	$903.33	$2,384.93	$2,511.02
9A	3/3.5/1	2760	53	$4,975,000	3.156%	2.961%	$2,432.36	$1,300.59	$1,426.68	$3,732.94	$3,859.04
9B	2/2	1500		$2,495,000	1.681%	1.577%	$1,295.56	$589.40	$715.49	$1,884.96	$2,011.05
9C	2/2.5/1	1860		$3,195,000	2.094%	1.965%	$1,613.86	$790.13	$916.23	$2,404.00	$2,530.09
10A	3/3.5/1	2760	53	$5,195,000	3.174%	2.978%	$2,446.23	$1,363.67	$1,489.77	$3,809.90	$3,936.00
10B	2/2	1500		$2,650,000	1.696%	1.591%	$1,307.12	$633.84	$759.94	$1,940.97	$2,067.06
10C	2/2.5/1	1860		$3,295,000	2.104%	1.974%	$1,621.57	$816.81	$944.91	$2,440.38	$2,566.48
11A	3/3.5/1	2704	109	$5,395,000	3.146%	2.952%	$2,424.65	$1,421.03	$1,547.12	$3,845.68	$3,971.77
11B	2/2	1500		$2,750,000	1.705%	1.600%	$1,314.06	$662.52	$788.62	$1,976.58	$2,102.68
11C	2/2/1	1727	122	$3,350,000	2.028%	1.903%	$1,563.00	$834.58	$960.68	$2,397.58	$2,523.68
12A	4/3.5/1	3675	481	$6,895,000	4.345%	4.077%	$3,348.73	$1,851.18	$1,977.28	$5,199.91	$5,326.01
12C	3/3/1	2822	428	$5,650,000	3.358%	3.151%	$2,588.04	$1,494.15	$1,620.25	$4,082.19	$4,208.29
14A	2/2.5/1	2098	53	$4,095,000	2.434%	2.284%	$1,875.90	$1,048.23	$1,174.32	$2,924.13	$3,050.23
14B	2/2	1497		$2,895,000	1.733%	1.626%	$1,335.64	$704.10	$830.20	$2,039.74	$2,165.84
15A	3/3	2320		$4,595,000	2.734%	2.565%	$2,107.12	$1,191.61	$1,317.71	$3,298.73	$3,424.83
15B	3/3.5/1	2827	53	$5,695,000	3.267%	3.066%	$2,517.90	$1,507.06	$1,633.16	$4,024.96	$4,151.06
Tower 16 South	3/3.5	3168	427	$7,450,000	3.973%	3.728%	$3,062.02	$2,010.34	$2,136.44	$5,072.37	$5,198.46
Tower 17 North	3/3.5	2935	377	$7,250,000	3.745%	3.514%	$2,886.30	$1,952.99	$2,079.08	$4,839.29	$4,965.39
Tower 17 South	3/3.5	3033	173	$6,495,000	3.656%	3.431%	$2,817.71	$1,736.48	$1,862.57	$4,554.19	$4,680.28
Penthouse	5/4.5	3374	1,025	$11,000,000	4.694%	4.405%	$3,617.70	$3,028.38	$3,154.47	$6,646.08	$6,772.18
Residential Totals		***87,324***	***4,280***	***$156,055,000***	***100.000%***	***93.836%***	***$77,070.83***	***$39,960.25***	***$44,751.92***	***$117,031.08***	***$121,822.75***
Commercial 1		***4,609***		***Not Offered***	***n/a***	***5.588%***	***$894.17***	***$2,665.05***	***$2,665.05***	***$3,559.22***	***$3,559.22***
Commercial 2		***475***		***Not Offered***	***n/a***	***0.576%***	***$92.08***	***$274.70***	***$274.70***	***$366.78***	***$366.78***
Grand Total		***92,408***	***4,280***	***$156,055,000***	***100.000%***	***100.000%***	***$78,057.08***	***$42,900.00***	***$47,691.67***	***$120,957.08***	***$125,748.75***

EIGHTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10013

DATED: February 7, 2008

TABLE OF CONTENTS

SECTION **PAGE**

INTRODUCTION 2

1. LEGAL ADDRESS OF THE CONDOMINIUM FOR TAX LOT DESIGNATION 2

2. REVISIONS TO FORM OF CONDOMINIUM DECLARATION 2

3. SCHEDULE B - BUDGET FOR REVISED PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION 3

4. UPDATED REAL ESTATE TAX PROJECTION OPINION 3

5. SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION 3

6. DEFINITIONS 3

7. NO MATERIAL CHANGES 3

EXHIBIT

A - RPL 339-I LETTER

B - SCHEDULE B – BUDGET FOR REVISED PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION, SCHEDULE B-1 AND CERTIFICATIONS

C - UPDATED REAL ESTATE TAX PROJECTION OPINION

D - SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

EIGHTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

INTRODUCTION

This Eighth Amendment modifies and supplements the terms of the Condominium Offering Plan for the premises known as Artisan Lofts Condominium ("Condominium") located at 143 Reade Street, New York, New York 10013 ("Building"), accepted for filing on February 28, 2007 ("Plan"), and should be read in conjunction with the Plan, as previously amended.

The terms of this Amendment are as follows:

1. LEGAL ADDRESS OF THE CONDOMINIUM FOR TAX LOT DESIGNATION

Due to Fire Department and Department of Buildings requirements, the legal address of the Condominium will be 157 Chambers Street, New York, New York 10007 (currently Block 140, Lot 10). Accordingly, the Condominium Declaration, Floor Plans, unit deeds and other conveyance documents will utilize that address. However, the post office address of the Condominium and the primary physical entrance to the Residential Units of the Condominium will be 143 Reade Street, New York, New York 10013.

2. REVISIONS TO FORM OF CONDOMINIUM DECLARATION

The form of Condominium Declaration set forth in Part II of the Plan will be revised prior to the recording thereof to reflect the change in the Building's legal address set forth in Paragraph 1 above and the following additional changes:

(i) There will be 2 Commercial Units in the Condominium located on the first (ground) floor of the Building instead of 1 Non-Residential Unit as disclosed in the Plan. The Commercial Units will be designated as Units COMM1 and COMM2 on the Floor Plans. The respective approximate square footages and percentage interests in the Common Elements of the Commercial Units will be as follows:

COMM1: 4,609 sq. feet; 5.5880%

COMM2: 475 sq. feet; 0.5760%

Annexed hereto as Exhibit "A" is an updated letter of Penmark Realty Corporation concerning compliance with RPL Section 339-i.

(ii) All references to "Non-Residential Unit" in the Plan, Declaration and By-laws shall be revised or deemed revised to refer to "Commercial Unit."

(iii) The cooling tower, HVAC room and gas meter room in the cellar shall be Residential Common Elements.

(iv) The corridor leading from Stair A on the first floor to the emergency exit vestibule shall be Residential Common Elements.

(v) The emergency exit vestibule and doors leading from such vestibule to Chambers Street shall be General Common Elements.

No Residential Units are affected by the revisions described above.

3. **SCHEDULE B - BUDGET FOR REVISED PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION**

Annexed hereto as Exhibit "B" is Schedule B - Budget for the revised projected First Year of Condominium Operation, commencing April 1, 2008, revised Schedule B-1 and Certifications of the Budget. Those Purchasers who received fully-executed countersigned Purchase Agreements from Sponsor prior to the date of this Amendment will have the right to rescind such Purchase Agreements in the event the First Unit Closing does not occur by December 31, 2008.

4. **UPDATED REAL ESTATE TAX PROJECTION OPINION**

Annexed hereto as Exhibit "C" is an updated real estate tax projection opinion letter of Podell, Schwartz, Schechter & Bandfield, LLP for the revised projected First Year of Condominium Operation.

5. **SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION**

Annexed hereto as Exhibit "D" is an updated Schedule A – Purchase Prices and Related Information, reflecting the updated Schedule B and updated real estate tax projection.

6. **DEFINITIONS**

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

7. **NO MATERIAL CHANGES**

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

SPONSOR:

ARTISAN LOFTS DEVELOPMENT OWNER LLC

EXHIBIT "A"

RPL 339-i LETTER

PENMARK
REALTY CORP

PART 20: LETTER TO ATTORNEY GENERAL
RE: REAL PROPERTY LAWSECTION 339-i (1) (iv) COMPLIANCE

January 18, 2008

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

Re: Condominium Offering Plan
Artisan Lofts Condominium
143 Read Street
New York, New York ("Property")

Dear Sir/Madam:

Artisan Lofts Development Owner LLC., ("Sponsor") of the Condominium Offering Plan ("Offering Plan") for the Property retained Penmark Realty Corporation ("Firm") to review the percentage of Common Interest in the Common Elements allocated to each Unit in the Property set forth in Schedule A of the Offering Plan.

The Firm is licensed as a real estate brokerage firm in the State of New York. The principals of the Firm have been engaged in the real estate and brokerage business for over 40 years and have been actively associated with sale and management of condominium and cooperative buildings.

The Firm has been advised by Sponsor that the Common Interest of each Unit has been determined in accordance with Real Property Law Section 339-i (1) (iv) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

In the Firm's opinion, within the framework of Real Property Law Section 339-i(1) (iv), this method of determining Common Interest is reasonable and equitable.

The Firm certifies that it is not owned or controlled by Sponsor and that it has no financial interest in the offering other than its fee for services rendered in connection with the preparation of this letter. The Firm understands that a copy of this letter is intended to be incorporated into the Offering Plan.

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

Very truly yours,

PENMARK REALTY CORPORATION

By: _____
Name: Leslie Bogen Winkler
Title: Vice President

EXHIBIT "B"

SCHEDULE B –BUDGET FOR REVISED PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION, SCHEDULE B-1 AND CERTIFICATIONS

SCHEDULE "B"
Artisan Lofts Condominium
Projected Budget for the First Full Year of Condominium Operation
April 1, 2008 – March 31, 2009

PROJECTED INCOME:

Common Charges (1)	
Residential Unit Common Charges.....	$ 924,850
Commercial Unit 1 Common Charge.....	$ 10,730
Commercial Unit 2 Common Charges.....	$ 1,105
TOTAL PROJECTED INCOME.....	$ 936,685

PROJECTED EXPENSES:

Salary, Wages, Payroll Taxes & Benefits (2).....	$ 371,627
Heat (3).....	$ 44,988
Hot Water & Cooking Gas (4).....	$ 60,560
Electricity (5).....	$ 181,500
Water & Sewer (6).....	$ 36,878
Repairs & Maintenance (7).....	$ 18,000
Services & Supplies (8).....	$ 81,508
Insurance (9).....	$ 51,800
Management Fee (10).....	$ 36,000
Legal & Auditing Fees (11).....	$ 7,500
Lobby Unit Expense (12).....	$ 13,324
Administration (13).....	$ 15,000
Contingency (14).....	$ 18,000
TOTAL PROJECTED EXPENSES (15).....	$ 936,685

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

Notes to Schedule B

(1) COMMON CHARGES - (Budget - $936,685)

The estimated Common Charges to be collected from Unit Owners during the first year of Condominium operation are based upon the assumption that the first year of Condominium operation will be the twelve months commencing April 1, 2008. The actual first year of operation may be earlier or later.

The allocation for the General Common Expenses to be borne by the Commercial Unit 1 and Commercial Unit 2 have been allocated on the basis of Commercial Unit 1 and Commercial Unit 2 respective Percentage of Common Interest 5.588% and .5760%

	Total	Residential Units	Commercial Unit 1	Commercial Unit 2
Projected Income				
Common Charges (1)				
Residential Unit Common Charges	$ 924,850	$ 924,850		
Commercial Unit 1 Common Charges	$ 10,730		$10,730	
Commercial Unit 2 Common Charges	$ 1,105			$1,105
Total Projected Income	$ 936,685	$ 924,850	$10,730	$1,105
Projected Expenses				
Salary, Wages, Payroll Taxes (2) & Benefits	$ 371,627	$ 370,779	$ 769	$ 79
Heat (3)	$ 44,988	$ 44,988	$ —	$ —
Hot Water & Cooking Gas (4)	$ 60,560	$ 60,560	$ —	$ —
Electricity (5)	$ 181,500	$ 180,381	$ 1,014	$ 105
Water & Sewer (6)	$ 36,878	$ 36,878	$ —	$ —
Repairs & Maintenance (7)	$ 18,000	$ 16,890	$ 1,006	$ 104
Services & Supplies (8)	$ 81,508	$ 80,658	$ 771	$ 79
Insurance (9)	$ 51,800	$ 48,607	$ 2,895	$ 298
Management Fee (10)	$ 36,000	$ 33,781	$ 2,012	$ 207
Legal & Auditing Fees (11)	$ 7,500	$ 7,038	$ 419	$ 43
Lobby Unit Expenses (12)	$ 13,324	$ 13,324	$ —	$ —
Administration (13)	$ 15,000	$ 14,076	$ 838	$ 86
Contingency (14)	$ 18,000	$ 16,890	$ 1,006	$ 104
Total First Year Budget	$ 936,685	$ 924,850	$10,730	$1,105

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

If the Common Charges in the revised budget projections exceed the earlier budget projections by twenty-five percent (25%) or more, the Sponsor will offer all purchasers the right to rescind their Purchase Agreements for 15 days following presentation of an amendment to the plan containing the revised budget and have their Deposits refunded to them, whether or not the Sponsor offers to guarantee the earlier budget projections.

(2) SALARIES, WAGES, PAYROLL TAXES & BENEFITS - (Budget - $371,627)

The budgeted amount includes base wages, worker's compensation and disability insurance, welfare and pension costs, payroll taxes and the cost of sick days, holidays and vacation pay for a projected shared building staff of 1 Resident Superintendent, 4.2 concierges, and 1 porter. The full staff may not be employed until certain Building occupancy levels are achieved. The projected level of staffing for the Building complies with all applicable housing and labor laws. It is anticipated that such employees will be non union members.

Position	Weekly Base Wage Rate
(1) Resident Superintendent	$60,000 plus apartment, telephone, gas, electricity
(5.2) 4.2 Concierges, 1 Porter	$750.00 per week

The projections allow for 28 sick days, holidays and vacation pay and miscellaneous payroll expenses.

Total Base Wages	$283,015
FICA @ 7.65% of Base Wages	$ 21,651
Worker's Compensation @ 5.5% of total wages	$ 15,566
FUI and FUTA-NYS Unemployment, @ $425 per employee	$ 2,975
NYS Disability @ $60 per employee	$ 420
Health @ $8,000 per employee	$ 48,000
Total Benefit	$ 88,612
TOTAL WAGES TAXES & BENEFITS	**$371,627**

The employee's will be devoting a substantial portion of their time and effort to service the Residential Units and Residential Common Elements except that a small portion of the Resident Superintendent and one porter's time estimated at 10% (ten percent) or 4 hours per week will be devoted to the General Common Elements. Accordingly, salaries and related expenses have been allocated to the Residential Unit's except for the time charged to the General Common Elements ($13,761) that has been apportioned to all the Unit's within the Condominium based upon each Unit's respective Percentage of Common Interest.

(3) HEAT - (Budget - $44,988)

The budgeted amount is based upon a letter from Simon Rodkin P.C., located at 214 West 29th Street, New York, NY 10001 sponsor's consulting engineers dated January 9, 2008. It is anticipated that the annual consumption of gas for hot water for the Residential Units will be approximately 28,600 therm at $1.43 per therm for a total cost of $40,898. A 10% inflation factor has been added. The Commercial Unit will be separately metered for heat and hot water.

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

(4) HOT WATER & COOKING GAS (Budget - $60,560)

The Residential Units will not be separately metered for gas to be used for cooking and hot water. Based on a letter dated January 9, 2008 from Simon Rodkin P.C., located at 214 West 29th Street, New York, NY 10001, it is estimated that the gas cost for apartment cooking and hot water based on 38,500 therms of gas/year at $1.43 per therm will be $55,055. A 10% inflation factor has been added.

(5) ELECTRICITY - (Budget - $181,500)

The electricity consumption for the first year of Condominium operation for the Common Areas was estimated by Simon Rodkin P.C. in a letter dated January 9, 2008, at 750,000 kilowatt hours of electricity, at an average rate of $.22 per kilowatt hour of electricity including applicable sales tax, resulting in an annual cost of $165,000.

This estimate includes costs for the common area air conditioning units, distribution pumps, miscellaneous floor loads, elevators and lighting and electric usage in the Resident Superintendent's apartment. Electricity costs can vary depending upon consumption and demand factors. A 10% inflation factor has been included.

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

(6) WATER & SEWER – (Budget - $36,878)

The building will have a single main water meter, which will measure actual water usage. Based upon a letter from Simon Rodkin P.C., P.C. dated November 15 2006, water and sewer charges are based upon a combined charge of $5.23 per 100 Cu. Ft. and an estimated usage of 5853 C.C.F. This estimated is based on a usage of 60 gallons per day per estimated occupancy of 200 people in the building.

Cooling tower make up water is based on 1500 hours of operation 12 gpm of make-up water at a cost of $2.02 per 100/cubic feet for a cost of $2,914.

The annual water and sewer charges during the first year of condominium operation is estimated at $33,525. A 10% inflation factor has been added.

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

(7) **REPAIRS & MAINTENANCE – (Budget - $18,000)**

Since the Building will be newly constructed it has no operating history upon which to project future costs of repairs and maintenance. No major capital repairs are included in the First Year's Budget since all major construction and mechanical systems will be new. Future major capital repairs to the Common Elements will be borne by all Unit Owners.

The budgeted figure for this item includes the cost of normal maintenance and repairs to the Common Elements of the Building that are the responsibility of the Condominium. Each Unit Owner will be responsible for the cost of the interior maintenance, repairs, decoration and painting of their respective units, including the appliances, incremental heating/air-conditioning units and any Limited Residential Common Elements appurtenant thereto. Repairs and Maintenance have been allocated to all Units based upon each unit's respective Percentage of Common Interest.

(8) **SERVICE & SUPPLIES - (Budget - $81,508)**

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

All of the mechanical systems within the Building will be new, and some will be under a full service maintenance contract for the first year of Condominium operation from the contractor who will install the system. No maintenance or service contracts have been entered into as of the date of the Plan. The budgeted amounts are based upon the experience of the Sponsor's budget expert in operating similar buildings. While this Schedule B includes a reasonable allowance for possible increases in cost that may occur prior to and during the first year of Condominium operations, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

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

Heating and Cooling System	$ 8,000
Elevator Maintenance	$ 19,508
Sprinkler System/Fire Protective Alarm System	$ 8,000
Metal, Wood, and Marble Maintenance	$ 10,000
Exterminator	$ 4,000
Uniform Cleaning & Maintenance	$ 6,000
Water Treatment	$ 5,000
Miscellaneous Supplies	$ 18,000
Electric Submeter	$ 3,000

The cost for services relating to the, sprinkler system/ fire protection alarm system, exterminator and $1,800 of the miscellaneous supplies of $18,000, have been allocated to all units within the Condominium based upon each unit's respective Percentage of Common Interest. The other services are expenses of the Residential Units only.

(9) **INSURANCE – (Budget - $51,800)**

Based upon the proposal dated January 4, 2008, from The Rampart Group, having an office address at 1983 Marcus Avenue, Lake Success, New York. The following insurance coverage will be obtained for the Building for the first year of Condominium operation:

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

Property Policy

$34,500,000	Building All Risk, "Special Form", No Co-insurance, Replacement Cost, $5000 Deductible
TBD	Business Income – Limit
TBD	Personal Property Limit
Included	Boiler & Machinery

General Liability Policy

$1,000,000	Per Occurrence
$2,000,000	General Aggregate
$1,000,000	Personal & Advertising Injury
$1,000,000	Non-Owned Automobile/Hired Car
$1,000,000	Employee Benefits Liability - $1000 Deductible
$ 5,000	Medical Payments
$1,000,000	Fire Legal Liability
$1,000,000	Directors & Officers Liability – Per Occurrence/Annual Aggregate

Umbrella Liability

$50,000,000	Per Occurrence/Aggregate

The annual premium for the above mentioned insurance policy is estimated to be $51,800.

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

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

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

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

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

(10) MANAGEMENT FEE - (Budget - $36,000)

At or prior to the First Closing, the Condominium will enter into a management agreement with Penmark Realty Corp., having an office address at 820 Second Avenue, New York, NY 10017, a real estate management firm. The agreement will be for an initial term of 1 year. Thereafter, the agreement will be automatically renewed from year to year, but may be cancelled by either party without cause, upon not less than thirty (30) days' prior written notice.

The Managing Agent will receive an annual fee of $36,000 payable in equal monthly installment of $3,000. The Managing Agent's fee for the first year of Condominium operation is comparable to the "going rate" for similar services in comparable buildings.

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

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

(11) LEGAL & AUDIT FEES – (Budget - $7,500)

The Condominium will engage a law firm to act as the attorney for the Condominium. The estimated cost for these services for the Condominium's first year is $1,000. It is anticipated that the Condominium will enter into an agreement with Hyman & Associates, located at 580 Sylvan Avenue, Englewood Cliffs, NJ to provide audit tax returns preparation and financial statement preparation services for the Condominium. It is estimated that the first year cost for these services will be $6,500.

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

(12) LOBBY UNIT EXPENSES – (Budget - $13,324)

This budgeted item is the amount the Aristan Condominium Unit Owners must pay to 137 Reade Street Condominium for easement rights for the lobby.

The figure includes 2.163% of the Common charges of the 137 Reade Street Condominium in the amount of $3,054 for 2006, and real taxes in the amount of $9,059 for fiscal 06/07. A 10% inflation factor has been added to cover possible increase in common charge costs and real estate taxes for the first year of Condominium Operation.

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

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

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

(14) CONTINGENCY – (Budget - $18,000)

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

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

(15) TOTAL PROJECTED EXPENSES – (Budget - $921,806)

The projections set forth in this budget assume that the first year of Condominium operation will cover the period from April 1, 2008 – March 31, 2009.

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

PENMARK
REALTY CORP

PART 20: CERTIFICATION BY EXPERT
AS TO ADEQUACY OF CONDOMINIUM BUDGET

January 17, 2008

New York State Department of Law
Investment Protection Bureau
120 Broadway - 23rd Floor
New York, New York 10271

Re: Condominium Offering Plan
Artisan Lofts Condominium
143 Reade Street
New York, NY 10007

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedules B and review Schedule B-1 (collectively, "Schedules") containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes: the management of residential real estate for the past 40 years, managing approximately 50 cooperative and condominium buildings and is licensed as a real estate broker in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Schedules.

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

We certify that the projections in the Schedules 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 Schedules:

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

(iii) do not omit any material fact;

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

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

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

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

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

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

PENMARK REALTY CORPORATION

By: _____
Name: Leslie Bogen Winkler
Title: Vice President

Sworn to before me this
18 day of January, 2008

_____
Notary Public

MARIBEL ALVERIO
Notary Public, State of New York
No. 01AL6074898
Qualified in New York County
Commission Expires May 27, 2010

PENMARK
REALTY CORP

PENMARK
REALTY CORP

PART 20: CERTIFICATION BY EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER(S)

January 17, 2008

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

Re: Condominium Offering Plan
Artisan Lofts Condominium
143 Reade Street
New York, NY 10007

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(s) of the commercial unit(s). Our experience in this field includes:

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(s) listed in Schedule B.

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

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

We certify that the estimates in Schedule B for the common charges payable by the owner(s) of the commercial unit(s):

(i) sets forth in detail the projected common charges for the commercial unit(s) 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 common charges payable by the owner(s) of the commercial unit(s);

(iii) do not omit any material fact;

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

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

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

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

(a) knew the truth;

(b)with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit(s) 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.

Penmark Realty Corporation

By: _____
Name: Leslie Bogen Winkler
Title: Vice President

Sworn to before me this
18th day of January, 2008

_____
Notary Public

MARIBEL ALVERIO
Notary Public, State of New York
No. 01AL6074898
Qualified in New York County
Commission Expires May 27, 2010

PENMARK REALTY CORP

EXHIBIT "C"

UPDATED REAL ESTATE TAX PROJECTION OPINION

LAW OFFICES

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VICTOR HADE

OF COUNSEL
OWEN B. CARRAGHER

January 23, 2008

Artisan Lofts Development Owner LLC
C/O Tribeca Associates
321 Greenwich Street
New York, NY 10013

Re: ARTISAN LOFTS CONDOMINIUM
157 Chambers Street
Block: 140 Lot: 10
Borough: Manhattan

Gentlemen:

You have requested that we provide you with an estimate of the real estate tax assessment on the condominium to be created from the renovation and conversion of the above property.

You have also requested an estimate of the real estate taxes that would be applicable to the condominium upon completion of conversion, without regard to the granting of any exemption or abatement credits, as well as an estimate of potential post-conversion real property tax benefits pursuant to section 11-243 (previously J51-2.5) of the Administrative Code of the City of New York (hereinafter referred to as the "J-51 Program").

You have advised us that you are the fee owner of certain real property located at 157 Chambers Street, New York, New York, and designated as Block 140, Lot 10 on the Official Tax Map of the City of New York. According to NYC Department of Finance records, the property consists of a land area of 7,662 square feet and was formerly improved by a sixteen (16) story, 111,500 square-foot (gross, above-grade), tax "class 4", office building.

You have advised us that you are in the process of renovating and converting the existing office structure to residential use, expanding floors 15 and 16 and adding a new penthouse level thereby increasing the square footage of the existing building by 3,672 square feet in total. You have further advised us that the resulting 17-story building will be converted into a condominium consisting of the following: 1) 38 residential units located on floors 2 through 17 (penthouse); 2) two (2) ground level commercial retail units comprised of 5,084 square feet in total (4,609 square feet and 475 square feet, respectively); 3) a 1,042 square-foot "resident manager's unit" located on the third floor (a "common element"); and 4) cellar space consisting of a 978 square-foot fitness center and a 617 square-foot recreation room.

You have advised us that you purchased ground level space in an adjacent building located at 143 Reade Street consisting of approximately 916 square feet and that this space was allocated into a separate condominium unit within the 143 Reade Street building designated on the Official Tax Map of the City of new York as Block 140, Lot 1215. You have further advised us that this space is being renovated and attached to 157 Chambers Street as part of 157 Chambers Street's residential lobby. You have informed us that this tax lot will be owned by the Artisan Lofts Condominium, whose unit owners will be required to pay the real estate taxes imposed thereon as part of the Condominium's common charges. As such, the taxable value of this lobby unit is not included in the within projections of post-conversion assessments and real property taxes.

You have informed us that you started renovation work during August, 2006, that the renovation and conversion is expected to be completed during April, 2008, and that the first year of condominium operation is expected to be from April 1, 2008 through March 31, 2009.

Although the setting of an assessment on any particular property is subject to an individual assessor's subjective determination based upon general assessment guidelines, it is possible to estimate an approximate assessed value based upon a number of factors. These factors include actual construction costs, the property's location, a hypothetical economic analysis of the condominium as if it were a rental property (as required pursuant to section 581 of the New York Real Property Tax Law), assessed valuations of comparable buildings and New York City Department of Finance Assessment Guidelines. We have examined these factors in arriving at our estimates.

The assessment history of the 157 Chambers Street property is as follows:

			Land	Total
Tentative	2008/09	Actual	$ 1,084,500	$ 6,484,500
		Transition	$ 1,084,500	$ 6,258,700
Final	2007/08	Actual	$ 1,084,500	$ 4,374,000
		Transition	$ 1,119,600	$ 3,979,800
Final	2006/07	Actual	$ 1,084,500	$ 4,338,000
		Transition	$ 1,154,700	$ 3,667,500
Final	2005/06	Actual	$ 1,084,500	$ 4,176,000
		Transition	$ 1,189,800	$ 3,388,500

New York City is an annual assessing jurisdiction and is required to assess property for each upcoming fiscal tax year (July 1 – June 30) based upon its use and condition on January 5th (taxable status date). Annual increases or decreases in assessed value resulting from construction, demolition or other physical changes to the property (i.e., "physical" or "alteration" increases) are taxable the year they are levied. For "class 4" commercial properties, and "class 2" residential properties having more than 10 units, annual assessment increases or decreases not resulting from physical changes (i.e., "equalization" changes) are phased in for tax purposes over a five (5) year period at 20% per year. Hence, two assessed values: 1) the "actual assessment," which is reflective of the City's claimed market value; and 2) the "transitional assessment," which is based on physical increases and the 5-year phase in of equalization changes. Real property taxes in any given year are based on the lesser of the actual or transitional assessment.

As set forth above, the property's 2007/08 taxable assessed value (i.e., the lesser of the actual or transitional assessment) is $3,979,800. According to the 2007/08 Final Assessment Roll, the property was classified for tax purposes in commercial tax "class 4." Based upon the 2007/08 "class 4" tax rate of 10.059%, we estimate that the gross real estate taxes due for the fiscal year July 1, 2007 through June 30, 2008 are approximately $400,400.

You have advised us that as of January 5, 2008, the second taxable status date following the 2006 start of construction and the basis for the property's 2008/09 assessed value, the project was approximately 65% complete. As set forth above, the New York City Department of Finance has tentatively set the property's taxable assessed value (i.e., the lesser of the actual or transitional assessment) for the fiscal 2008/09 tax year in the amount of $6,258,700. The City's tentative assessment roll, which was published on or about January 15, 2008, also continues to classify the property for tax purposes in commercial tax "class 4."

The most recent tax rates available as of the date of this letter are those passed by the New York City Council for the 2007/08 tax year. Assuming a tax rate of 10.059% (i.e., the 2007/08 "class 4" tax rate), based on the tentative taxable 2008/09 assessed value of $6,258,700, we estimate that the property's real estate taxes due for the fiscal year July 1, 2008 through June 30, 2009 will be approximately $629,600.

The first taxable status date following the anticipated April, 2008 completion of the property's renovation and conversion will be January 5, 2009, which will be the basis for the property's 2009/10 assessed values. We estimate the assessed values for the building to be in the following amounts:

Actual . . .	$11,370,000
Transitional . . .	$11,322,800

We have been advised that 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 (both residential and commercial) based upon the percentage of common interest contained in the Condominium Declaration. Based on the schedule "A" in the Offering Plan, the percentage of common interest assigned to the residential units is in the total amount of 93.836%, and the percentage assigned to the retail units is in the total amount of 6.164%.

Based on these percentages, our estimates of the post-conversion assessed values for the residential and commercial portions of the building for the 2009/10 tax year are as follows:

	Actual	Transitional
Residential Units . . .	$ 10,669,150	$ 10,624,860
Retail Units. . .	$ 700,850	$ 697,940
Total . . .	$ 11,370,000	$ 11,322,800

We assume that the residential units will be designated for tax purposes as tax "class 2" and the commercial units will be designated in tax "class 4." Assuming a "class 2" residential tax rate of 11.928% and a "class 4" commercial tax rate of 10.059% (i.e., the 2007/08 tax rates), based on the projected taxable 2009/10 assessed values (i.e., the lesser of the estimated actual or transitional assessments), we estimate that the gross real estate taxes (exclusive of any abatement or exemption benefits) due for the fiscal year July 1, 2009 through June 30, 2010 will be as follows:

Residential Units . . .	$1,267,400
Commercial Units. . .	$ 70,300
Total . . .	$1,337,700

You have advised us that the Condominium will be operated on a calendar year basis and that the first full year of operation will be from April 1, 2008 through March 31, 2009. Based on the forgoing projections, and apportioning the fiscal 2007/08 and 2008/09 estimated tax liability between the residential and commercial portions of the property based on their relative 2009/10 estimated post-conversion assessed values (i.e., 93.836% residential and 6.164% retail), we estimate that the property's tax liability for the period April 1, 2008 through March 31, 2009 will be as follows:

Residential Units . . .	$ 537,023
Commercial Units. . .	$ 35,277
Total . . .	$ 572,300

You have advised us that you intend to apply for J-51 real estate tax benefits. The J-51 program provides potential real property tax abatement and exemption benefits for qualified non-residential buildings that are converted to Class "A" multiple dwellings. These benefits are limited to residential units and are not available for space subsequently used for non-residential purposes. Also, additions to the existing structure's cubic dimensions do not qualify for J-51 benefits.

To qualify, the renovation must be completed (as evidenced by either a final Certificate of Occupancy or Temporary C of O covering all residential units) within three (3) years from the date alteration work commenced (typically the date the first work permit was issued by the NYC Department of Buildings). Assuming work commenced in

August, 2006, a Certificate of Occupancy covering all residential units must be issued before August, 2009.

J-51 abatement benefits serve to reduce the property's tax liability otherwise payable. For conversions of non-residential buildings, the abatement is calculated and determined based on 50% of the lesser of: 1) the "reasonable cost" of the eligible alteration or improvement as established by the N.Y.C. Department of Housing Preservation & Development ("HPD"); or 2) a maximum allowance of $15,000 per one-bedroom apartment with an increase for larger apartments of $2,400 for each additional room. The allowance is reduced by ineligible non-residential portions of the converted structure and by additions to the pre-conversion structure's cubic dimensions.

The abatement may be realized over a period of up to twenty years, with the maximum amount of property tax deductible in any one year limited to 8 1/3% of the total allowance. If the maximum annual abatement is used, the benefits would run for approximately six (6) years. If in any one year the tax abatement is greater than the tax due, however, the property's taxes may be reduced to zero, with the remaining abatement carried forward. After a twenty year period, any unused tax abatement benefits are lost.

Based upon the facts presented, it appears that the property would qualify for J-51 tax abatement benefits upon full compliance with applicable filing requirements as promulgated by HPD.

Applying the maximum abatement allowances set forth in the J-51 Rules and Regulations, we estimated that these abatement benefits would be in the approximate amount of $345,050 (i.e., 50% of $690,100 - - the maximum allowance reduced by anticipated commercial occupancy and added cubic space). Assuming full use of the annual 8 1/3% credit, the annual abatement would be in the approximate amount of $57,500 for each of the first six years following the approval of benefits once renovation work is completed. These benefits would be apportioned to the 38 residential units.

The J-51 program also provides for a tax exemption on the increase in the property's assessed value, reduced by ineligible space, resulting from the property's renovation or improvement. For renovations in Manhattan below 110th Street, however, these benefits are only available to properties having an average post-renovation assessed valuation of less than $38,000 per dwelling unit. Since we estimate that the resulting assessed value will exceed $38,000 per apartment, it does not appear that the property will qualify for the J-51 exemption.

Assuming HPD approval prior to October, 2008, we estimate potential J-51 tax abatement benefits would commence during the second-half of the 2008/09 fiscal tax year (i.e., January 1, 2009).

We make no warranty or guarantee regarding the property's eligibility for J-51 tax benefits. No representations are made herein that the property will ultimately qualify, or be approved, for J-51 benefits, or that these benefits will be realized, or realized in the amounts estimated herein.

This letter was prepared at the sponsor's request. The figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. No government agency has passed upon these figures or the estimates of assessed valuation and taxes herein. We have not passed on the accuracy of any figures or estimates contained in the Offering Plan, and offer no warranties on real estate assessments, assessment apportionments, tax classifications, taxes, or tax rates for any period. All prospective purchasers are advised that, although the estimate of assessed valuation upon completion of conversion is a good faith estimate, such assessed valuation when actually made may be less or greater than as estimated herein.

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 above opinion is based upon our interpretation of the New York State Real Property Tax Law and the Administrative Code of the City of New York and is not intended to be a guarantee or assurance that the actual tax assessments or actual taxes will be as estimated.

No representation is made that the provisions of law or New York City Department of Finance policies and practices will apply at the time the renovation and conversion of the building is complete. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one of more agencies of the City of New York, or Courts of competent jurisdiction.

While we believe our opinions are well-founded, they are not intended, and should not be construed as representations or warranties that assessment and taxes will not be determined in a different amount. The foregoing analysis is based upon our knowledge of the making and review of assessments by the Real Property Assessment Department

and the Tax Commission of the City of New York with respect to mixed-use properties held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a different result.

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

Very truly yours,

PODELL, SCHWARTZ, SCHECHTER
& BANFIELD, LLP

BY: _____
PAUL V. GRECO

PVG:

EXHIBIT "D"

SCHEDULE A – PURCHASE PRICES AND RELATED INFORMATION

Schedule A- 143 Reade Street- Artisan Lofts
Offering Prices and Related Information Projected Carrying Costs for the First Year of Operation
From April 1, 2008 to March 31, 2009

Unit	BR/ Bath/ HO	Interior SF	Exterior SF	Offering Price	% Residential Common Interest	% Common Interest	Estimated Monthly Common Charges	Estimated Monthly RE Tax With J-51	Estimated Monthly RE Tax W/O J-51	Estimated Total Monthly Carrying Costs With J-51	Estimated Total Monthly Carrying Costs W/O J-51
2A	3/3.5/1	2760	201	$3,450,000	2.943%	2.762%	$2,268.19	$863.26	$989.36	$3,131.46	$3,257.55
2B	2/2	1500	407	$1,895,000	1.702%	1.598%	$1,311.75	$417.33	$543.43	$1,729.08	$1,855.18
2D	2/2.5/1	1860		$2,295,000	1.968%	1.847%	$1,516.75	$532.04	$658.14	$2,048.80	$2,174.89
3A	4/4.5/1	3220	53	$4,095,000	3.438%	3.226%	$2,649.70	$1,048.23	$1,174.32	$3,697.92	$3,824.02
3C	2/2.5/1	1860		$2,495,000	1.992%	1.869%	$1,535.25	$589.40	$715.49	$2,124.65	$2,250.74
4A	3/3.5/1	2764	53	$3,975,000	2.980%	2.796%	$2,296.71	$1,013.81	$1,139.91	$3,310.53	$3,436.62
4B	3/3/1	2596		$3,295,000	2.789%	2.617%	$2,149.51	$818.81	$944.91	$2,968.32	$3,094.41
4C	2/2.5/1	1860		$2,595,000	2.004%	1.880%	$1,544.50	$618.07	$744.17	$2,162.57	$2,288.67
5A	3/3.5/1	2764	53	$4,095,000	2.998%	2.813%	$2,310.58	$1,048.23	$1,174.32	$3,358.81	$3,484.91
5C	2/2.5/1	1860		$2,695,000	2.013%	1.889%	$1,551.44	$646.75	$772.85	$2,198.18	$2,324.28
6A	3/3.5/1	2760	53	$4,295,000	3.031%	2.844%	$2,336.02	$1,105.58	$1,231.68	$3,441.60	$3,567.69
6B	2/2	1500		$2,250,000	1.647%	1.546%	$1,269.36	$519.14	$645.23	$1,788.49	$1,914.59
6C	2/2.5/1	1860		$2,895,000	2.045%	1.919%	$1,576.10	$704.10	$830.20	$2,280.20	$2,406.30
7A	3/3.5/1	2760	53	$4,595,000	3.090%	2.900%	$2,381.49	$1,191.61	$1,317.71	$3,573.10	$3,699.20
7B	2/2	1500		$2,350,000	1.664%	1.562%	$1,282.46	$547.81	$673.91	$1,830.27	$1,956.37
7C	2/2.5/1	1860		$3,095,000	2.076%	1.948%	$1,599.99	$761.46	$887.55	$2,361.45	$2,487.54
8A	3/3.5/1	2760	53	$4,795,000	3.138%	2.945%	$2,418.48	$1,248.97	$1,375.06	$3,667.45	$3,793.55
8B	2/2	1500		$2,425,000	1.673%	1.570%	$1,289.40	$569.32	$695.42	$1,858.72	$1,984.81
8C	2/2.5/1	1860		$3,150,000	2.086%	1.957%	$1,607.70	$777.23	$903.33	$2,384.93	$2,511.02
9A	3/3.5/1	2760	53	$4,975,000	3.156%	2.961%	$2,432.36	$1,300.59	$1,426.68	$3,732.94	$3,859.04
9B	2/2	1500		$2,495,000	1.681%	1.577%	$1,295.56	$589.40	$715.49	$1,884.96	$2,011.05
9C	2/2.5/1	1860		$3,195,000	2.094%	1.965%	$1,613.86	$790.13	$916.23	$2,404.00	$2,530.09
10A	3/3.5/1	2760	53	$5,195,000	3.174%	2.978%	$2,446.23	$1,363.67	$1,489.77	$3,809.90	$3,936.00
10B	2/2	1500		$2,650,000	1.696%	1.591%	$1,307.12	$633.84	$759.94	$1,940.97	$2,067.06
10C	2/2.5/1	1860		$3,295,000	2.104%	1.974%	$1,621.57	$818.81	$944.91	$2,440.38	$2,566.48
11A	3/3.5/1	2704	109	$5,395,000	3.146%	2.952%	$2,424.65	$1,421.03	$1,547.12	$3,845.68	$3,971.77
11B	2/2	1500		$2,750,000	1.705%	1.600%	$1,314.06	$662.52	$788.62	$1,976.58	$2,102.68
11C	2/2/1	1727	122	$3,350,000	2.028%	1.903%	$1,563.00	$834.58	$960.68	$2,397.58	$2,523.68
12A	4/3.5/1	3675	481	$6,895,000	4.345%	4.077%	$3,348.73	$1,851.18	$1,977.28	$5,199.91	$5,326.01
12C	3/3/1	2822	428	$5,650,000	3.358%	3.151%	$2,588.04	$1,494.15	$1,620.25	$4,082.19	$4,208.29
14A	2/2.5/1	2098	53	$4,095,000	2.434%	2.284%	$1,875.90	$1,048.23	$1,174.32	$2,924.13	$3,050.23
14B	2/2	1497		$2,895,000	1.733%	1.626%	$1,335.64	$704.10	$830.20	$2,039.74	$2,165.84
15A	3/3	2320		$4,595,000	2.734%	2.565%	$2,107.12	$1,191.61	$1,317.71	$3,298.73	$3,424.83
15B	3/3.5/1	2827	53	$5,695,000	3.267%	3.066%	$2,517.90	$1,507.06	$1,633.16	$4,024.96	$4,151.06
Tower 16 South	3/3.5	3168	427	$7,450,000	3.973%	3.728%	$3,062.02	$2,010.34	$2,136.44	$5,072.37	$5,198.46
Tower 17 North	3/3.5	2935	377	$7,250,000	3.745%	3.514%	$2,886.30	$1,952.99	$2,079.08	$4,839.29	$4,965.39
Tower 17 South	3/3.5	3033	173	$6,495,000	3.656%	3.431%	$2,817.71	$1,736.48	$1,862.57	$4,554.19	$4,680.28
Penthouse	5/4.5	3374	1,025	$11,000,000	4.694%	4.405%	$3,617.70	$3,028.38	$3,154.47	$6,646.08	$6,772.18
Residential Totals		***87,324***	***4,280***	***$156,055,000***	***100.000%***	***93.836%***	***$77,070.83***	***$39,960.25***	***$44,751.92***	***$117,031.08***	***$121,822.75***
Commercial 1		***4,609***		***Not Offered***	***n/a***	***5.588%***	***$894.17***	***$2,665.05***	***$2,665.05***	***$3,559.22***	***$3,559.22***
Commercial 2		***475***		***Not Offered***	***n/a***	***0.576%***	***$92.08***	***$274.70***	***$274.70***	***$366.78***	***$366.78***
Grand Total		***92,408***	***4,280***	***$156,055,000***	***100.000%***	***100.000%***	***$78,057.08***	***$42,900.00***	***$47,691.67***	***$120,957.08***	***$125,748.75***

SEVENTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10007

DATED: September 21, 2007

TABLE OF CONTENTS

SECTION **PAGE**

INTRODUCTION 1

1. PLAN DECLARED EFFECTIVE 1

2. INCORPORATION OF PLAN 2

3. DEFINITIONS 2

4. NO MATERIAL CHANGES 2

EXHIBITS

A – AFFIDAVIT IN SUPPORT OF DECLARING PLAN EFFECTIVE

SEVENTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

INTRODUCTION

This Seventh Amendment modifies and supplements the terms of the Condominium Offering Plan for the premises known as Artisan Lofts Condominium ("Condominium") located at 143 Reade Street, New York, New York 10007 ("Building"), accepted for filing on February 28, 2007 ("Plan"), and should be read in conjunction with the Plan, as previously amended.

The terms of this Amendment are as follows:

1. PLAN DECLARED EFFECTIVE

Sponsor hereby declares the Plan effective based upon the receipt and acceptance of 20 Purchase Agreements from bona fide purchasers for 52.6% of the Residential Units offered for sale. A copy of Sponsor's Affidavit in Support of Declaring the Plan Effective is annexed hereto as Exhibit A.

2. INCORPORATION OF PLAN

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

3. DEFINITIONS

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

4. NO MATERIAL CHANGES

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

SPONSOR:

ARTISAN LOFTS DEVELOPMENT OWNER LLC

EXHIBIT A

AFFIDAVIT IN SUPPORT OF DECLARING THE PLAN EFFECTIVE

AFFIDAVIT IN SUPPORT OF DECLARING CONDOMINIUM OFFERING PLAN EFFECTIVE

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

The undersigned, being duly sworn, deposes and says:

1. Artisan Lofts Development Owner LLC ("Sponsor") is a limited liability company organized under the laws of the State of Delaware and the Sponsor of the Condominium Offering Plan ("Plan") for premises known as Artisan Lofts Condominium, located at 143 Reade Street, New York, New York 10007 ("Building").

2. The Plan is a new construction condominium plan promulgated pursuant to Section 352-e of the General Business Law and Part 20 of the Regulations. The Plan was accepted for filing by the Department of Law on February 28, 2007 under File No. CD06-0413.

3. The Plan is hereby declared effective based upon the receipt and acceptance of 20 Purchase Agreements from bona fide purchasers which represent 52.6% of the Residential Units being offered for sale under the Plan.

4. All purchasers counted for purposes of declaring the Plan effective (i) are bona fide purchasers, (ii) are not purchasing as an accommodation to, or for the account or benefit of, Sponsor or principals of Sponsor, and (iii) have duly executed Purchase Agreements and have paid the full Deposit as required in the Plan.

5. There are no material changes to the projected budget for the first year of condominium operation which have not been disclosed in the Plan, as amended.

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

7. Annexed hereto as Exhibit A is a Schedule of Residential Units and Purchase Agreements which are being counted for purposes of declaring the Plan effective.

8. The undersigned hereby submits this affidavit to the Department of Law in support of declaring the Plan effective and make the above statements knowing that the Department of Law will rely on such representations in order to accept for filling the effectiveness for the Building.

[SIGNATURE PAGE FOLLOWS]

SPONSOR:

Artisan Lofts Development Owner LLC
a Delaware limited liability company

by: 157 Chambers Development Mezz LLC
its sole member
By: 157 Chambers Development Corp.
its sole member
By: Tribeca Chambers Holding LLC
its managing member
By: Tribeca 157 Principals LLC
its managing member

By: _____
Name: Elliott Ingerman
Title: Member

Sworn to before me this
11th day of September, 2007

_____
Notary Public

KRYSTAL A. BLACK
Notary Public, State of New York
No. 01BL6140168
Qualified in Queens County
Commission Expires January 23, 2010

EXHIBIT A

Unit No.	Date of Purchase Agreement
2A	August 13, 2007
2B	May 14, 2007
2D	May 15, 2007
3A	May 8, 2007
3C	May 17, 2007
4B	June 27, 2007
5A	April 20, 2007
7B	May 14, 2007
8B	May 24, 2007
8C*	May 1, 2007
9B	September 10, 2007
9C*	May 1, 2007
10A	April 19, 2007
10B	September 10, 2007
10C	May 16, 2007
11A	April 20, 2007
11B	July 2, 2007
12C	May 17, 2007
14A	April 17, 2007
14B**	June 19, 2007
15A	May 2, 2007

* Both Units under contract to same Purchaser, only counted once towards effectiveness percentage
** Purchaser switched Units – Unit number on contract is 10B; rider switching to 14B

SIXTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10007

DATED: June 13, 2007

SIXTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

INTRODUCTION

This Sixth Amendment modifies and supplements the terms of the Condominium Offering Plan for the premises known as Artisan Lofts Condominium ("Condominium") located at 143 Reade Street, New York, New York 10007 ("Building"), dated February 28, 2007 ("Plan"), as amended by the First through Fifth Amendments and should be read in conjunction with the Plan, as previously amended.

The terms of this Sixth Amendment are as follows:

1. CHANGE TO OFFERING PRICE OF PRIVATE ROOFTOP TERRACE #2

Effective immediately the offering prices for Rooftop Terrace #2 is changed as follows:

Private Rooftop Terrace	Price
2	$225,000

2. INCORPORATION OF PLAN

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

3. DEFINITIONS

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

4. NO MATERIAL CHANGES

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

5. EXTENSION OF PLAN

As this Amendment is limited solely to price changes, this Amendment does not extend the Plan.

SPONSOR:

ARTISAN LOFTS DEVELOPMENT OWNER LLC

FIFTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10007

DATED: May 4, 2007

JM0359

FIFTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

INTRODUCTION

This Fifth Amendment modifies and supplements the terms of the Condominium Offering Plan for the premises known as Artisan Lofts Condominium ("Condominium") located at 143 Reade Street, New York, New York 10007 ("Building"), dated February 28, 2007 ("Plan"), as amended by the First through Fourth Amendments and should be read in conjunction with the Plan, as previously amended.

The terms of this Fifth Amendment are as follows:

1. CHANGE TO OFFERING PRICES OF CERTAIN RESIDENTIAL UNITS

Effective immediately the offering prices for the Residential Units are changed as follows:

Unit	Price
2A	$3,450,000
6B	$2,250,000
7B	$2,350,000
7C	$3,095,000
8B	$2,425,000
8C	$3,150,000
9B	$2,495,000
9C	$3,195,000
10B	$2,650,000
10C	$3,295,000
11B	$2,750,000
11C	$3,350,000
14B	$2,895,000
15B	$5,695,000

2. INCORPORATION OF PLAN

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

3. **DEFINITIONS**

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

4. **NO MATERIAL CHANGES**

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

5. **EXTENSION OF PLAN**

As this Amendment is limited solely to price changes, this Amendment does not extend the Plan.

SPONSOR:

ARTISAN LOFTS DEVELOPMENT OWNER LLC

FOURTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10007

DATED: April 24, 2007

FOURTH AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

INTRODUCTION

This Fourth Amendment modifies and supplements the terms of the Condominium Offering Plan for the premises known as Artisan Lofts Condominium ("Condominium") located at 143 Reade Street, New York, New York 10007 ("Building"), dated February 28, 2007 ("Plan"), as amended by the First through Third Amendments and should be read in conjunction with the Plan, as previously amended.

The terms of this Fourth Amendment are as follows:

1. **CHANGE TO OFFERING PRICES OF CERTAIN RESIDENTIAL UNITS**

Effective immediately the offering prices for the Residential Units are changed as follows:

Unit	Price	Unit	Price
2A	$3,295,000	9B	$2,395,000
2B	$1,895,000	9C	$3,150,000
2D	$2,295,000	10A	$5,195,000
3A	$4,095,000	10B	$2,495,000
3C	$2,495,000	10C	$3,250,000
4A	$3,975,000	11A	$5,395,000
4C	$2,595,000	11B	$2,595,000
5A	$4,095,000	11C	$3,295,000
5C	$2,695,000	12A	$6,895,000
6A	$4,295,000	12C	$5,650,000
6B	$2,125,000	14A	$4,095,000
6C	$2,895,000	14B	$2,795,000
7A	$4,595,000	15B	$5,495,000
7B	$2,250,000	Tower 16 South	$7,450,000
7C	$2,975,000	Tower 17 North	$7,250,000
8A	$4,795,000	Tower 17 South	$6,495,000
8B	$2,325,000	Penthouse	$11,000,000
8C	$3,050,000		
9A	$4,975,000		

2. **INCORPORATION OF PLAN**

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

3. **DEFINITIONS**

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

4. **NO MATERIAL CHANGES**

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

5. **EXTENSION OF PLAN**

As this Amendment is limited solely to price changes, this Amendment does not extend the Plan.

SPONSOR:

ARTISAN LOFTS DEVELOPMENT OWNER LLC

THIRD AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10007

DATED: April 19, 2007

THIRD AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

INTRODUCTION

This Third Amendment modifies and supplements the terms of the Condominium Offering Plan for the premises known as Artisan Lofts Condominium ("Condominium") located at 143 Reade Street, New York, New York 10007 ("Building"), dated February 28, 2007 ("Plan"), as amended by the First and Second Amendments and should be read in conjunction with the Plan, as previously amended.

The terms of this Third Amendment are as follows:

1. CHANGE TO OFFERING PRICES OF CERTAIN RESIDENTIAL UNITS

Effective immediately the offering prices for the Residential Units are changed as follows:

Unit	New Price
4A	$3,650,000
5A	$3,795,000
5C	$2,445,000
6A	$3,975,000
6C	$2,795,000
7A	$4,350,000
7C	$2,950,000
8A	$4,650,000
8C	$2,975,000
9A	$4,795,000
9C	$3,095,000
10A	$4,975,000
10C	$3,195,000
11A	$5,095,000
11C	$3,250,000
12A	$6,595,000
12C	$5,475,000
14A	$3,975,000
15A	$4,595,000

2. INCORPORATION OF PLAN

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

3. DEFINITIONS

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

4. NO MATERIAL CHANGES

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

5. EXTENSION OF PLAN

As this Amendment is limited solely to price changes, this Amendment does not extend the Plan.

SPONSOR:

ARTISAN LOFTS DEVELOPMENT OWNER LLC

SECOND AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10007

DATED: April 13, 2007

SECOND AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

INTRODUCTION

This Second Amendment modifies and supplements the terms of the Condominium Offering Plan for the premises known as Artisan Lofts Condominium ("Condominium") located at 143 Reade Street, New York, New York 10007 ("Building"), dated February 28, 2007 ("Plan"), as amended by the First Amendment and should be read in conjunction with the Plan, as previously amended.

The terms of this Second Amendment are as follows:

1. **CHANGE TO OFFERING PRICES OF CERTAIN RESIDENTIAL UNITS**

Effective immediately the offering prices for the Residential Units are changed as follows:

Unit	Price
2A	$3,125,000
2B	$1,835,000
2D	$2,195,000
3A	$3,950,000
3C	$2,325,000
4A	$3,550,000
4B	$3,295,000
4C	$2,395,000
5A	$3,675,000
5C	$2,445,000
6A	$3,895,000
6B	$2,095,000
6C	$2,625,000
7A	$4,195,000
7B	$2,195,000
7C	$2,795,000
8A	$4,495,000
8B	$2,250,000
8C	$2,925,000
9A	$4,595,000
9B	$2,295,000
9C	$3,025,000
10A	$4,875,000
10B	$2,395,000

10C	$3,095,000
11A	$4,975,000
11B	$2,495,000
11C	$3,125,000
12A	$6,495,000
12C	$5,295,000
14A	$3,895,000
14B	$2,695,000
15A	$4,475,000
15B	$5,295,000
Tower 16 South	$7,250,000
Tower 17 North	$6,950,000
Tower 17 South	$6,450,000
Penthouse	$9,750,000

2. **INCORPORATION OF PLAN**

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

3. **DEFINITIONS**

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

4. **NO MATERIAL CHANGES**

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

5. **EXTENSION OF PLAN**

As this Amendment is limited solely to price changes, this Amendment does not extend the Plan.

SPONSOR:

ARTISAN LOFTS DEVELOPMENT OWNER LLC

FIRST AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10007

DATED: April 5, 2007

FIRST AMENDMENT

TO

CONDOMINIUM OFFERING PLAN

INTRODUCTION

This First Amendment modifies and supplements the terms of the Condominium Offering Plan for the premises known as Artisan Lofts Condominium ("Condominium") located at 143 Reade Street, New York, New York 10007 ("Building"), dated February 28, 2007 ("Plan"), and should be read in conjunction with the Plan, as previously amended.

The terms of this First Amendment are as follows:

1. CHANGE TO OFFERING PRICES OF STORAGE UNITS

Effective immediately the offering prices for the Storage Units are changeded as follows:

Storage Unit	Interior Sq.Ft.	License Purchase Price
1	67	$40,606
2	40	$24,118
3	35	$21,103
4	37	$22,424
5	37	$22,424
6	28	$17,182
7	37	$22,034
8	37	$22,309
9	37	$22,547
10	32	$19,027
11	34	$20,216
12	89	$52,919
13	34	$20,643
14	34	$20,216
15	32	$19,027
16	34	$20,400
17	32	$19,027
18	36	$21,706
19	36	$21,600
20	22	$13,333
21	28	$16,882
22	37	$22,309
23	37	$22,424

24	35	$21,212
25	37	$22,705
26	31	$18,461
27	37	$22,309
28	37	$22,547
29	37	$22,000
30	32	$19,027
31	34	$20,216
32	89	$54,036
33	44	$26,162
34	33	$19,622
35	33	$19,800
36	34	$20,216
37	34	$20,500
38	57	$34,200
Totals	***1476***	***$887,488***

2. INCORPORATION OF PLAN

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

3. DEFINITIONS

Any term used in this Amendment not otherwise defined herein shall have the same meaning ascribed to it in the Plan.

4. NO MATERIAL CHANGES

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

5. EXTENSION OF PLAN

As this Amendment is limited solely to price changes, this Amendment does not extend the Plan.

SPONSOR:

ARTISAN LOFTS DEVELOPMENT OWNER LLC

TABLE OF CONTENTS

PART I

Section		Page
SPECIAL RISKS		1
INTRODUCTION		12
DEFINITIONS		19
DESCRIPTION OF PROPERTY AND IMPROVEMENTS		26
LOCATION AND AREA INFORMATION		32
SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION		35
SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION		43
SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET		53
OPINION OF COUNSEL RE: REAL PROPERTY LAW SECTION 339-I		57
REAL PROPERTY LAW SECTION 339-I COMPLIANCE LETTER		61
NON-RESIDENTIAL UNIT		64
CHANGES IN PRICES AND UNITS		67
USE AND OCCUPANCY AGREEMENTS		69
PROCEDURE TO PURCHASE		70
ESCROW AND TRUST FUND REQUIREMENTS		74
ASSIGNMENT OF PURCHASE AGREEMENTS		79
EFFECTIVE DATE		80
TERMS OF SALE		81
CLOSING COSTS AND ADJUSTMENTS		84
RIGHTS AND OBLIGATIONS OF SPONSOR		91
CONTROL BY SPONSOR		101
CONDOMINIUM BOARD		103
RIGHTS AND OBLIGATIONS OF UNIT OWNERS		104
RIGHTS AND OBLIGATIONS OF THE CONDOMINIUM BOARD/ SUMMARY OF BY-LAWS		114
INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF CONDOMINIUM		121
REAL ESTATE TAXES		123
ANTICIPATED J-51 REAL ESTATE TAX ABATEMENT BENEFITS		125
WORKING CAPITAL FUND AND APPORTIONMENTS		127
RESERVE FUND		129
MANAGEMENT AGREEMENT		130
IDENTITY OF PARTIES		132
REPORTS TO UNIT OWNERS		135
DOCUMENTS ON FILE		135
GENERAL		136
SPONSOR'S STATEMENT OF BUILDING CONDITION		138

TABLE OF CONTENTS

PART II

Section	Page
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	141
LOCAL LAW 11 REPORT	167
FLOOR PLANS	211
PURCHASE AGREEMENT	261
UNIT DEED	289
STORAGE LOCKER LICENSE	297
PRIVATE ROOF TERRACE LICENSE	303
ASSIGNMENT AND ASSUMPTION OF ANCILLARY AMENITY LICENSE	309
DECLARATION OF CONDOMINIUM	313
BY-LAWS OF THE CONDOMINIUM	349
UNIT POWER OF ATTORNEY	411
UNIT OWNER'S SPECIMEN TITLE POLICY	415
ATTORNEY'S INCOME TAX OPINION	429
REAL ESTATE TAX PROJECTION OPINION AND J-51 TAX ABATEMENT BENEFITS OPINION	435
FORM W-8 (CERTIFICATION OF FOREIGN STATUS)	445
FORM W-9 (REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)	455
APPLICATION TO ATTORNEY GENERAL FOR DETERMINATION OF THE DISPOSITION OF DOWNPAYMENTS	461
ESCROW AGREEMENT	469
CERTIFICATION OF SPONSOR AND PRINCIPALS	479
CERTIFICATION OF ARCHITECT	485
CERTIFICATION OF BUDGET EXPERT	489
CERTIFICATION OF BUDGET EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE NON-RESIDENTIAL UNIT OWNER	493
REAL PROPERTY LAW SECTION 339-kk	497
PROTECTING YOUR FAMILY FROM LEAD IN YOUR HOME	501
REAL ESTATE TAX CONSENT FORM	519
RECIPROCAL EASEMENT AGREEMENT.	523

PART I

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10007

SPECIAL RISKS

Purchase of a Condominium Unit

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

(b) At the time a Purchase Agreement is executed, Purchaser is required to make an initial Deposit in an amount equal to 10% of the Purchase Price and an additional Deposit equal to 5% of the Purchase Price upon the earlier to occur of (i) 6 months later months after Purchaser executes the Purchase Agreement or (ii) within 15 days of the Presentation Date of the amendment declaring the Plan effective. A Purchaser executing a Purchase Agreement on or after the date the Plan is declared effective is required to make the full Deposit in an amount equal to 15% of the Purchase Price. In the event a Purchaser fails to pay the additional Deposit and/or otherwise defaults under the Purchase Agreement, time being of the essence with regard to the obligations of Purchaser thereunder, and does not cure such default within 30 days after Sponsor gives written notice to Purchaser of such default, Sponsor may, at its option, either (i) cancel the Purchase Agreement and retain, as liquidated damages, the full Deposit (initial and additional), together with interest earned thereon and any amount spent by Sponsor for special work requested by Purchaser, or (ii) bring an action against Purchaser seeking specific performance of the Purchase Agreement, in which event Purchaser could be compelled to complete the transaction.. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

(c) If a Purchaser makes a Deposit in excess of $100,000 for the purchase of a Residential Unit, the amount in excess of $100,000 will not be federally insured. Additionally, while the Deposit is in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be federally insured even if the Deposit does not exceed $100,000. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

(d) If Sponsor makes an application to the Department of Law to withdraw the Deposits from escrow and secures the Deposits with a Letter of Credit or Surety Bond and such application is approved by the Department of Law, following such withdrawal, no interest will be earned on the Deposits. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

(e) If a Purchaser fails for any reason to close title to the Residential Unit on the originally Scheduled Closing Date other than due to Sponsor's failure or inability to close, and Sponsor elects not to cancel the Purchase Agreement as a result of the same, (a) the apportionments to be made at the Closing will be made as of midnight of the day preceding the Scheduled Closing Date, and not as of midnight of the day preceding the Actual Closing Date, and (b) Purchaser shall be required to pay to Sponsor an amount equal to 0.03% of the Purchase Price of the Residential Unit for each day commencing with the Scheduled Closing Date through the day before the Actual Closing Date. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

(f) The signing of the Purchase Agreement signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including, but not limited to, the Residential Unit, the Ancillary Amenities, the Building and all Common Elements contained therein. Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Residential Unit, the Ancillary Amenities, the Building or the Common Elements, except as may otherwise be set forth in the Plan. (See the Sections of the Plan entitled "Procedure to Purchase" and "Rights and Obligations of Sponsor" under

the subsection entitled "Sponsor's Undertaking with Respect to Certain Improvements and Replacements to the Common Elements" for details.)

(g) Although a Purchaser may obtain financing from any lending institution or other source, Purchaser's obligation to purchase a Residential Unit pursuant to a Purchase Agreement is not contingent on Purchaser obtaining such financing. Neither Sponsor nor Selling Agent makes any representation as to the availability or terms of any mortgage financing. Prospective Purchasers may want to finalize their financing arrangements before signing a Purchase Agreement and should be aware that even if a loan commitment is obtained, its terms may be limited, and it could expire before the Closing Date. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

(h) Deposits for upgrades or extras ordered by Purchasers and agreed to in writing by Sponsor will initially be placed in the Master Escrow Account. However, Purchasers should note that such funds may be released from the Master Escrow Account by Escrow Agent to Sponsor to pay, or reimburse Sponsor, for such upgrades or extras. As a result, in the event Purchaser is entitled to rescind the Purchase Agreement, Purchaser will not receive a refund of any funds applied for upgrades or extras. (See the Section of the Plan entitled "Escrow and Trust Fund Requirements" for details.)

(i) Prior to the Closing of Title to a Residential Unit, the Purchase Agreement prohibits a Purchaser from advertising or otherwise offering, listing, promoting or publicizing the availability of the Residential Unit for sale or lease. (See the Purchase Agreement set forth in Part II of the Plan.)

2. Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Units or the Facilities, except as may otherwise be set forth in the Plan. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details).

Sponsor's Right to Rent Unsold Units

3. (a) Sponsor intends in good faith to sell rather than rent Residential Units. However, Sponsor reserves the unconditional right to rent Residential Units rather than sell Residential Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, Sponsor is not committed to sell more Residential Units than the 15% necessary to declare the Plan effective and, therefore, owner-occupants may never gain effective control and management of the Condominium.

(b) Sponsor intends to offer Unsold Residential Units for sale both to Purchasers for personal occupancy as well as to those who are purchasing for investment or resale. Purchasers for investment or resale may, in turn, rent such Residential Units and accordingly, such Residential Units will not be used for the personal occupancy of the owner thereof. As a result, some and possibly many Residential Units may be occupied by renters instead of Residential Unit Owners. Since the Condominium Board does not have the right to approve or disapprove potential purchasers of Residential Units, the Condominium Board is unable to limit the number of purchasers who purchase Residential Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that those Residential Unit Owners who occupy their Residential Units may have different interests than those Residential Unit Owners who purchased such Residential Units as an investment.

(c) Sponsor reserves the unconditional right to make Bulk Sales of Residential Units. Purchasers of Bulk Sales of Residential Units shall be bound by Sponsor's representatives in the Plan with regard to Sponsor's good faith commitment to sell Residential Units.

Transfer Taxes

4. Purchasers shall be required to pay all New York City Real Property Transfer Tax, New York State Real Estate Transfer Tax and New York State Additional Real Estate Transfer Tax, commonly referred to as the "Mansion Tax," imposed on their purchase. The New York City Department of Finance has taken the position that where the purchaser of property assumes the obligation for the payment of New York State Real Estate Transfer Tax and the New York City Real Property Tax, the amount of the tax which would otherwise be payable if the seller were to pay such taxes, will be treated as additional consideration for the transaction subject to tax. (See the Section of the Plan entitled "Closing Costs and Adjustments" for details.)

Sponsor Control of the Condominium Board

5. (a) Sponsor will have voting control over the Condominium Board until the later to occur of: (i) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 95% in number of all Residential Units offered for sale, or (ii) the issuance of a Permanent Certificate of Occupancy ("Initial Control Period"). Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Control Period.

(b) After the Initial Control Period, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

(c) During the Initial Control Period, Sponsor will exclusively designate a majority of the members and shall have voting control of the Condominium Board. Therefore, Sponsor will have control of the maintenance and operation of, and the services to be provided by, the Condominium, and will determine the Common Charges to be paid by all Unit Owners. Sponsor may continue to exercise veto power over certain actions of or contemplated by the Condominium Board after the Initial Control Period. For so long as Sponsor shall continue to own Unsold Residential Units representing at least 25% of the Common Interest attributable to all Residential Units, but in no event later than 5 years after the First Closing, whichever shall occur first, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges, Common Charges or Special Assessment for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that (x) Sponsor may not diminish or eliminate services, facilitates or any line items as set forth in Schedule B; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is deemed required (and no other reasonable alternative is available) to enable the Condominium to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium or to remedy any notice of violation or to remedy any work order of an insurer. (See the Section of the Plan entitled "Control By Sponsor" for details.)

(d) After the Initial Control Period, there is no requirement in the By-laws that a majority of the Residential Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor and its principals. Therefore, Purchasers for their own occupancy may never gain control of the Condominium Board.

(e) See the Sections of the Plan entitled "Control By Sponsor" and "Condominium Board" for details.

Reserve Fund and Working Capital Fund

6. (a) No provision has been made to establish a reserve fund for capital replacements or repairs, because the Building, upon completion of substantial renovation to be performed by Sponsor will contain all new systems. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by Special Assessment or by increases in Common Charges.

(b) The contingency provided for in the Schedule B – First Year's Budget is intended to provide a fund for unanticipated expenses not included in the budget and for possible increases in operating expenses above the amounts projected if the Working Capital Fund is not sufficient to cover such costs. The contingency is not intended and may not be sufficient to meet the cost of any major capital repairs or replacements which may be required. If additional funds are required to meet such costs, it may be necessary for the Condominium Board to increase Common Charges or impose Special Assessments.

(c) Each Purchaser of a Residential Unit will be required to make a contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing, shall be in an amount equal to 2 months' Common Charges assessed against the Residential Unit at Closing.

(d) See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.

Foreign Government Purchaser

7. Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any Foreign Government Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of the Foreign Government Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. A Foreign Government Purchaser will be required at Closing to deposit with the Condominium an amount equal to 2 years' Common Charges in effect for the Residential Unit which will be in addition to the required contribution to the Working Capital Fund. (See the Section of the Plan entitled "Procedure to Purchase" for details.)

Ancillary Amenities

8. (a) Sponsor is offering Purchasers of Residential Units the opportunity to purchase certain Ancillary Amenities (i.e., Storage Lockers and/or Private Roof Terraces) for the exclusive use of Purchaser for so long as Purchaser owns a Residential Unit in the Building pursuant to the terms of a license ("Ancillary Amenity License"), the form of which is set forth in Part II of the Plan. Purchasers should note that the Closing of the sale of an Ancillary Amenity does not require the issuance of a Temporary Certificate of Occupancy. Purchasers may be required to consummate the purchase of the Ancillary Amenity simultaneously with the Closing of a Residential Unit even though a Temporary Certificate of Occupancy has not been issued (and access may not be available) to the Ancillary Amenity Area in the Building designated for such use. In such event, the proceeds from the sale of the Ancillary Amenity will be held in escrow by Escrow Agent until such time as a Temporary Certificate of

Occupancy has been issued for the Ancillary Amenity Area in which the Ancillary Amenity is located. (See the Sections of the Plan entitled "Terms of Sale" and "Rights and Obligations of Unit Owners," subsection "Assignment of Ancillary Amenity Licenses" for details.)

(b) While Sponsor presently intends to offer for sale the Storage Lockers based upon market conditions, until such time as Purchasers have executed Purchase Agreements with respect to 75% of the Storage Lockers, Sponsor reserves the right to withdraw the offering of such Storage Lockers. If Sponsor elects to withdraw the offering of the Storage Lockers, Sponsor reserves the right to utilize the Storage Locker Area designated for the Storage Lockers for any use as determined by Sponsor in its sole discretion. The withdrawal of the offering of a Storage Locker shall be disclosed by Sponsor in an amendment to the Plan and a Purchaser shall only be relieved of Purchaser's obligation to purchase the Storage Locker, but shall remain obligated to purchase the Residential Unit. At Closing, Purchaser will receive a credit against the Balance of the Purchase Price equal to the amount allocated to the withdrawn Storage Locker, to the extent any such money has been paid to Sponsor.

No Bond or Other Security Posted

9. No bond or other security has been posted by Sponsor to secure Sponsor's obligation under the Plan. The ability of Sponsor to perform Sponsor's obligations under the Plan will partly depend upon its financial condition at the time it is called upon to perform. No representation can be made that Sponsor will be financially able to perform any or all of such obligations. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

Services and Facilities

10. Prospective Purchasers are advised that until such time as Sponsor has conveyed title to 75% of the Residential Units, some of the services and facilities described in the Plan (such as a full staff of Building personnel and usage of amenity areas) may not be available. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or construction work, as well as the use of the passenger and/or service elevators, will be restricted during the period that Sponsor is completing substantial renovation of the Building. However, at all times after the First Closing of a Residential Unit, the residential lobby will be attended 24 hours a day, 7 days a week and the interim level of staffing will be adequate to maintain the Building. Additionally, it is anticipated that for a significant period of time following the First Closing through, including and beyond the Closing of Title to any Residential Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete substantial renovation of the Building, including without limitation, the Residential Units, amenities and decoration or finishing of the residential lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, painting, hanging wall coverings or laying carpeting. This work and conditions may create a noisy and otherwise disruptive condition in the Building. The Condominium Board may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been issued. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services shall not be the responsibility of Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels. In addition, the presence of hoists or construction elevator shafts or similar temporary construction facilities may delay the Closing of Title to certain Residential Units or lines of Residential Units until such hoists, elevators or temporary facilities are no longer needed and are removed and construction is completed. (See the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities" for details.)

Section J-51 Tax Abatement

11. (a) Sponsor will apply for partial abatement from real estate taxes attributable to the Residential Units pursuant to Section 11-243 (previously Section J-51) of the New York City Administrative Code ("J-51 Abatement"). Nevertheless, there can be no assurance that a J-51 Abatement will be granted. If for any reason the J-51 Abatement is not granted, there will be no abatement from real estate taxes payable with respect to the Residential Units. Subject to the qualification set forth in Paragraph 11(b) below, the J-51 Abatement, if granted, is expected to be for a limited period of 6 years following completion of construction. Neither Sponsor, Sponsor's counsel, Sponsor's J-51 Tax Counsel, Selling Agent, Managing Agent or any other Person makes any representation or guaranty that the partial abatement from real estate taxes under the J-51 Abatement will be granted or as to the amount of real estate taxes payable at any time by any Residential Unit Owner. (See the Sections of the Plan entitled "Anticipated Real Estate Tax Abatement Benefits" and the "Real Estate Tax Projection Opinion" set forth in Part II of the Plan for further details.)

(b) Some of the Residential Units will be located fully or partially in that portion of the Building which will be newly constructed. The Department of Finance of the City of New York has a policy whereby J-51 Abatement benefits apportioned to a condominium unit containing new cubic content will be reduced for that unit in the same ratio as the new cubic content in the unit bears to the total cubic content of the unit. Despite the above policy, Sponsor has been advised that it has been the practice and policy of the Department of Finance to continue to allocate J-51 Abatement benefits on a building-wide basis (among all of the Residential Units) if certain conditions are met, including the execution of a consent in recordable form by each Purchaser in which Purchaser agrees to such allocation of benefits. At the Closing of each Residential Unit, Purchaser shall be obligated to execute a consent form, substantially in the form set forth in Part II of the Plan ("Real Estate Tax Consent Form"), authorizing the allocation of J-51 Abatement benefits among all Residential Units. As the result of such allocation, Purchasers of Residential Units in the newly constructed portion of the Building should be entitled to J-51 Abatement benefits which they otherwise would not have been entitled to, while J-51 Abatement benefits available to Purchasers of Residential Units which are not located in the newly constructed portion of the Building should be slightly less than would have been available absent such allocation. Notwithstanding the foregoing, Sponsor makes no representation or warranty that the Department of Finance will continue to adhere to the policy and practice described above. If it does not, the J-51 Abatement benefits, if received, may not be allocated among all of the Residential Units.

Non-Residential Unit

12. (a) No representation is made with respect to the ownership of all or any portion of the Non-Residential Unit, or as to who the future owners or tenants of any portion of the Non-Residential Unit may be at any time or as to the uses to which the Non-Residential Unit may be put at any time except that the Non-Residential Unit may be used for any purpose permitted by Law, except for those prohibited uses as set forth in the Plan ("Prohibited Commercial Uses"), which uses may result in increased noise and traffic. No assurance, representation, or warranty is given that any of the tenants, occupants, or users of the Non-Residential Unit will not be objectionable to Residential Unit Owners or other parties. The uses of the Non-Residential Unit may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control.

(b) The Non-Residential Unit may be combined or subdivided by the Non-Residential Unit Owner into two or more separate condominium units without prior notice and without amendment to the Plan. Any additional condominium units created as a result of a subdivision of a Non-Residential Unit may be offered for sale at any time by a duly filed amendment to the Plan. Additionally, any Non-Residential Unit created as a result of such subdivision will retain the same rights afforded the Non-Residential Unit Owner as set forth herein.

(c) The Non-Residential Unit Owner shall have the right and easement (i) for ingress and egress through all Common Elements for the purpose of accessing any portion of such Non-Residential Unit or any portions of the Building servicing such Non-Residential Unit; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law in the storefronts and windows of such Non-Residential Unit, provided that no flashing or strobe lights can be used nor can any lights (including illuminated signs) shine directly into a Residential Unit for the purposes of advertising the sale or lease of all or any portion of such Non-Residential Unit and/or operation of any business of a tenant or occupant of such Non-Residential Unit. The Non-Residential Unit Owner shall each be entitled to utilize such rights and easements for their own account or the account of their respective Permitted Users.

(d) The Non-Residential Unit Owner (subject to Sponsor's prior written consent in all instances) shall have the right, but not the obligation, at such Non-Residential Unit Owner's sole cost and expense to alter, modify, and/or restore the exterior façade of the Building abutting such Non-Residential Unit (including storefronts and windows of such Non-Residential Unit) and to create additional means of egress and ingress to such Non-Residential Unit, provided that such alterations, modifications and/or restorations are in compliance with Law and do not adversely affect the structural integrating or mechanical systems of the Building.

(e) See the Section of the Plan entitled "Non-Residential Unit" for details.

Apportionments with the Condominium

13. At the First Closing, certain apportionments will be made between Sponsor and the Condominium. If the result of the Closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be deferred and paid to Sponsor by the Condominium in one installment on the first anniversary of the First Closing, without interest, pursuant to an unsecured, negotiable, promissory note to be executed by the Condominium Board and delivered to Sponsor as of the First Closing. The promissory note may be prepaid by the Condominium in full at any time, or in part from time to time, without penalty. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

Effectiveness of the Plan

14. (a) Pursuant to Law, Sponsor may declare the Plan effective by entering into Purchase Agreements for the sale of a minimum of 15% of the Residential Units in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately close title to their Residential Units.

(b) Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 50% or more) of the Residential Units in a Building be sold or owner occupied before the lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the percentage of Residential Units purchased and owner occupied is lower than a lender's particular sales minimum.

(c) Even once a building has been submitted to a condominium regime, lenders may still impose minimum sales and occupancy requirements before granting a loan. It then may be difficult for a purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

(d) See the Section of the Plan entitled "Effective Date" for details.

Special Rights of Sponsor

15. (a) Sponsor shall have an exclusive right and easement (i) to erect, use, lease, maintain, repair, replace and operate (a) antennae, satellite dishes and other communications equipment, and (b) pipes, risers, ducts, flues and equipment necessary or desirable to provide heat, air-conditioning, exhaust, or ventilation as required or, as permitted by Law, on any part of the roof and/or façade of the Building and elsewhere on the Common Elements (excluding Terraces and Private Roof Terraces appurtenant to Residential Units) and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith; and (ii) to erect, maintain, replace and/or repair any sign and/or lighting permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit or the operation of any business of a tenant or occupant of any Unit. Sponsor shall be entitled to permit any one or more of such easements to be utilized by the Non-Residential Unit Owner and/or Permitted Users. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

(b) Sponsor reserves the right, in its sole and absolute discretion, to sell, lease, license or otherwise transfer to a Unit Owner, any non-material portion of the Common Elements for the exclusive use of such Unit Owner provided that such Common Element was not offered in the Plan as an amenity for the shared use of the Unit Owners of the Condominium. Any such sale, lease, license or transfer will be disclosed in a duly filed amendment to the Plan, and the Declaration and Floor Plans will be amended, if required. (See the Sections of the Plan entitled "Changes in Prices and Units" and "Rights and Obligations of Sponsor" for details.)

(c) During the Initial Control Period, the Condominium Board (while controlled by Sponsor) shall have the right, in its sole discretion, to waive Unit Owner's obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided the basic operating costs of the Condominium (exclusive of reserves) are paid by Sponsor. (See the By-Laws contained in Part II of the Plan for details.)

(d) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of the Units, or due to structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and adversely affect a Unit Owner or Purchaser, increase any obligation of a Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of substantially equal or better quality. A change in the square foot area and dimensions of a Unit due to field conditions, construction variances and tolerances, which do not increase or decrease the square foot area of the Unit by more than 5% (excluding interior partitions) shall not be deemed a material and adverse change. (See the Sections of the Plan entitled "Changes in Prices and Units" and "Rights and Obligations of Sponsor" under subheading "Sponsor Obligations with Respect to the Building" for details).

(e) No amendment, modification, addition or deletion of the Declaration, By-Laws or any Residential Rules and Regulations (other than those required by Law) shall be effective (a) against Sponsor unless Sponsor has given its written consent thereto, or (b) to modify the permitted uses of the Non-Residential Unit or to adversely affect the Non-Residential Unit Owner unless the Non-Residential Unit Owner has given its prior written consent thereto. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

Lot Line Windows

16. Lot line windows exist on the North, East and West façades of the Building. Purchasers should refer to the Description of Property and Improvements set forth in Part II of the Plan for the

specific Residential Units containing lot line windows. Lot line windows are windows located on an exterior wall abutting (or less than 30' 0" away from) a property line, where the adjacent property is owned by others. While such windows provide views, light and air to spaces in the Residential Unit, they cannot be utilized to meet light and ventilation requirements of the Building Code of the City of New York. Residential Units having lot line windows have other windows which satisfy requirements for the lawful use of such rooms for habitation. Lot line windows are considered amenities that potentially can be lost. Should an abutting property owner redevelop such property with one or more buildings of different configurations, it may be necessary to close the affected lot line windows and seal them in a manner and with such materials as are acceptable to the Buildings Department and the Condominium. The cost to close-up any lot line windows, if necessary, as of the date of the Plan should not exceed approximately $48 per square foot and shall be borne by the affected Residential Unit Owner (including Sponsor with respect to Unsold Residential Units). Sponsor makes no representation that this cost will not increase in the future. Neither Sponsor, Sponsor's architect, the Condominium Board or any other Person who took part in this offering will have any liability or obligation if the closing-up of any or all lot line windows is required. (See the "Description of Property and Improvements" set forth in Part II of the Plan for details.)

Construction

17. (a) Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. It is anticipated that during the first 5 years of Condominium operation, construction workers and related personnel will be at the Building from time to time, completing construction of the Building, making adjustments and corrections and performing various tasks relating to the completion of construction. During this period various building systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time after any Closing to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require substantial time to be completed after the First Closing. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" for details.)

(b) The Building will contain certain major mechanical equipment, including, but not limited to, fans, pumps, cooling towers and domestic water tanks (collectively, "Equipment") located in the cellar and on the roof. While Sponsor is endeavoring to reduce excessive noise and vibration emanating from the Equipment, it is impossible to eliminate it entirely and, therefore, Residential Unit Owners in neighboring Residential Units may be affected.

Future Construction

18. No representation is made that future construction in the neighborhood surrounding the Property will not result in obstruction of the views from any windows in the Building. (See the Section of the Plan entitled "Location and Area Information" for details.)

Unit Measurements

19. Each Unit consists of the area measured horizontally from the exterior face of the exterior walls of the Building to the centerline of the partitions separating one Unit from another Unit, and separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements. Each Unit consists of the area measured vertically from the top of the structural slab to the underside (of any fire protection) of the structural members above. Any Common Elements located within a Unit shall not be considered part of such Unit. As is customary in New York, these square foot areas exceed the usable floor area of each Unit.

Lobby and Entrance to the Condominium; Reciprocal Easement Agreement

20. (a) The current street address of the Building is 157 Chambers Street, New York, New York. The Sponsor will change the address of the Building so that the Condominium address will be 143 Reade Street, New York, New York. To this end, Sponsor intends to create the lobby ("Lobby") and entrance ("Entrance") to the Condominium in a portion of the first floor and a portion of the first floor rear yard of the adjacent building to the north known as 143 Reade Street, New York, New York. The 143 Reade Street building is one of 4 buildings which together comprise 137 Reade Street Condominiums, a 12-Unit condominium having street addresses of 137, 139, 141 and 143 Reade Street, New York, New York.

(b) In order to create the Lobby and Entrance, Sponsor and the current owner of the condominium unit located on the first floor of the 143 Reade Street building (the "Lobby Unit") have entered into a contract of sale pursuant to which Sponsor will purchase the Lobby Unit in which to construct the Lobby. The Lobby will incorporate certain common elements of the 137 Reade Street Condominiums consisting of the entrance to 143 Reade Street, the first floor corridor of 143 Reade Street and the rear yard of 143 Reade Street at the first floor level (the "Easement Area") which Sponsor may utilize in the Lobby construction pursuant to the easement agreement described herein. Sponsor and the board of managers of 137 Reade Street Condominiums will execute an easement agreement ("Reciprocal Easement Agreement") to be recorded upon the closing of Sponsor's acquisition of the Lobby Unit and which will be assigned by Sponsor to the Board of Managers of the Artisan Lofts Condominium. Among other provisions, in the Reciprocal Easement Agreement, 137 Reade Street Condominiums grants the Artisan Lofts Condominium Unit Owners the right of ingress and egress to and across the Easement Area in order to access the Condominium. The Artisan Lofts Condominium grants the 137 Reade Street Condominiums unit owners the right to enter the Lobby to travel to and utilize the fitness center and recreation room located in the Condominium, and to utilize the doorman, package acceptance services and package storage room on the same terms and conditions as the unit owners of the Artisan Lofts Condominium. In addition, the Sponsor will install and the Artisan Lofts Condominium will maintain, intercom service between the 2 units of 137 Reade Street Condominiums located on the upper floors of 143 Reade Street and the doorman's station in the Lobby. The Condominium may not prevent the 137 Reade Street Condominiums unit owners from utilizing any of the above-listed amenities unless such amenity is also discontinued for Artisan Lofts Condominium Unit Owners. The Condominium may not amend its Declaration or By-laws so as to impose a discriminatory charge on the 137 Reade Street Condominiums unit owners for using the above-listed amenities, may not prevent them or their Permitted Users from using the above-listed amenities on the same terms and conditions as the Artisan Lofts Condominium Unit Owners are permitted to use those amenities, and may not prevent access to the 143 Reade Street building by the residents of that building. On or before the First Unit Closing, Sponsor will transfer the Lobby Unit to the Condominium. All of the costs and expenses relating to the repair and maintenance of the Lobby (both the Lobby Unit and the Easement Area), including the common charges imposed on the Lobby Unit by the 137 Reade Street Condominiums and real estate taxes, will be included in the Residential Common Expenses. See "Schedule B—First Year's Budget" for a description of such costs. A copy of the Reciprocal Easement Agreement is set forth in Part II of the Plan.

Permitted Home Occupations / Use Restrictions

21. As set forth in the By-Laws, Residential Units may be used for residential purposes and "Permitted Home Occupations," as set forth below. A Residential Unit may not be utilized for any "dormitory," "bed and breakfast" or other transient hotel-type use. Permitted Home Occupations are accessory to residential use, do not comprise more than 25% of the square footage area of the Unit, and are conducted by the residential occupants of the Unit and, in certain cases, by one non-occupant employee. The By-Laws may not be amended to add to the list of Permitted Home Occupations, to delete a Permitted Home Occupation or to change the conditions under which such Permitted Home Occupations may be conducted ("Use Restrictions") for so long as the Reciprocal Easement Agreement is in effect, unless required by law or unless reasonable prior notice is provided to affected Unit Owners and

the owners of Unit 2C and PHC of 137 Reade Street Condominiums. Provided and for so long as the Condominium Board imposes upon and uniformly enforces the Permitted Home Occupations and Use Restrictions against Artisan Lofts Condominium Unit Owners, the Permitted Home Occupations and Use Restrictions shall also apply to the unit owners of Units 2C and PHC of 137 Reade Street Condominiums, the 2 Units which are located on the second through fifth floors of 143 Reade Street above the Lobby.

Permitted Home Occupations consist of the following:

Psychiatrists and other mental health professionals who treat no more than 2 people at any one time,

Fine art studio,

Teaching (other than musical instruction): no more than 2 pupils simultaneously,

Teaching music: no more than 1 pupil at a time,

Lawyer's office,

Accountant's office,

Architect's office,

Computer work such as web design, graphic design, programming, etc.,

Writer, editor

The Use Restrictions are set forth in the By-Laws.

INTRODUCTION

Nature of the Transaction

Artisan Lofts Development Owner LLC ("Sponsor") is a limited liability company organized and existing under the laws of the State of Delaware. An affiliate of Sponsor acquired the Property on June 9, 2006 from RPT Chambers LLC.

Sponsor presents this offering plan, as the same may be amended from time to time ("Plan") for the establishment of condominium ownership of the Land and Building pursuant to the Condominium Act. The Condominium will be known as 157 Chambers Condominium and located at 143 Reade Street, New York, New York 10007 ("Property").

The principals of Sponsor who will be actively involved in this offering are Elliott Ingerman and William Brodsky. (See the Sections of the Plan entitled "Identity of Parties" and the "Certification of Sponsor and Principals" in Part II of the Plan for details.)

The Condominium will consist of: (a) 38 Residential Units (b) 38 Storage Lockers (c) 2 Private Roof Terraces and (d) 1 Non-Residential Unit. The Storage Lockers and the Private Roof Terraces are collectively referred to as the "Ancillary Amenities." The Residential Units and the Non-Residential Unit are collectively referred to as the "Units."

The Offering Plan

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor. The Plan contains all of the detailed terms of the transaction.

Sponsor may from time to time amend the Plan by filing an amendment with the New York State Department of Law ("Department of Law") and serving such amendment on Purchasers and Unit Owners.

The Plan is presented in two parts that, together with all documents filed with the Department of Law, constitute the entire offer of Sponsor. Part I sets forth a general description of the offering and the Condominium and Part II contains the basic documents necessary to create the Condominium and otherwise effectuate the Plan. Also included in Part II is a detailed physical description of the Property and certifications as to certain matters discussed in the Plan.

In addition, Sponsor has filed with the Department of Law, Exhibits to the Plan which, along with the Plan, constitute the entire offer of Sponsor. Copies of the Plan and all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the Plan shall be available for inspection by prospective Purchasers and their attorneys without charge and for copying at a reasonable charge by any Person who shall have purchased a Unit offered by the Plan at the Sales Office and available for inspection and copying at the office of the Department of Law. A prospective Purchaser may borrow the Plan upon payment of a $200 deposit, which amount will be fully refunded upon either (i) the prompt return of all borrowed materials in good condition or (ii) the execution by the prospective Purchaser of a Purchase Agreement subsequently accepted by Sponsor. Prospective Purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. All documents are important and should be carefully read by prospective Purchasers.

All capitalized terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Definitions," unless otherwise defined.

The Property

The Building will be substantially renovated. Based upon the current construction schedule, Sponsor contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery or inability to obtain materials, governmental restrictions, or other events beyond its reasonable control, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about January 1, 2008. Purchasers should note however that: (i) Residential Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond such projected date, and (ii) Residential Units on higher floors generally close later than Residential Units on lower floors. Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to any credit, offset or reduction in the Purchase Price or otherwise be relieved from any obligations under the Purchase Agreement, if the First Closing occurs earlier or later than the projected date, or the time to complete or to close title to any Residential Unit is delayed or postponed by Sponsor. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections, and if monthly Common Charges in the amended budget exceed those in the latest projected budget set forth in the Plan by 25% or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within 15 days of the Presentation Date of the amendment containing such revised budget. If the First Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the First Year of Condominium Operation, as such date may be extended by Sponsor by amendment to the Plan, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within 15 days of the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame. Any Purchasers electing rescission pursuant to such offer will have their Deposits and any interest accrued thereon returned, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

A detailed description of the Property is contained in the Section of the Plan entitled "Description of Property and Improvements" and in the Description of Property and Improvements set forth in Part II of the Plan.

Offering of Residential Units for Sale

Sponsor hereby offers the Residential Units for sale pursuant to the Plan. The Purchase Prices for each of the Residential Units are listed in the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information" ("Schedule A"). THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Offering of Ancillary Amenities for Sale

Sponsor hereby offers the Ancillary Amenities (i.e. Storage Lockers and Private Roof Terraces) for sale pursuant to the Plan pursuant to a licensing arrangement ("Ancillary Amenity License") on a first-come, first-served basis. An Ancillary Amenity may only be purchased by a Purchaser of a Residential Unit. The Purchase Price for each of the Ancillary Amenities are listed in Schedule "A." THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Purchasers should note that the Closing of Title to an Ancillary Amenity does not require the issuance of a Temporary Certificate of Occupancy. Purchasers may be required to consummate the purchase of the Ancillary Amenity simultaneously with the Closing of a Residential Unit even though a Temporary Certificate of Occupancy has not been issued for, and/or access may not be available to, the Ancillary Amenity Area in the Building designated for use. In such event, the proceeds from the sale of the Ancillary Amenity will be held in escrow by Escrow Agent until such time as a Temporary Certificate of Occupancy has been issued for the Ancillary Amenity Area in the Building in which the Ancillary Amenity is located.

Sponsor reserves the right to offer as many Ancillary Amenities as it determines and to withhold one or more for future sale. Sponsor reserves the right to designate at Closing the specific Ancillary Amenity which will be subject to the Ancillary Amenity License. In addition, Sponsor has the right to limit the number of Ancillary Amenities sold to any single Purchaser of a Residential Unit or to make bulk sales, as it deems fit.

While Sponsor presently intends to offer for sale the Storage Lockers based upon market conditions, until such time as Purchasers have executed Purchase Agreements with respect to 75% of the Storage Lockers, Sponsor reserves the right to withdraw the offering of such Storage Lockers. If Sponsor elects to withdraw the offering of the Storage Lockers, Sponsor reserves the right to utilize the Storage Locker Area designated for the Storage Lockers for any use as determined by Sponsor in its sole discretion. The withdrawal of the offering of a Storage Locker shall be disclosed by Sponsor in an amendment to the Plan and a Purchaser shall only be relieved of Purchaser's obligation to purchase the Storage Locker, but shall remain obligated to purchase the Residential Unit. At Closing, Purchaser will receive a credit against the Balance of the Purchase Price equal to the amount allocated to the withdrawn Storage Locker, to the extent any such money has been paid to Sponsor.

Sponsor's Reservation of Right to Rent Rather than Sell Residential Units

Sponsor intends, in good faith, to sell rather than rent Residential Units. However under the Plan, Sponsor has reserved the unconditional right to rent Residential Units rather than sell Residential Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, Sponsor is not committed to sell more Residential Units than the 15% necessary to declare the Plan effective and, therefore, owner-occupants may never gain effective control and management of the Condominium.

Sponsor intends to offer Residential Units for sale both to Purchasers for personal occupancy as well as to those who are purchasing for investment or resale. Purchasers for investment or resale may, in turn, rent such Residential Units and accordingly, such Residential Units will not be used for the personal occupancy of the owner thereof. As a result, some and possibly many Residential Units may be occupied by renters instead of Residential Unit Owners. Since the Condominium Board does not have the right to approve or disapprove potential purchasers of Residential Units, the Condominium Board is unable to limit the number of purchasers who purchase Residential Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that those Residential Unit Owners who occupy their Residential Units may have different interests than those Residential Unit Owners who purchased such Residential Units as an investment.

Sponsor reserves the right to offer the Residential Units in such order of priority as it may determine, and to withhold one or more Residential Units for future sale or lease. In addition, Sponsor has the right to limit the number of Residential Units sold to any Purchaser and to make Bulk Sales of Residential Units. The Purchaser of such Residential Units shall be bound by Sponsor's representations set forth herein with regard to its commitment to sell Residential Units. The term "Bulk Sales" shall mean the transfer of 10 or more Residential Units or 20% of the total number of Residential Units in the Condominium, whichever is less.

Sponsor has procured an agreement from Morgan Stanley Mortgage Capital Inc. ("Construction Lender") for financing the substantial rehabilitation of the Building. Sponsor will receive advances from the Construction Lender each month, so long as Sponsor complies with the provisions of the construction loan regarding its responsibilities to use the funds advanced in the agreed manner and generally to proceed with the construction as agreed to in the loan documents. The construction loan documents limit Sponsor's rights with respect to renting rather than selling Residential Units but do not require Sponsor to enter into a specific minimum number of Purchaser Agreements prior to declaring the Plan effective. The construction loan documents require Sponsor to meet certain minimum release prices prior to the Construction Lender's release of its lien against each Residential Unit.

Basic Aspects of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home in the case of a Residential Unit, and a building in the case of a Non-Residential Unit. Each Unit Owner owns fee title to the Unit and is entitled to the exclusive possession and use thereof and is obligated to comply, with the terms of the Condominium Documents and any other requirements implemented by the Condominium Board. Each Unit Owner also owns, in common with the owners of all other Units, an undivided interest in (and right to use) the Common Elements. The Common Elements are comprised of: (i) portions of the Property serving and benefiting all Units, generally, including, for example, the Land upon which the Building stands and foundations and supports of the Building, these Common Elements being more specifically designated as "General Common Elements," (ii) portions of the Building serving and benefiting the Residential Units, exclusively, including for example, and without limitation, residential hallways, residential corridors, residential elevators and the resident manager's apartment, these Common Elements being more specifically designated as "Residential Common Elements;" and (iii) portions of the Building exclusively serving and benefiting one Residential Unit such as a Terrace, these Common Elements being specifically designated as "Residential Limited Common Elements."

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

Operation of the Condominium will be vested in a Condominium Board, the members of which will be elected by the Residential Unit Owners, subject to the rights of Sponsor and the Non-Residential Unit Owner to designate members of the Condominium Board, as set forth in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." When voting for members of the Condominium Board, each Residential Unit Owner shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Residential Unit per Residential Member to be elected.

A Unit Owner may decorate and construct the interior of the Unit in any way the Unit Owner desires, subject to compliance with the Condominium Documents and Law, and will be solely responsible for the cost of maintenance and interior repairs to the Unit after Closing.

Each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to any lien arising from the non-payment of real estate taxes assessed against other Units. In the opinion of Special Tax Counsel to Sponsor, which opinion is set forth in full in Part II of the Plan, a Residential Unit Owner who itemizes deductions may be eligible, under current Law, to deduct from income for income tax purposes, real estate taxes and interest paid on the Unit Owners mortgage, subject to certain exceptions and limitations discussed in the "Attorney's Income Tax Opinion" set forth in Part II of the Plan. (See the Section of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" set forth in Part II of the Plan for details.)

With certain exceptions set forth in the By-Laws, any sale or lease of a Residential Unit will be subject to a right by the Condominium Board to acquire or lease such Residential Unit or to produce a third party to acquire or lease such Residential Unit on the same terms as were offered to the owner of such Residential Unit. Sponsor and the Non-Residential Unit Owner may sell or lease any of their respective Units without any restriction or limitation (see the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Condominium Board" subsection "Sales and Leases of Residential Units for details.)

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

will be submitted to the provisions of the Condominium Act by recording the Declaration in the Register's Office by Sponsor. The Condominium will comply with all Laws applicable to condominiums in the State of New York.

The cost of operating the Condominium will be borne entirely by the Unit Owners in accordance with allocations set forth in the "Schedule B – Projected Budget for First Year of Condominium Operation." As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Unit Owners for Common Charges to meet Common Expenses. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or Residential Common Expenses attributable to Residential Unit Owners only. Common Charges will be assessed against Residential Unit Owners in the same proportion their respective Residential Units bears to the aggregate Common Interests of all Residential Units. The estimated Common Charges for each Unit for the First Year of Condominium Operation are set forth in Schedule A. Purchasers are obligated to pay monthly Common Charges pursuant to the Condominium Act (RPL Sections 339 (i) and (m)).

The Common Interests of each Unit in the Common Elements has been allocated pursuant to the method set forth in Real Property Law Section 339-i(l) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

The Residential Common Interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the aggregate Common Interests of all of the Residential Units in the Condominium.

Certain budgeted items (See the "Notes to Schedule B" for details) are allocated between the Residential Units and the Non-Residential Unit on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements. The Condominium Board may not modify these allocations without the unanimous consent of the Non-Residential Unit Owner. In the opinion of Sponsor's budget expert, as set forth in the Certifications of Budget Expert set forth in Part II of the Plan, the allocated Common Charges payable by the Non-Residential Unit Owner are sufficient to cover the expenses fairly attributable to the Non-Residential Unit. Unit Owners will have no interest in any rents, net profits or revenues derived from the rental or use of any Unit owned by another. The aggregate Common Interest of all Units equals 100%. The aggregate Residential Common Interests of all Residential Units equals 100%. The percentage of Common Interests are the basis for determining a Unit Owners share of distribution upon termination of the Condominium with Unit Owners then sharing pro rata in the proceeds of the Condominium. Each Unit's Common Interest and Residential Common Interest, as applicable, and estimate of the Common Charges that will be payable by the Unit Owner during the First Year of Condominium Operation of the Property subsequent to the First Closing are set forth in the Section of the Plan entitled "Schedule A – Purchase Prices of Units and Related Information."

After the Closing of Title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment, appliances and personal property situated within the Unit, as well as liability insurance with respect to occurrences in or about the Unit. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

Each Purchaser of a Residential Unit will be required to make a contribution to the Working Capital Fund of the Condominium. Such contribution, to be made at the time of Closing of the Residential Unit, shall be in an amount equal to 2 months' Common Charges assessed against the Residential Unit at Closing. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes with respect to the Unit (both before and after such taxes are separately assessed and billed against the Unit by the City of New York), interest and amortization payments on any mortgage and charges for electricity consumed in the Unit.

A Residential Unit shall be used for residential purposes only, including those Permitted Home Occupations as set forth in the By-Laws (except as described below), and not more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory," "bed and breakfast" or other transient hotel-type use. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments) may only be occupied by such individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, a member of such limited liability company, the fiduciary or beneficiary of such fiduciary, a principal or employee or such other entity, respectively, or by members of the immediate family or guests of any of the foregoing.

A Storage Locker may be used for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or create a nuisance, be stored in a Storage Locker. Except for Sponsor, a Residential Unit Owner may not own a Storage Locker without also owning a Residential Unit.

With certain exceptions, any sale or lease of a Residential Unit will be subject to a right by the Condominium Board to acquire or lease such Residential Unit or to produce a third party to acquire or lease such Residential Unit on the same terms as were offered to the owner of such Residential Unit. Sponsor and the Non-Residential Unit Owner may sell or lease their respective Units, or portions thereof, without any restriction or limitation. Since the Condominium Board does not have the right to approve or disapprove potential purchasers of Residential Units, the Condominium Board is unable to limit the number of purchasers who purchase Residential Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Residential Unit Owners who are not occupants. It is possible that those Residential Unit Owners who occupy their Residential Units may have different interests than those Residential Unit Owners who purchased such Residential Units as an investment. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners" subsection "Sales and Leases of Units" for details.)

Each Residential Unit Owner has exclusive use, subject to any and all Residential Rules and Regulations implemented by the Condominium Board, of any Residential Limited Common Element appurtenant to the Residential Unit, as shown on the Floor Plans included in Part II of the Plan and Private Roof Terrace, and is responsible for all normal maintenance, repairs and replacements thereto. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Residential Limited Common Element and Private Roof Terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to same) shall be charged to all Residential Unit Owners as a Residential Common Expense. The type, size, weight and quantity of plantings and other installations to be placed on Terraces and on Private Roof Terraces shall be subject to the prior written approval of the Condominium Board and shall be in compliance with Law.

There are no limitations on who may purchase Units, except as set forth herein. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, limited liability company, an association, a trust or any other entity which is permitted to take title pursuant to Law. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of any of the Condominium Board, any Unit Owner or mortgagee, to refuse to approve and execute Purchase Agreements for one or more Units to any Person. Sponsor shall not discriminate against any person because of race, creed, color, sex, sexual orientation, disability, marital status, age, ancestry, national origin or other ground proscribed by Law. No binding obligation will arise for the sale of a Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor has been exchanged and

Sponsor has collected the funds constituting Purchaser's required Deposit thereunder (see the Section of the Plan entitled "Procedure to Purchase" for details). Sponsor will not accept an offer of purchase from an individual younger than 18 years of age or an incompetent under Law.

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

DEFINITIONS

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

"Adverse Effect," or "adverse effect" shall mean any action or proposed change with respect to any Unit Owner(s), that such action or change could, if realized, (i) increase the Common Charges payable over those set forth in the budget at the time in question by 25% or more, (ii) materially interfere with such Unit Owner's access to the Unit, (iii) materially obstruct or degrade the view from the windows of the Unit or (iv) otherwise materially diminish the use and enjoyment of the Unit.

"Ancillary Amenities" shall mean the Storage Lockers and Private Roof Terraces.

"Ancillary Amenity Area" shall mean the Storage Locker Area and the Private Roof Terrace Area.

"Ancillary Amenity License" shall mean the agreement pursuant to which an Ancillary Amenity is licensed to a Residential Unit Owner.

"Ancillary Amenity Licensee" shall mean any Unit Owner who licenses an Ancillary Amenity at the time in question. All such Unit Owners are, collectively, referred to as "Ancillary Amenity Licensees."

"Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) 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; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"Building" shall mean the building located at 143 Reade Street, New York, New York 10007.

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

"By-Laws" shall mean the by-laws governing the operations of the Condominium, which are set forth as Exhibit D to the Declaration, as the same may be amended from time to time, which is set forth in Part II of the Plan.

"Closing" or "Closing of Title" shall mean the date, time, place and procedure by which, among other things, fee title to a Unit and its appurtenant Common Interest is conveyed pursuant to a fully-executed Purchase Agreement.

"Closing Date" shall mean the date on which a Closing occurs.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with their Schedule B allocations and as provided in the Declaration or in the By-Laws to meet the Common Expenses.

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

"Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve, or a reserve fund for working capital, for

replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); and (iii) generally, the conduct of the affairs of the Condominium. Common Expenses shall be either General Common Expenses attributable to all Unit Owners or Residential Common Expenses attributable to Residential Unit Owners only.

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

"Condominium" shall mean the Artisan Lofts Condominium which will be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

Condominium Act" shall mean the New York Condominium Act, as amended from time to time (New York Real Property Law, Article 9-B).

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

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans.

"Declarant" shall mean Artisan Lofts Development Owner LLC and its successors and assigns.

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

"Deposit" shall mean all deposits, advances and payments made by Purchasers prior to the Closing of a Unit.

"Effective Date" shall mean the date upon which the Plan is has declared effective.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of one or more of the Units or the 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 systems, 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, intercom equipment, playground equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drainage systems, sewers and/or storm pipes, drywalls, or detention tanks, 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, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes, sockets, davits and rigs for window cleaning.

"Family Members" shall mean the spouse, domestic partner, their children, stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Residential Unit Owner who reside in such Residential Unit Owner's Residential Unit.

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

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

"First Year of Condominium Operation" shall mean the first 12 months of operation of the Condominium beginning on the date of First Closing, which may be a calendar or fiscal year.

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

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

"Force Majeure" shall mean unavoidable delays due to weather, floods, epidemics, quarantine, restrictions, strikes, lockouts, acts of God, acts of terrorism, freight embargoes, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which Sponsor does not have control, however for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause beyond reasonable control.

"GBL" shall mean Section 352-eeee of the New York State General Business Law.

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

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

"Initial Control Period" shall mean the period ending on the later to occur of: (i) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 95% in number of all Residential Units offered for sale, or (ii) the issuance of a Permanent Certificate of Occupancy.

"Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust or a group of lenders which shall include one of the foregoing, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, or (iii) Sponsor, or (iv) with respect to loans secured by any Commercial Unit only, (x) without in any way limiting the scope of the foregoing and for the sake of clarity, any real estate mortgage investment conduit within the meaning of Section 860D of the Internal Revenue Code, (y) any entity not included within any of the foregoing that is regularly engaged in the business of making, owning or servicing mortgage loans, including, without limitation, a so-called "conduit lender," or (z) any group of lenders which shall include one or more of the foregoing.

"Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is an Institutional Lender.

"Insurance Trustee" shall mean a bank or trust company, in either event having both an office in the City of New York and 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" shall mean the land located in Section 1 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 140, Lot 10 and more particularly described in Exhibit A to the Declaration.

"Law" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, County and Borough governments, including, without limitation, the Buildings Department, the Landmarks Preservation Commission, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium and/or the direction of any public officer pursuant to Law which are applicable at the time in question.

"License" shall mean the agreement pursuant to which a Storage Locker or a Private Roof Terrace is licensed to a Residential Unit Owner.

"Lobby" shall mean the residential lobby located on the first floor of 143 Reade Street, a portion of which comprises the so-called Lobby Unit of 137 Reade Street Condominiums.

"Managing Agent" shall mean the managing agent or manager named in the Plan or any successor managing agent at the time in question.

"Non-Residential Unit" shall mean the Non-Residential Unit designated as such in the Declaration together with its Common Interest.

"Non-Residential Unit Owner" shall mean the Unit Owner of a Non-Residential Unit at the time in question.

"Permanent Certificate of Occupancy" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described on Schedule A annexed to the form of Purchase Agreement.

"Permitted Home Occupations" shall mean those occupations permitted to be conducted in Residential Units set forth in the By-Laws, subject to the Use Restrictions.

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

"Permitted Mortgagee" shall mean any holder of a Permitted Mortgage at the time in question.

"Permitted User" shall mean any officer, director, member, stockholder, principal, partner, employee, agent (including managing, sales and leasing agent), guest, tenant, occupant, customer, invitee, licensee, contractor, Permitted Mortgagee or any other Person related, affiliated or designated by Sponsor, the Condominium Board or a Unit Owner who has permission to use a Unit and/or a portion of the Common Elements, subject to the terms of the Condominium Documents, whether written or oral, granted by: (i) a Unit Owner in the case of such Unit Owner's Unit and its appurtenant Common Elements; or (ii) the Condominium Board; or (iii) the Condominium Documents; or (iv) Sponsor.

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

"Plan" shall mean that certain Condominium Offering Plan relating to the Property, as accepted for filing by the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York and any and all amendments thereto.

"Plans and Specifications" shall mean the plans and specifications for the construction of the Building which (to the extent required by Law) have been or will be filed with the Buildings Department and which may from time to time be amended in accordance with the provisions of the Plan.

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

"Private Roof Terrace" shall mean any of the 2 Private Roof Terraces located on the roof of the Building and as indicated on the floor plans set forth in Part II of the Plan. Each Private Roof Terrace shall be treated as if it were a Residential Limited Common Element to be used exclusively by the Licensee of such Private Roof Terrace. Any reference in the Plan to "owning a Private Roof Terrace" shall mean that Residential Unit Owner has entered into a License for a Private Terrace.

"Private Roof Terrace Area" shall mean an area located on the roof of the Building containing the Private Roof Terraces. The Private Roof Terrace Area is a Residential Common Element.

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

"Purchaser" shall mean a purchaser of a Unit pursuant to a Purchase Agreement.

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

"Register's Office" shall mean the Office of the Register of the City of New York of the County in which the Property is located.

"Residential Common Elements" shall mean those portions of the Common Elements either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Residential Units, as more particularly described in the Declaration and the Floor Plans, except with respect to the Storage Lockers and Private Roof Terraces, which are only available for use by the licensees of such Storage Lockers and Private Roof Terraces.

"Residential Common Expenses" shall mean all costs and expenses to be incurred generally by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements; or (ii) the establishment and/or maintenance of a operating reserve fund for working capital, for replacements with respect to the Residential Common Elements and/or Residential Limited Common Elements.

"Residential Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Residential Unit Owner in the Residential Common Elements. The total of all Residential Common Interest percentages appurtenant to all Residential Units equals 100%. The Residential Common Interests are the basis for determining a Residential Unit Owner's liability for such Unit Owner's share of the Residential Common Expenses.

"Residential Limited Common Elements" shall mean those portions of the Property (other than the Units, the General Common Elements and the Residential Common Elements), existing for the use and enjoyment of certain Residential Unit Owners to the exclusion of all other Unit Owners, as more particularly described in the Declaration and the Floor Plans. The Ancillary Amenities shall be treated as if they were Residential Limited Common Elements.

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

"Residential Unit Owner" shall mean any Unit Owner of a Residential Unit at the time in question. All such Residential Unit Owners are, collectively, referred to as the "Residential Unit Owners."

"Residential Rules and Regulations" shall mean the Residential Rules and Regulations of the Condominium promulgated in accordance with the By-Laws, as any of such Rules and Regulations may be amended, added to, or deleted from time to time pursuant to the terms of the By-Laws.

"Sales Office" shall mean the sales office for Sponsor or Selling Agent, at a location to be designated by either Sponsor or Selling Agent from time to time.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information."

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

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 for Individual Energy Costs."

"Selling Agent" shall mean the Selling Agent named in the Plan or any successor Selling Agent at the time in question.

"Special Assessments" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), in accordance with the By-Laws of the Condominium.

"Sponsor" shall mean Artisan Lofts Development Owner LLC and (if applicable) any Person(s) designated by Sponsor.

"Storage Locker Area" shall mean an area located in the Cellar of the Building containing the Storage Lockers. The Storage Locker Area is a Residential Common Element.

"Storage Locker" shall mean any Storage Locker located in the Storage Locker Area and shall include the structural framework and materials out of which the Storage Locker is constructed. Each Storage Locker shall be treated as if it was a Residential Limited Common Element to be used exclusively by the Licensee of such Storage Locker. Any reference in the Plan to "owning a Storage Locker" means Residential Unit Owner has entered into an Ancillary Amenity License for the Storage Locker.

"Temporary Certificate of Occupancy" shall mean a temporary certificate of occupancy for the Building issued by the Buildings Department.

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit as a Residential Limited Common Element, as well as any Private Roof Terrace and shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the original construction of the Building. All such terraces, balconies or gardens are, collectively, referred to as the "Terraces".

"Title Company" shall mean Fidelity National Title Insurance Company, having an office at One Park Avenue, Suite 1402, New York, New York 10016. (212) 845-3126, (212) 742-0732, or any successor Title Company at the time in question.

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

"Unit Owner" shall mean any Person (including Sponsor, if Sponsor owns any Unit) who holds fee title, of record, to one or more Units at the time in question. All such Unit Owners are, collectively, referred to as the "Unit Owners."

"Unsold Residential Unit" shall mean any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained by Sponsor or a principal of Sponsor at the time in question. All such Unsold Residential Units are, collectively, referred to as the "Unsold Residential Units."

"Unsold Residential Unit Owner" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

"Unsold Ancillary Amenity" shall mean any Ancillary Amenity owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained by Sponsor or a principal of Sponsor at the time in question. All such Unsold Ancillary Amenities are, collectively, referred to as the "Unsold Ancillary Amenities."

"Unsold Ancillary Amenity Owner" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

"Use Restrictions" shall mean the conditions under which a Permitted Home Occupation may be conducted in a Residential Unit as set forth in the By-Laws.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The following is a general description of the Property as well as certain facilities and services to be provided at the Condominium. For a more detailed description of the Property, see the "Description of Property and Improvements" contained in Part II of the Plan.

Location

The Property is located at 143 Reade Street in the Borough of Manhattan, City and State of New York.

Improvements - General Description of Units

The Condominium will consist of: (i) 38 Residential Units, (ii) 38 Storage Lockers, (iii) 2 Private Roof Terraces, and (iv) 1 Non-Residential Unit located within a 17 story structure.

There will also be various amenities for the benefit of the Residential Unit Owners, including a fitness center located in the cellar, a recreation room located in the cellar, a rooftop recreation area and various utility and service areas located throughout the Building. (See the subsection entitled "Services and Facilities" for details.)

Purchasers should refer to the Description of Property and Improvements contained in Part II of the Plan for more details.

Residential Units

There will be 38 Residential Units located on Floors 2 through Floor 17 (Penthouse 2), the square footages of which are set forth on Schedule A.

Purchasers are urged to consult the Floor Plans and Description of Property and Improvements contained in Part II of the Plan for details regarding the Residential Units.

Storage Lockers

Storage Lockers will be located in the Storage Locker Area of the Building. The square footages and Purchase Prices of the Storage Lockers are set forth on Schedule A. Storage Lockers will be offered on a first-come, first-served basis. A Storage Locker may be used for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or cause a nuisance, be stored therein. Sponsor, however, shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of any unassigned Storage Locker, subject, to the provisions of the By-Laws. Except for Sponsor, no Storage Locker may be owned independently of a Residential Unit.

While Sponsor presently intends to offer the Storage Lockers for sale, based upon market conditions, until such time as Purchasers have executed Purchase Agreements with respect to 75% of the Storage Lockers, Sponsor reserves the right to withdraw the offering of the Storage Lockers. The above threshold percentage (i) may be reduced by Sponsor in its sole discretion and without amendment to the Plan and (ii) may be attained subsequent to the Plan being declared effective. If Sponsor elects to withdraw the offering of Storage Lockers, Sponsor reserves the right to utilize the Storage Area designated for the Storage Lockers for any use as determined by Sponsor in its sole discretion. The withdrawal of the offering of the Storage Lockers shall be disclosed by Sponsor in an amendment to the Plan and Purchaser shall only be relieved of Purchaser's obligation to purchase the Storage Locker, but shall remain obligated to purchase the Residential Unit. At Closing, Purchaser will receive a credit against the Balance of the Purchase Price equal to the

amount allocated to the withdrawn Storage Locker to the extent any such money has been delivered to Sponsor.

Storage Lockers are sometimes referred to in this Plan as "Ancillary Amenities."

Private Roof Terraces

There will be 2 Private Roof Terraces located on the roof of the Building as indicated on the floor plans set forth in Part II of the Plan. The 2 Private Roof Terraces will each be approximately 250 square feet. Each Private Roof Terrace will be accessed through the common rooftop area. All costs and expenses for non-structural, ordinary maintenance, repair and upkeep associated with the Private Roof Terraces shall be borne by the licensee of such Private Roof Terrace. Each Private Roof Terrace may be used for passive recreational use, and shall be subject to such rules and regulations as may be promulgated by the Condominium Board, from time to time, including restrictions on the hours of access and use.

Non-Residential Unit

Purchasers should refer to the Section of the Plan entitled "Non-Residential Unit" for a detailed description of the Non-Residential Unit.

Construction Data for Units and Common Elements

Sponsor has engaged BKSK Architects LLP as architect of record, Eipel Barbieri Marschhausen LLP as structural engineer and Simon Rodkin P.C. Consulting Engineers as mechanical engineer. The Plans and Specifications have been prepared by such architects and engineers. (See the Section of the Plan entitled "Identity of Parties" for further detail.)

Substantial renovation and construction of the Building will be completed in accordance with the Plans and Specifications, and applicable Law. However, Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details) and substitute in place of any materials, appliances, equipment and fixtures set forth in the "Description of Property and Improvements," items of substantially equal or better quality, provided, however: (i) any material change shall be set forth in an amendment to the Plan; (ii) any necessary approval of any governmental authority having jurisdiction is first obtained; and (iii) no such amendments, modifications or substitutions may be made if the same would materially and adversely affect any binding Purchase Agreement unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchaser(s), offer the affected Purchaser(s) the right, for 15 days, to rescind their Purchase Agreement(s) and receive a refund of their Deposits, together with all interest earned thereon, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by force majeure, construction and renovation of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about January 1, 2008. Purchasers should note, however, that (i) the Residential Units will be completed at different times over a period that may begin prior to and/or extend significantly beyond such date, and (ii) Residential Units on higher floors generally close later than Residential Units on lower floors. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the Purchase Price for the Residential Unit or otherwise be relieved from any obligations under the Purchase Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to the Residential Unit is delayed or postponed by Sponsor. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections and, if Residential Unit Owner's monthly Common Charges in the

amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within 15 days of the Presentation Date of the amendment containing such revised budget. If the First Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the First Year of Condominium Operation, as such date may be extended by Sponsor by amendment to the Plan, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within 15 days of the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame. Any Purchasers electing rescission pursuant to such offer will have their Deposits and any interest accrued thereon returned, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

Local Law 11

New York City Local Law 11 of 1998 ("Local Law 11") which requires periodic examinations of the physical condition of certain exterior walls applies to the Building. Set forth in Part II of the Plan is a copy of the Local Law 11 Report ("Local Law 11 Report") issued for the Building.

Sponsor shall, at its sole cost and expense, make all necessary repairs to the Building as indicated in the Local Law 11 Report and in accordance with Law as follows:

(a) all unsafe conditions shall be promptly corrected; and

(b) all safe conditions with a repair and maintenance program shall be corrected by the earlier of (i) the due date on the next Local Law 11 report filing, or (ii) the Closing of the last Residential Unit by Sponsor.

Services and Facilities

The services and facilities described below will be provided to Residential Unit Owners and are included in the Common Charges, unless otherwise specified below.

a. Doormen/Concierges

There will be doormen/concierges stationed in the residential lobby 24 hours a day, 7 days a week. The hours of access may be modified by the Condominium Board, in its sole discretion. The hours and duties of the doorman/concierge may be reduced until certain occupancy levels in the Condominium are achieved. However, at all times after the First Closing of a Residential Unit, the residential lobby will be attended 24 hours a day, 7 days a week by a doorman/concierge.

b. Building Staff

The staff of the Condominium will be supervised by the Resident Manager. The staff shall be assigned such hours of duty as are necessary for the comfortable occupancy of all Unit Owners. Purchasers should refer to the Footnotes to Schedule B for a completed description of the Building Staff.

c. Residential Elevator Service

All automatic passenger elevators will be in service 24 hours a day, 7 days a week. Purchasers should refer to the Description of the Property and Building Condition set forth in Part II for details concerning the passenger elevators.

Sponsor reserves the right to restrict access to any full floor Residential Unit, solely to the individual owner/occupant of such Unit, by way of elevator lock off, or other means permissible by Law.

d. Telecommunications

The Building will be pre-wired for telephone, cable television and internet services to the Residential Units. Residents will be able to subscribe for telephone, television and internet services. Charges for activating cable television, installing and attaching appropriate receptacles, additional installations and monthly usage charges will be determined by and payable directly to the cable company by each resident subscribing for and activating such service. Sponsor reserves the right to enter into an agreement with a service provider to provide a building wide internet access package, the monthly cost of which will be paid by the Condominium Board and billed to each Residential Unit Owner as a Residential Common Expense.

e. Mail

All incoming mail will be delivered to the Building by the U.S. Postal Service and deposited in mailboxes in the residential lobby. Sponsor reserves the right to eliminate mailboxes from the design of the Building and to have the mail delivered to each Residential Unit by building staff.

f. Laundry Facilities

Each Residential Unit will contain a washing machine and ventless dryer. There will not be a common laundry room located in the Building.

g. Refuse Disposal

There will be recycling bins and access to refuse chutes located on each floor containing Residential Units. The refuse chutes will lead directly to a compactor located in the compactor room in the cellar.

h. Communication Facilities and Intercom System

Each Residential Unit will be equipped with an intercom telephone system which will enable the occupants to communicate directly with the concierge and/or doorman over a standard touch tone telephone. The system will not have any video capabilities. Sponsor reserves the right to substitute an alternate service to enable communication between the concierge and the residents.

i. Smoke and Carbon Monoxide Detector/Sprinklers

A combination smoke and carbon monoxide detector will be provided in each Residential Unit in compliance with the Law. Additionally, the Building will be fully sprinklered in compliance with the Law.

j. Service Entrance

There will be a service entrance on 157 Chambers Street.

k. Fitness Center

A Fitness Center comprised of approximately 978 square feet will be located in the cellar of the Building. It will include various exercise equipment.

l. Bicycle Storage Room

A bicycle storage room of approximately 250 square feet will be located in the cellar of the Building.

m. Residential Lobby

The residential lobby will contain furniture and furnishings for the use and enjoyment of the residents of the Condominium.

n. Sales Center Furniture, Furnishings and Equipment

Sponsor reserves the right to utilize the furniture, furnishings and equipment through-out various parts of the Building which were used in the Sales Center. All such furniture, furnishings and equipment, however, will be re-conditioned, if needed.

o. Rooftop Recreation Area

The Residential Unit Owners will have the use of an outdoor recreation area located on the roof of the Building, which is accessible by elevator.

p. General

Except as provided below with respect to the Fitness Center, Recreation Room and Residential Lobby, use of the services and facilities shall be available only to individuals who reside in a Residential Unit in the Building (i.e, a Residential Unit Owner or tenant) and, subject to the Rules and Regulations implemented by the Condominium Board, such individual's guests, provided that such Residential Unit Owner or tenant accompanies the guest during such use. In addition, use of the services and facilities are subject to such Rules and Regulations as may be promulgated from time to time by the Condominium Board, including, without limitation, the right to impose fees and restrictions on hours of access and use.

As set forth more fully in the section of the Plan entitled "Rights and Obligations of the Condominium Board / Summary of By-Laws", subsection "Reciprocal Easement Agreement," for so long as the Reciprocal Easement Agreement is in effect, the unit owners of 137 Reade Street Condominiums and their Permitted Users are permitted to enter the residential lobby to access and use the Condominium's Fitness Center and Recreation Room (which use must be on the same terms and conditions as apply to Residential Unit Owners of the Condominium) and the Condominium's doorman/concierge will accept packages for those unit owners. In addition, the unit owners of Units 2C and PHC of 137 Reade Street Condominiums, located on the second through fifth floors of 143 Reade Street above the lobby, will have intercom communication between their Units and the Condominium's doorman/concierge. The Bicycle Storage Room, Rooftop Recreation Area, Service Entrance, and other amenities described in this Plan or which may be hereafter provided to Unit Owners are not available to 137 Reade Street Condominium unit owners.

While it is anticipated that these services and facilities will be available at the time of the First Closing, prospective Purchasers should note that until such time as the Condominium is occupied by 75% of the Residential Unit Owners, some of these services and facilities (such as a full staff and Building personnel and usage of the amenity areas) may not be available. Purchasers should also be aware that the hours and dates for move-ins, move-outs and/or construction work, as well as the use of the passenger and/or service elevators will be restricted during the period that Sponsor is completing substantial renovation of the Building. However, at all times after the First Closing, the residential lobby will be attended 24 hours a day, 7 days a week and the interim level of staffing will be adequate to maintain the Building. Additionally, it is anticipated that for a significant period of time following the First Closing through, including and beyond the Closing of Title to any particular Residential Unit, work should be expected to be undertaken and performed by or on behalf of Sponsor to complete substantial renovation of the Building, including without limitation, the Residential Units, the amenities located in the Building, the decoration or finishing of the residential lobby, corridors, elevator finishes and other portions of the Building, including installing light fixtures, painting, hanging wall coverings or laying carpeting. All of the foregoing work and conditions may create a

noisy and otherwise disruptive condition in the Building during the period such work is being performed. The Condominium Board may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been issued. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services will not be the responsibility of Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels. In addition, the presence of hoists or construction elevator shafts or similar temporary construction facilities, may delay the Closing of Title to certain Residential Units or lines of Residential Units until such hoists, elevators or temporary facilities are no longer needed and are removed and construction is completed.

LOCATION AND AREA INFORMATION

Location

The Condominium is located in TriBeCa, at 143 Reade Street, between Hudson and Greenwich Streets in the Borough of Manhattan, City of New York. With its proximity to fine dining, shopping, entertainment, and great public schools, the Condominium is situated in one of the finest and most desirable neighborhoods in New York City, which attracts artists, professionals, couples and families alike.

The Condominium is located in the southern section of TriBeCa where the neighborhood has a variety of types of buildings including high-rise apartment buildings, three and four-story private dwellings, four to six-story walk-up apartment buildings, as well as small loft buildings and local stores. Many of the buildings in the area have recently been converted to cooperative or condominium ownership.

Surrounding Area, Shopping, Museums, Theatre and Parks

New York City is a leading cultural center of the world, with universities, museums, libraries, theaters and cultural institutions, attracting millions of national and international tourists. New York City is the nation's center for communications, publishing, advertising, the stock market and other financial services, visual and performing arts and the fashion industry.

There are many noteworthy local attractions nearby such as City Hall, New York City Courthouse, Federal District Courthouse, the New York Municipal Building, the New York Stock Exchange, and the Woolworth Building. Future nearby developments like Santiago Calatrava's transit hub and the World Trade Center Memorial will also further enhance this neighborhood.

While shopping in TriBeCa, one will find many small, unique gift shops, toy shops, clothing stores, and high-end furniture stores. Popular shops located in the neighborhood include Butter & Egg (a home furnishings store), Whipper Snippers (a toy store that sells educational, old-fashioned, and European toys), and Mondo Cane (an eclectic mid-century modern furniture store).

The area is replete with notable nearby "destination" restaurants that include Nobu, Tribeca Grill, Megu, Danube, Harrison, Chanterelle, Bouley, Montrachet, and The Odeon. Popular neighborhood restaurants include Bubby's, The Soda Shop, and The Kitchenette.

At 143 Reade Street, you are never more than a short walk from the arts, shopping, entertainment, and some of the best restaurants New York City has to offer.

Transportation

New York City is served by three major airports—LaGuardia, Kennedy International and Newark International. Passenger railroad service is provided from Pennsylvania Station, located at Seventh Avenue and 33rd Street, and from Grand Central Station, located at Lexington Avenue and 42nd Street. Public transportation is readily available.

Transportation to and from the Condominium, and through New York City, is available by taxi, limousine, and private automobile. By automobile, both the West Side Highway and FDR Drive are easily accessible. The West Side Highway is connected to Interstate 95 and the Henry Hudson Parkway, both of which are major regional arteries. The FDR Drive provides access to the East River bridges and tunnels. Additionally, Brooklyn and Long Island are easily accessible by the Brooklyn Bridge, Manhattan Bridge, and Williamsburg Bridge.

Centrally located, the Condominium is convenient to several subway and bus lines. The 1/2/3 train line is located at Chambers Street and Hudson Street, just one-half block from the Building. Additionally, the A/C train is located at Chambers Street and Church Street, one block to the east, while the R/W train is located on Chambers Street and Broadway, two blocks to the east. For east side access, the 4/5/6 trains are located three blocks to the east at Chambers Street and Centre Street. The M22 bus provides convenient cross-town service, while the M1, M6, and M20 buses provide access to uptown and downtown Manhattan.

Medical, Educational and Religious Facilities

A number of excellent, world-renowned medical centers are readily accessible. Nearest to the Condominium are NYU Downtown Hospital, located at 170 William Street, and St. Vincent's Manhattan Hospital, located at 170 West 12th Street.

Many excellent educational facilities are located within a short walking distance of the Condominium. The building is in an area currently zoned for P.S. 234 Independence School, one of the city's best public elementary schools, which is located at 292 Greenwich Street. P.S. 150 Tribeca Learning Center is another excellent public elementary school, which is located at 334 Greenwich Street. While the school is unzoned, Tribeca resident children are currently given priority. Nearby public middle and high schools are I.S. 289, located at 201 Warren Street, H.S. 425 High School for Leadership and Public Service, located at 90 Trinity Place, H.S. 489 High School for Economics and Finance, located at 100 Trinity Place, and H.S. 475 Stuyvesant High School, one of the city's and the country's best public high schools, located at 345 Chambers Street. New York University, Pace University, the Borough of Manhattan Community College, and New York Law School are excellent higher educational facilities located right in the neighborhood. Sponsor, however, makes no guarantee or representation as to which school a child residing at the Condominium may actually attend.

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

Parks/Recreation

The Condominium is also central to several parks. One half block from the building is Washington Market Park, a popular neighborhood playground for children. For quiet reflection, one can visit Duane Park, the city's oldest park. Across West Street, children can play at the Nelson Rockefeller Park which provides a great playground, kid-friendly sculptures, and children's activities. Adults can enjoy tennis, basketball, canoeing, running or bicycle riding along the Hudson River.

The Condominium is within walking distance to numerous entertainment venues such as TriBeCa Performing Arts Center, the World Financial Center, AMC Loews Movie Theaters, TriBeCa Screening Room. TriBeCa is the home of the annual TriBeCa Film Festival, held every Spring since 2002.

Municipal Services

The City of New York will provide water, sanitation, police and fire services to the Building.

The local police station is the 1st Precinct, located at 16 Ericsson Place, New York, New York.

The local fire station is Engine Co. No. 10, Ladder 10, located at 124 Liberty Street, New York, New York.

Postal

The mailing address for the Condominium is 143 Reade Street, New York, New York 10007. The Condominium is served by the Church Street Postal Station, which is located at 90 Church Street, New York, New York.

Zoning

The Condominium is zoned for C6-3A, and is located in Area A-3 in the TriBeCa Mixed Use District. Residential use is permitted as of right on the upper floors. Commercial use group 6 is permitted on the first floor and the cellar levels. Permitted uses in Group 6 consist primarily of retail stores and personal service establishments or offices. Sponsor makes no representation that the zoning for the Condominium will not change.

General

Sponsor makes no representations to the continued existence of any of the named establishments or transportation lines. Additionally, no representation is made that future construction in the neighborhood surrounding the Condominium will not result in the obstruction of the views from any windows.

SCHEDULE A – PURCHASE PRICES OF UNITS AND RELATED INFORMATION

Schedule A- 143 Reade Street- Artisan Lofts
Offering Prices and Related Information Projected Carrying Costs for the First Year of Operation
From January 1, 2008 to December 31, 2008

Unit	BR/ Bath/ HO	Interior SF	Exterior SF	Offering Price	% Residential Common Interest	% Common Interest	Estimated Monthly Common Charges	Estimated Monthly RE Tax With J-51	Estimated Monthly RE Tax W/O J-51	Estimated Total Monthly Carrying Costs With J-51	Estimated Total Monthly Carrying Costs W/O J-51
2A	3/3.5/1	2760	201	$3,095,000	2.943%	2.762%	$2,231.19	$1,314.18	$1,440.28	$3,545.37	$3,671.47
2B	2/2	1500	407	$1,835,000	1.702%	1.598%	$1,290.35	$727.83	$853.93	$2,018.18	$2,144.27
2D	2/2.5/1	1860		$2,195,000	1.968%	1.847%	$1,492.01	$895.36	$1,021.46	$2,387.37	$2,513.47
3A	4/4.5/1	3220	53	$3,895,000	3.438%	3.226%	$2,606.47	$1,686.46	$1,812.56	$4,292.93	$4,419.03
3C	2/2.5/1	1860		$2,325,000	1.992%	1.869%	$1,510.20	$955.86	$1,081.95	$2,466.06	$2,592.16
4A	3/3.5/1	2764	53	$3,495,000	2.980%	2.796%	$2,259.24	$1,500.32	$1,626.42	$3,759.56	$3,885.66
4B	3/3/1	2596		$3,295,000	2.789%	2.617%	$2,114.44	$1,407.25	$1,533.35	$3,521.69	$3,647.79
4C	2/2.5/1	1860		$2,395,000	2.004%	1.880%	$1,519.30	$988.43	$1,114.53	$2,507.73	$2,633.83
5A	3/3.5/1	2764	53	$3,595,000	2.998%	2.813%	$2,272.89	$1,546.86	$1,672.95	$3,819.75	$3,945.84
5C	2/2.5/1	1860		$2,445,000	2.013%	1.889%	$1,526.13	$1,011.70	$1,137.79	$2,537.82	$2,663.92
6A	3/3.5/1	2760	53	$3,795,000	3.031%	2.844%	$2,297.91	$1,639.93	$1,766.02	$3,937.83	$4,063.93
6B	2/2	1500		$2,095,000	1.647%	1.546%	$1,248.65	$848.82	$974.92	$2,097.47	$2,223.57
6C	2/2.5/1	1860		$2,625,000	2.045%	1.919%	$1,550.39	$1,095.46	$1,221.56	$2,645.85	$2,771.94
7A	3/3.5/1	2760	53	$4,125,000	3.090%	2.900%	$2,342.64	$1,793.50	$1,919.59	$4,136.13	$4,262.23
7B	2/2	1500		$2,195,000	1.664%	1.562%	$1,261.54	$895.36	$1,021.46	$2,156.90	$2,282.99
7C	2/2.5/1	1860		$2,795,000	2.076%	1.948%	$1,573.89	$1,174.57	$1,300.67	$2,748.46	$2,874.56
8A	3/3.5/1	2760	53	$4,395,000	3.138%	2.945%	$2,379.03	$1,919.14	$2,045.24	$4,298.17	$4,424.27
8B	2/2	1500		$2,250,000	1.673%	1.570%	$1,268.36	$920.95	$1,047.05	$2,189.31	$2,315.41
8C	2/2.5/1	1860		$2,850,000	2.086%	1.957%	$1,581.47	$1,200.17	$1,326.26	$2,781.64	$2,907.73
9A	3/3.5/1	2760	53	$4,495,000	3.156%	2.961%	$2,392.67	$1,965.68	$2,091.77	$4,358.35	$4,484.45
9B	2/2	1500		$2,295,000	1.681%	1.577%	$1,274.42	$941.89	$1,067.99	$2,216.32	$2,342.42
9C	2/2.5/1	1860		$2,895,000	2.094%	1.965%	$1,587.53	$1,221.11	$1,347.20	$2,808.64	$2,934.74
10A	3/3.5/1	2760	53	$4,595,000	3.174%	2.978%	$2,406.32	$2,012.21	$2,138.31	$4,418.53	$4,544.63
10B	2/2	1500		$2,375,000	1.696%	1.591%	$1,285.80	$979.12	$1,105.22	$2,264.92	$2,391.02
10C	2/2.5/1	1860		$2,950,000	2.104%	1.974%	$1,595.12	$1,246.70	$1,372.80	$2,841.82	$2,967.91
11A	3/3.5/1	2704	109	$4,625,000	3.146%	2.952%	$2,385.09	$2,026.17	$2,152.27	$4,411.27	$4,537.36
11B	2/2	1500		$2,425,000	1.705%	1.600%	$1,292.62	$1,002.39	$1,128.49	$2,295.01	$2,421.11
11C	2/2/1	1727	122	$2,985,000	2.028%	1.903%	$1,537.50	$1,262.99	$1,389.09	$2,800.49	$2,926.58
12A	4/3.5/1	3675	481	$6,200,000	4.345%	4.077%	$3,294.10	$2,759.11	$2,885.20	$6,053.20	$6,179.30
12C	3/3/1	2822	428	$4,795,000	3.358%	3.151%	$2,545.82	$2,105.28	$2,231.38	$4,651.10	$4,777.20
14A	2/2.5/1	2098	53	$3,595,000	2.434%	2.284%	$1,845.30	$1,546.86	$1,672.95	$3,392.16	$3,518.25
14B	2/2	1497		$2,595,000	1.733%	1.626%	$1,313.85	$1,081.50	$1,207.60	$2,395.35	$2,521.45
15A	3/3	2320		$4,295,000	2.734%	2.565%	$2,072.74	$1,872.61	$1,998.70	$3,945.35	$4,071.44
15B	3/3.5/1	2827	53	$4,795,000	3.267%	3.066%	$2,476.83	$2,105.28	$2,231.38	$4,582.11	$4,708.21
Tower 16 South	3./3.5	3168	427	$6,595,000	3.973%	3.728%	$3,012.07	$2,942.92	$3,069.02	$5,954.99	$6,081.09
Tower 17 North	3./3.5	2935	377	$6,495,000	3.745%	3.514%	$2,839.22	$2,896.39	$3,022.48	$5,735.60	$5,861.70
Tower 17 South	3./3.5	3033	173	$5,825,000	3.656%	3.431%	$2,771.74	$2,584.60	$2,710.70	$5,356.34	$5,482.44
Penthouse	4/4.5/1	3374	1,025	$8,795,000	4.694%	4.405%	$3,558.69	$3,966.71	$4,092.80	$7,525.39	$7,651.49
Residential Totals		***87,324***	***4,280***	***$139,320,000***	***100.000%***	***93.836%***	***$75,813.50***	***$60,041.67***	***$64,833.33***	***$135,855.17***	***$140,646.83***
Retail		***5,091***		***Not Offered***	***n/a***	***6.164%***	***$1,003.67***	***$11,000.00***	***$11,000.00***	***$12,003.67***	***$12,003.67***
Grand Total		***92,415***	***4,280***	***$139,320,000***	***100.000%***	***100.000%***	***$76,817.17***	***$71,041.67***	***$75,833.33***	***$147,858.83***	***$152,650.50***

Storage Units

Storage Unit	Interior Sq.Ft.	License Purchase Price
1	33	$20,000
2	34	$20,500
3	34	$20,500
4	33	$20,000
5	33	$20,000
6	44	$27,000
7	89	$53,000
8	34	$20,500
9	32	$19,500
10	37	$22,000
11	37	$22,000
12	37	$22,000
13	28	$17,000
14	37	$22,000
15	37	$22,000
16	35	$21,000
17	37	$22,000
18	34	$20,500
19	35	$21,000
20	33	$20,000
21	34	$20,500
22	34	$20,500
23	33	$20,000
24	33	$20,000
25	44	$27,000
26	89	$53,000
27	34	$20,500
28	32	$19,500
29	37	$22,000
30	37	$22,000
31	37	$22,000
32	28	$17,000
33	37	$22,000
34	37	$22,000
35	35	$21,000
36	37	$22,000
37	34	$20,500
38	35	$21,000
Totals	***1440***	***$865,000***

Private Rooftop Terraces

1	278	$195,000
2	248	$195,000
Totals	***526***	***$390,000***

Notes to Schedule A

(1) Purchasers should refer to the Floor Plans included in Part II of the Plan for an approximation of the dimensions and typical layouts of the Residential Units. The number of bedrooms and bathrooms for each Residential Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New York. Each Residential Unit should be inspected to determine its actual dimensions, layout and physical condition prior to Closing. Certain Residential Units contain home offices which may not be used as legal bedrooms under current Law.

(2) The square foot area and dimensions of the Units listed in Schedule A or in the Declaration are approximate and may change due to field conditions, construction variances and tolerances and were obtained by using the method customarily used in New York City to measure condominium apartments. No such variation will affect a Purchaser's obligations under the Purchase Agreement or the Plan unless the square foot area of the Unit is increased or decreased (excluding interior partitions) by more than 5%, thereby affording Purchaser a 15 day right to rescind. Sponsor's sole obligation if the net square foot area of the Unit is so diminished shall be to refund the Deposit made under the Purchase Agreement and any interest earned thereon, except for funds expended by or reimbursed to Sponsor for upgrades or extras. Each Unit consists of the area measured horizontally from the exterior face of the exterior walls of the Building to the centerline of the partitions separating one Unit from another Unit, and separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements. Each Unit consists of the area measured vertically from the top of the structural slab to the underside (of any fire protection) of the structural members above. Any Common Elements located within a Unit shall not be considered part of such Unit. As is customary in New York, these square foot areas exceed the usable floor area of each Unit. As is customary in New York, these square foot areas exceed the usable floor area of each Unit. The method of measurement is applicable to all Units. Any Common Elements located within or appurtenant to any Unit shall not be considered as part of that Unit. Terraces shown on Schedule A appurtenant to particular Residential Units are Residential Limited Common Elements.

(3) The Purchase Prices and other terms of sale (as more fully set forth in the Section of the Plan entitled "Changes in Prices and Units") of Residential Units may be negotiated by Sponsor and, therefore, may be changed. Accordingly, Purchasers may pay different Purchase Prices for similar Residential Units. The effect of this, as well as the right of Sponsor to change Purchase Prices, is more particularly discussed in the Section entitled "Changes in Prices and Units." In addition to the payment of the Purchase Price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, as explained in the Section of the Plan entitled "Closing Costs and Adjustments". If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. There will be an apportionment of certain charges relating to the Units at the Closing. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY.

(4) The Common Interests of each Unit in the Common Elements has been allocated pursuant to the method set forth in Real Property Law Section 339-i(l) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive

or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

The percentage interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the aggregate Common Interests of all of the Residential Units in the Condominium.

(5) The estimated monthly Common Charges for each Unit are based on the Schedule B - First Year's Budget prepared by Sponsor's Condominium Budget Expert on the assumption that the First Year of Condominium Operation will be the year from January 1, 2008 - December 31, 2008. The actual First Year of Condominium Operation may be earlier or later than such year. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes on the Unit, mortgage payments under a loan, if any, obtained to finance the purchase of the Unit, the cost of electricity supplied to the Unit which will be separately metered and payable either directly to the utility company or to the Condominium Board for payment to the utility company, the cost of any insurance which the Unit Owner may wish to obtain for the Unit (and which Sponsor strongly urges each Unit Owner to obtain) and the cost of interior repairs and decorations to the Unit. See the Section of the Plan entitled "Schedule B-1 - Budget for Individual Energy Costs" concerning estimates of certain electric costs for the Residential Units. All Unit Owners from and after the Closing, including Sponsor with respect to all Unsold Residential Units, shall be responsible for payment of all Common Charge with respect to their Units.

As discussed in the Section of the Plan entitled "Description of Property and Improvements" subsection "Services and Facilities," the full range of services and facilities described in the Plan may not be provided until such time as Sponsor has conveyed title to 75% of the Residential Units.

(6) Sponsor will apply for partial abatement from real estate taxes with respect to Residential Units in the Building pursuant to New York City's J-51 abatement program ("J-51 Abatement"). Assuming receipt of the J-51 Abatement, the real estate tax estimates for the First Year of Condominium Operation are based upon an estimated transitional assessed valuation of the Property in the 2007/2008 fiscal year of $4,845,000 and an estimated transitional assessed valuation of the Property in fiscal year 2008/2009 of approximately $9,940,000; and estimated tax rates of 12.396% for Residential Units and 11.306% for the Non-Residential Unit. Purchasers should refer to the Real Estate Tax Projection Opinion prepared by Podell, Schwartz, Schechter & Banfield LLP, set forth in Part II of the Plan for further discussion regarding the J-51 Abatement and the applicability of such program to this project. The estimated real estate taxes set forth in Schedule A are based on the assumption that the J-51 tax abatement will not be in effect until January 1, 2009, the second half of the 2008/2009 fiscal year (i.e., the beginning of the projected second year of Condominium Operation), and that there will not be any change in the taxable status of the Property. No warranty or guaranty is made as to the amount of any tax abatement that will actually be received. In addition, no warranty or guaranty is made that the actual assessed valuation of the Property if the J-51 Abatement is granted will be as projected above, that the projected tax rates will be in effect for all or any portion of the Property during the First Year of Condominium Operation or that the real estate taxes will be allocated among Units in proportion to their Common Interests or Schedule A purchase prices. In no event will Sponsor, Sponsor's Counsel, Selling Agent or any offeror be liable to any Purchaser, nor will any Purchaser have the right to rescind the Purchase Agreement, in the event the J-51 Abatement is not granted or is not in effect at a particular time or, if granted, in the event the amount of such abatement and the resulting taxes differ from those projected.

Assuming the J-51 Abatement is not granted or is not in effect for the First Year of Condominium Operation, it is estimated that the aggregate real estate taxes payable with respect to all Residential Units for the First Year of Condominium Operation will total approximately $778,000, assuming (a) an estimated transitional assessed valuation for the Property of $4,845,000 for fiscal year 2007/2008 reflecting partial completion of the residential conversion of the Property and an estimated transitional assessed valuation for the Property of $9,940,000 for fiscal year 2008/2009 reflecting completion of renovation based on the real estate tax projection opinion prepared by Podell, Schwartz, Schechter & Banfield LLP dated November 16, 2006 set forth in Part II of the Plan, and (b) estimated tax rates of (i) 11.306% for 2008/2009 (the final commercial class 4 tax rate in effect for 2005/2006); (ii) 12.396% for 2008/2009 for the Residential Units (the final class 2 tax rate in effect for 2005/2006); each specified tax rate is applied per $100 of assessed valuation. Purchasers should note that once the Building is assessed as being fully renovated as a primarily residential Building, it is estimated that the real estate taxes are estimated to total approximately $1,044,000 in fiscal year 2008/2009, assuming no change in the above-listed tax rates or assessments. This tax projection does not take into account any J-51 Abatement Benefits that may be applicable to the Property at such time.

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Register's office. For purposes of Schedule A, the projected real estate taxes for the Building were apportioned among the Units based on Common Interest percentages. There is no assurance that the City of New York tax assessor will allocate taxes among Units in proportion to their respective Common Interest percentages. If it does not, Owners of Units having the same Common Interest percentages will pay different amounts of real estate taxes. It is possible that the apportionment will be based in part upon the proportion the projected selling price presented in the Plan for each Unit bears to the gross sellout price for all Units available for purchase in the Condominium and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units. Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, apportionment or taxes among the Units and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or the actual real estate taxes to be assessed. In no event will Sponsor, its principals, sales agents, Sponsor's counsel or any other person be liable if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that predicted herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. (See the Section of the Plan entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium" for more details.)

At such time as the Units have been separately assessed for real estate tax purposes, each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to any lien arising from the non-payment of real estate taxes assessed against other Units.

Some of the Residential Units will be located fully or partially in that portion of the Building which will be newly constructed. The Department of Finance of the City of New York has a policy whereby J-51 Abatement benefits apportioned to a condominium unit containing new cubic content will be reduced for that unit in the same ratio as the new cubic content in the unit bears to the total cubic content of the unit. Despite the above policy, Sponsor has been advised that it has been the practice and policy of the Department of Finance to continue to allocate J-51 Abatement benefits on

a building-wide basis (among all of the Residential Units) if certain conditions are met, including the execution of a consent in recordable form by each Purchaser in which Purchaser agrees to such allocation of benefits. At the Closing of each Residential Unit, Purchaser shall be obligated to execute a consent form, substantially in the form set forth in Part II of the Plan ("Real Estate Tax Consent Form"), authorizing the allocation of J-51 Abatement benefits among all Residential Units. As the result of such allocation, Purchasers of Residential Units in the newly constructed portion of the Building should be entitled to J-51 Abatement benefits which they otherwise would not have been entitled to, while J-51 Abatement benefits available to Purchasers of Residential Units which are not located in the newly constructed portion of the Building should be slightly less than would have been available absent such allocation. Notwithstanding the foregoing, Sponsor makes no representation or warranty that the Department of Finance will continue to adhere to the policy and practice described above. If it does not, the J-51 Abatement benefits, if received, may not be allocated among all of the Residential Units.

(7) These figures represent the aggregate estimated monthly carrying charges which include estimated Common Charges and estimated real estate taxes. Reference should be made to note (5) of these Notes for certain other "home ownership" costs that may be incurred by Residential Unit Owners.

A Purchaser of a Residential Unit will be required to make a contribution at the Closing of Title to the Working Capital Fund in an amount equal to 2 months' Common Charges assessed against the Residential Unit. (See the Section of the Plan entitled "Working Capital Fund and Apportionments" for details.)

Purchasers should refer to the Section of the Plan entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of Condominium" and to the "Attorney's Income Tax Opinion" set forth in Part II of the Plan, for a discussion of the deductibility of real estate taxes for income tax purposes

Purchasers should note that deductions, if applicable, may vary in future years due to changes in the interest rate or the Unit Owner's mortgage or from changes in the allocation of the constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property. Sponsor makes no guaranty or warranty concerning the availability of any tax deductions.

SCHEDULE B – BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE "B"
Artisan Lofts Condominium
Projected Budget for the First Full Year of Condominium Operation
January 1, 2008 – December 31, 2008

PROJECTED INCOME:

Common Charges (1)	
Residential Unit Common Charges.....	$ 909,762
Commercial Unit Common Charges.....	$ 12,044
TOTAL PROJECTED INCOME.....	$ 921,806

PROJECTED EXPENSES:

Salary, Wages, Payroll Taxes & Benefits (2).....	$ 371,627
Heat (3).....	$ 40,269
Hot Water & Cooking Gas (4).....	$ 54,208
Electricity (5).....	$ 181,500
Water & Sewer (6).....	$ 33,070
Repairs & Maintenance (7).....	$ 18,000
Services & Supplies (8).....	$ 81,508
Insurance (9).....	$ 51,800
Management Fee (10).....	$ 36,000
Legal & Auditing Fees (11).....	$ 7,500
Lobby Unit Expense (12).....	$ 13,324
Administration (13).....	$ 15,000
Contingency (14).....	$ 18,000
TOTAL PROJECTED EXPENSES (15).....	$ 921,806

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

Notes to Schedule B

(1) COMMON CHARGES - (Budget - $921,806)

The estimated Common Charges to be collected from Unit Owners during the first year of Condominium operation are based upon the assumption that the first year of Condominium operation will be the twelve months commencing January 1, 2008. The actual first year of operation may be earlier or later.

The allocation for the General Common Expenses to be borne by the Commercial Unit have been allocated on the basis of the Commercial Unit's respective Percentage of Common Interest 6.2729%

	Total	Residential Units	Commercial Unit
Projected Income			
Common Charges (1)			
Residential Unit Common Charges	$ 909,762	$ 909,762	
Commercial Unit Common Charges	$ 12,044	$	$12,044
Total Projected Income	$ 921,806	$ 909,762	$12,044
Projected Expenses			
Salary, Wages, Payroll Taxes (2) & Benefits	$ 371,627	$ 370,764	$ 863
Heat (3)	$ 40,269	$ 40,269	$ ---
Hot Water & Cooking Gas (4)	$ 54,208	$ 54,208	$ ---
Electricity (5)	$ 181,500	$ 180,361	$ 1,139
Water & Sewer (6)	$ 33,070	$ 33,070	$ ---
Repairs & Maintenance (7)	$ 18,000	$ 16,871	$ 1,129
Services & Supplies (8)	$ 81,508	$ 80,642	$ 866
Insurance (9)	$ 51,800	$ 48,551	$ 3,249
Management Fee (10)	$ 36,000	$ 33,742	$ 2,258
Legal & Auditing Fees (11)	$ 7,500	$ 7,030	$ 470
Lobby Unit Expenses (12)	$ 13,324	$ 13,324	$ ---
Administration (13)	$ 15,000	$ 14,059	$ 941
Contingency (14)	$ 18,000	$ 16,871	$ 1,129
Total First Year Budget	$ 921,806	$ 909,762	$12,044

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

If the Common Charges in the revised budget projections exceed the earlier budget projections by twenty-five percent (25%) or more, the Sponsor will offer all purchasers the right to rescind their Purchase Agreements for 15 days following presentation of an amendment to the plan containing the revised budget and have their Deposits refunded to them, whether or not the Sponsor offers to guarantee the earlier budget projections.

(2) SALARIES, WAGES, PAYROLL TAXES & BENEFITS - (Budget - $371,627)

The budgeted amount includes base wages, worker's compensation and disability insurance, welfare and pension costs, payroll taxes and the cost of sick days, holidays and vacation pay for a projected shared building staff of 1 Resident Superintendent, 4.2 concierges, and 1 porter. The full staff may not be employed until certain Building occupancy levels are achieved. The projected level of staffing for the Building complies with all applicable housing and labor laws. It is anticipated that such employees will be non union members.

Position	Weekly Base Wage Rate
(1) Resident Superintendent	$60,000 plus apartment, telephone, gas, electricity
(5.2) 4.2 Concierges, 1 Porter	$750.00 per week

The projections allow for 28 sick days, holidays and vacation pay and miscellaneous payroll expenses.

Total Base Wages	$283,015
FICA @ 7.65% of Base Wages	$ 21,651
Worker's Compensation @ 5.5% of total wages	$ 15,566
FUI and FUTA-NYS Unemployment, @ $425 per employee	$ 2,975
NYS Disability @ $60 per employee	$ 420
Health @ $8,000 per employee	$ 48,000
Total Benefit	$ 88,612
TOTAL WAGES TAXES & BENEFITS	**$371,627**

The employee's will be devoting a substantial portion of their time and effort to service the Residential Units and Residential Common Elements except that a small portion of the Resident Superintendent and one porter's time estimated at 10% (ten percent) or 4 hours per week will be devoted to the General Common Elements. Accordingly, salaries and related expenses have been allocated to the Residential Unit's except for the time charged to the General Common Elements ($13,761) that has been apportioned to all the Unit's within the Condominium based upon each Unit's respective Percentage of Common Interest.

(3) HEAT - (Budget - $40,269)

The budgeted amount is based upon a letter from Simon Rodkin P.C., located at 214 West 29th Street, New York, NY 10001 sponsor's consulting engineers dated November 15, 2006. It is anticipated that the annual consumption of gas for hot water for the Residential Units will be approximately 28,600 therm at $1.28 per therm for a total cost of $36,608. A 10% inflation factor has been added. The Commercial Unit will be separately metered for heat and hot water.

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

(4) HOT WATER & COOKING GAS (Budget - $54,208)

The Residential Units will not be separately metered for gas to be used for cooking and hot water. Based on a letter dated November 15, 2006 from Simon Rodkin P.C., located at 214 West 29th Street, New York, NY 10001, it is estimated that the gas cost for apartment cooking and hot water based on 38,500 therms of gas/year at $1.28 per therm will be $49,280. A 10% inflation factor has been added.

(5) ELECTRICITY - (Budget - $181,500)

The electricity consumption for the first year of Condominium operation for the Common Areas was estimated by Simon Rodkin P.C. in a letter dated November 15, 2006, at 750,000 kilowatt hours of electricity, at an average rate of $.22 per kilowatt hour of electricity including applicable sales tax, resulting in an annual cost of $165,000.

This estimate includes costs for the common area air conditioning units, distribution pumps, miscellaneous floor loads, elevators and lighting and electric usage in the Resident Superintendent's apartment. Electricity costs can vary depending upon consumption and demand factors. A 10% inflation factor has been included.

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

(6) WATER & SEWER – (Budget - $33,070)

The building will have a single main water meter, which will measure actual water usage. Based upon a letter from Simon Rodkin P.C., P.C. dated November 15 2006, water and sewer charges are based upon a combined charge of $4.69 per 100 Cu. Ft. and an estimated usage of 5853 C.C.F. This estimated is based on a usage of 60 gallons per day per estimated occupancy of 200 people in the building.

Cooling tower make up water is based on 1500 hours of operation 12 gpm of make-up water at a cost of $1.81 per 100/cubic feet for a cost of $2,613.

The annual water and sewer charges during the first year of condominium operation is estimated at $30,064. A 10% inflation factor has been added.

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

(7) REPAIRS & MAINTENANCE – (Budget - $18,000)

Since the Building will be newly constructed it has no operating history upon which to project future costs of repairs and maintenance. No major capital repairs are included in the First Year's Budget since all major construction and mechanical systems will be new. Future major capital repairs to the Common Elements will be borne by all Unit Owners.

The budgeted figure for this item includes the cost of normal maintenance and repairs to the Common Elements of the Building that are the responsibility of the Condominium. Each Unit Owner will be responsible for the cost of the interior maintenance, repairs, decoration and painting of their respective units, including the appliances, incremental heating/air-conditioning units and any Limited Residential Common Elements appurtenant thereto. Repairs and Maintenance have been allocated to all Units based upon each unit's respective Percentage of Common Interest.

(8) SERVICE & SUPPLIES - (Budget - $81,508)

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

All of the mechanical systems within the Building will be new, and some will be under a full service maintenance contract for the first year of Condominium operation from the contractor who will install the system. No maintenance or service contracts have been entered into as of the date of the Plan. The budgeted amounts are based upon the experience of the Sponsor's budget expert in operating similar buildings. While this Schedule B includes a reasonable allowance for possible increases in cost that may occur prior to and during the first year of Condominium operations, no warranty is made that the actual cost for these or other services will be in accordance with this projection.

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

Heating and Cooling System	$ 8,000
Elevator Maintenance	$ 19,508
Sprinkler System/ Fire Protective Alarm System	$ 8,000
Metal, Wood, and Marble Maintenance	$ 10,000
Exterminator	$ 4,000
Uniform Cleaning & Maintenance	$ 6,000
Water Treatment	$ 5,000
Miscellaneous Supplies	$ 18,000
Electric Submeter	$ 3,000

The cost for services relating to the, sprinkler system/ fire protection alarm system, exterminator and $1,800 of the miscellaneous supplies of $18,000, have been allocated to all units within the Condominium based upon each unit's respective Percentage of Common Interest. The other services are expenses of the Residential Units only.

(9) INSURANCE – (Budget - $51,800)

Based upon the proposal dated April 26, 2006, from The Rampart Group, having an office address at 1983 Marcus Avenue, Lake Success, New York. The following insurance coverage will be obtained for the Building for the first year of Condominium operation:

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

Property Policy

$34,500,000	Building All Risk, "Special Form", No Co-insurance, Replacement Cost, $5000 Deductible
TBD	Business Income – Limit
TBD	Personal Property Limit
Included	Boiler & Machinery

General Liability Policy

$1,000,000	Per Occurrence
$2,000,000	General Aggregate
$1,000,000	Personal & Advertising Injury
$1,000,000	Non-Owned Automobile/Hired Car
$1,000,000	Employee Benefits Liability - $1000 Deductible
$ 5,000	Medical Payments
$1,000,000	Fire Legal Liability
$1,000,000	Directors & Officers Liability – Per Occurrence/Annual Aggregate

Umbrella Liability

$50,000,000	Per Occurrence/Aggregate

The annual premium for the above mentioned insurance policy is estimated to be $51,800.

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

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

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

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

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

(10) MANAGEMENT FEE - (Budget - $36,000)

At or prior to the First Closing, the Condominium will enter into a management agreement with Penmark Realty Corp., having an office address at 820 Second Avenue, New York, NY 10017, a real estate management firm. The agreement will be for an initial term of 1 year. Thereafter, the agreement will be automatically renewed from year to year, but may be cancelled by either party without cause, upon not less than thirty (30) days' prior written notice.

The Managing Agent will receive an annual fee of $36,000 payable in equal monthly installment of $3,000. The Managing Agent's fee for the first year of Condominium operation is comparable to the "going rate" for similar services in comparable buildings.

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

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

(11) LEGAL & AUDIT FEES – (Budget - $7,500)

The Condominium will engage a law firm to act as the attorney for the Condominium. The estimated cost for these services for the Condominium's first year is $1,000. It is anticipated that the Condominium will enter into an agreement with Hyman & Associates, located at 580 Sylvan Avenue, Englewood Cliffs, NJ to provide audit tax returns preparation and financial statement preparation services for the Condominium. It is estimated that the first year cost for these services will be $6,500.

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

(12) LOBBY UNIT EXPENSES – (Budget - $13,324)

This budgeted item is the amount the Aristan Condominium Unit Owners must pay to 137 Reade Street Condominium for easement rights for the lobby.

The figure includes 2.163% of the Common charges of the 137 Reade Street Condominium in the amount of $3,054 for 2006, and real taxes in the amount of $9,059 for fiscal 06/07. A 10% inflation factor has been added to cover possible increase in common charge costs and real estate taxes for the first year of Condominium Operation.

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

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

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

(14) CONTINGENCY – (Budget - $18,000)

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

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

(15) TOTAL PROJECTED EXPENSES – (Budget - $921,806)

The projections set forth in this budget assume that the first year of Condominium operation will cover the period from January 1, 2008 – December 31, 2008.

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

SCHEDULE B-1 - PROJECTED INDIVIDUAL ENERGY COSTS BUDGET

SCHEDULE B-1
Projected Individual Energy Costs Budget

Simon Rodkin P.C. Consulting Engineers, having an office at 214 West 29th Street, New York, New York 10001 provided the estimate of annual electric energy costs for lighting and for operating the typical electrical appliances located in each Residential Unit, set forth on the following page.

The projected rates are not guaranteed and it must be expected that these rates will increase with the passage of time and may be affected by many factors which are beyond the control of Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of Residential Unit Owners and weather conditions.

143 Reade Street
New York, New York

SCHEDULE B-1

INDIVIDUAL UNITS UTILITY COST

UTILITIES		ESTIMATED COST ANNUAL	MONTHLY
A.	ELECTRICAL LIGHTING POWER		
1.	Lofts 1,000 to 1,500 sq. ft.	$1,950	$169
2.	Lofts 1,550 to 2,000 sq. ft.	$2,500	$200
3.	Lofts 2,050 to 2,500 sq. ft.	$3,000	$250
4.	Lofts 2,550 to 3,000 sq. ft.	$3,500	$290
5.	Lofts 3,050 to 3,500 sq. ft.	$3,850	$320
6.	Lofts 3,550 to 4,000 sq. ft.	$4,200	$350

OPINION OF COUNSEL RE: REAL PROPERTY LAW SECTION 339-i

STARR ASSOCIATES LLP
ATTORNEYS AT LAW

245 FIFTH AVENUE
NEW YORK, NY 10016
TEL 212 620 2680
FAX 212 696 5013
www.starr-lawfirm.com

Dated: November 29, 2006

Artisan Lofts Development Owner LLC
c/o Tribeca Associates LLC
321 Greenwich Street
New York, New York 10013

Re: Artisan Lofts Condominium
143 Reade Street
New York, New York 10007 ("Property")

Ladies and Gentlemen:

You have requested our opinion regarding the allocation of Common Interests to the Units at the Property as required by NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion shall have the same meaning as set forth in the Condominium Offering Plan ("Plan") for the Property.

In connection with the rendering of this opinion we have reviewed the allocation of Common Interests as shown on Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is also based upon the factual determinations made by Corcoran Group Marketing ("Real Estate Broker") set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Corcoran Group Marketing. Accordingly, in the event that facts presented by Corcoran Group Marketing were or prove incorrect in no event will Starr Associates LLP be liable.

Based upon our review of the foregoing, we have determined that the method selected by Corcoran Group Marketing to calculate the percentage of Common Interests is permissible under Real Property Law ("RPL") Section 339-i(l) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to Purchasers. In no event will Sponsor, Starr Associates LLP, Selling Agent, Managing Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable Law.

The opinion expressed herein is based solely on New York Law.

Very truly yours,

STARR ASSOCIATES LLP

By: S / Allan Starr
Name: Allan Starr
Title: Partner

REAL PROPERTY LAW SECTION 339-i COMPLIANCE LETTER

corcoran group
marketing

November 28, 2006

RPT Chambers Owner LLC
321 Greenwich Street
New York, NY 10013

Re: Condominium Development
Compliance with Real Property Law, Section 339(i)
143 Reade Street, New York, NY 10013

Gentlemen:

Corcoran Group Marketing, a licensed real estate broker in the State of New York, of which I hold the position of Senior Executive Vice President, has been retained by the Sponsor, RPT Chambers Owner LLC, to prepare this opinion concerning compliance of the referenced plan with Section 339(i) of the New York Real Property Law.

Corcoran Group Marketing is a division of The Corcoran Group, which has been active in the Residential Real Estate industry in Manhattan since 1972. At this time, Corcoran Group Marketing is the premier marketing firm for condominiums, cooperatives, townhouses and rentals in New York. I have extensive experience with all aspects of residential real estate and property development. We do not have any beneficial interest in Sponsor of the Plan or in the profitability of the project.

The allocation of the percentage of Common Interest for the Condominium Units in the referenced Plan is made pursuant to Section 339(i) (1) (iv) of the Real Property Law. The allocations took into consideration the following factors: floor space, subject to the location of such space and the additional factors of relative value to the other space in the condominium, the uniqueness of the units, the availability of common elements for exclusive or shared use and the overall dimensions of the particular unit.

We agree that this letter may be included in the Offering Plan.

Sincerely,

Patricia Hayes Cole
Chief Operating Officer
Corcoran Group Marketing

NON-RESIDENTIAL UNIT

As more particularly described in the Declaration and in the Description of Property and Improvements, each of which are contained in Part II of the Plan, the Condominium will contain 1 Non-Residential Unit.

Non-Residential Unit

The Non-Residential Unit is approximately 5,156 square feet located on the first floor of the Building. A portion of the Non-Residential Unit, 3,731 square feet, is currently leased to the United States of America pursuant to a lease expiring on August 31, 2008 with an option for the tenant to extend such lease for an additional 5 year term starting on September 1, 2008 and ending on August 31, 2013. The space may be utilized for any U.S. Government purpose and is currently being used as offices for the U.S. Army, Navy, Air Force and Marines.

General

The Non-Residential Unit is not being offered for sale pursuant to the Plan.

All or any part of the Non-Residential Unit may be leased or subleased by the respective Non-Residential Unit Owner, subject to compliance with Law. The Non-Residential Unit may be combined or subdivided by the Non-Residential Unit Owner and then offered for sale by a duly filed amendment to the Plan.

Residential Unit Owners will not have any interest in the rents, profits or revenues from the rental or use of any space in any of the Non-Residential Unit.

No representation is made with respect to the ownership of all or any portion of the Non-Residential Unit or as to who the future owners or tenants of any portion of the Non-Residential Unit may be at any time or as to the uses to which any portion of the Non-Residential Unit may be put at any time except for the following: The Non-Residential Unit may be used for any purpose permitted by Law, except the following prohibited commercial uses ("Prohibited Commercial Uses") (a) for the sale or display of any pornographic or obscene material, (b) as a head shop or for the sale of paraphernalia for use with illicit drugs (c) as a gambling or gaming establishment, (d) as a pawn/thrift shop, (e) to conduct any fire, going out-of-business, auction or bankruptcy sale (f) to engage in any unethical or disreputable method of business operation, (g) by any religious or union entity (h) as billiards or pool hall, (i) as an office, store, reading room, headquarters, center or other facility devoted or opposed to the promotion, advancement, representation, purpose or benefit of: (1) any political party, political movement or political candidate, (2) any religion, religious group or religious denomination, (3) foreign government, (4) any political party, political movement or political candidate, (5) any "cause" of any type or nature whatsoever, (j) as a commercial or non-profit establishment of any type or nature whatsoever: (1) the primary purpose of which is to sell, afford or permit on-premises sexual stimulation or sexual liaisons including a "massage parlor"; (2) which permits or presents obscene, nude or semi-nude performances or modeling; (3) which sells, affords or permits body massages, whether or not of a sexual nature; (4) which sells "rubber goods" or other sexual or erotic products of a type not commonly found in high-quality, national chain pharmacies; (5) which sells, rents or permits the viewing of X-rated video, photographs, books or other material, (k) as a ballroom, dance hall or discotheque, (l) as a place of instruction, employment agency, reading room or any operation catering primarily to students or trainees rather than to customers, (m) as a funeral parlor, (n) as an arcade, (o) as a restaurant (whether sit down or take-out) or any type of cooking or food service establishment , unless such restaurant use is approved by the Board of Managers on a case-by-case basis and (p) as a fortune teller or palm reader. No assurance, representation, or warranty is given that any tenants, occupants or users of the Non-Residential Unit will not be objectionable to Residential Unit Owners.

The Non-Residential Unit Owner will be obligated to pay its portion of the Common Charges in accordance with the Schedule B allocations. Certain budgeted items (See the "Notes to Schedule B" for details) are allocated between the Residential Units and the Non-Residential Unit on a special basis which reflects actual benefit and/or use associated with that particular item of expense or exclusive control of particular Common Elements. In the opinion of Sponsor's budget expert, the allocated Common Charges payable by the Non-Residential Unit are sufficient to cover the expenses fairly attributable to the Non-Residential Unit.

The following is a summary of certain additional rights and obligations of the Non-Residential Unit Owner relating to the use and ownership of the Non-Residential Unit:

(i) the Non-Residential Unit may be used for any purposes permitted by Law, except for Prohibited Commercial Uses;

(ii) the Non-Residential Unit Owner and its Permitted Users, shall have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to make alterations, additions, improvements, or repairs in or to the interior portions of the Non-Residential Unit, whether structural or non-structural, ordinary or extraordinary, and to subdivide and/or combine such Non-Residential Unit, provided that such alterations, additions, improvements or repairs are in compliance with Law and do not adversely affect the structural integrity or mechanical systems of the Building;

(iii) the Non-Residential Unit Owner and its Permitted Users shall have an easement to use the sidewalks adjacent to such Non-Residential Unit for any purposes permitted by Law, including without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalks adjacent thereto provided the entrances to the Building are not impeded by such use. In the event a Non-Residential Unit Owner utilizes such sidewalks, the cost of maintenance and repair of such sidewalk during the period of such use or resulting from such usage shall be borne by such Non-Residential Unit Owner;

(iv) the Non-Residential Unit Owner shall have the right to make all arrangements for the prompt repair and restoration of such Non-Residential Unit to the extent the Non-Residential Unit is damaged or destroyed by fire or other casualty;

(v) the Non-Residential Unit Owner and its Permitted Users shall have the right and an easement (i) for ingress and egress through all Common Elements for the purpose of accessing such Non-Residential Unit or any portion of the Building servicing such Non-Residential Unit, and (ii) to erect, maintain, repair and replace one or more signs of such size and content as the Non-Residential Unit Owner shall determine, in the storefronts and windows of such Non-Residential Unit, provided that no flashing or strobe lights can be used nor can any lights (including illuminated signs) shine directly into a Residential Unit for the purposes of advertising the sale of the Non-Residential Unit, the leasing of space in the Non-Residential Unit or the operation of any business of a tenant or occupant of the Non-Residential Unit. The Condominium Board, on behalf of all Unit Owners, shall have an easement of ingress and egress through the Non-Residential Unit for the purpose of accessing any portion of the Building servicing the other Units in the Condominium.

(vi) the Non-Residential Unit Owner (subject to Sponsor's prior written consent in each instance), shall have the right, but not the obligation, at such Non-Residential Unit

Owner's sole cost and expense, to alter, modify, and/or restore the exterior façade of the Building abutting such Non-Residential Unit (including storefronts and windows of such Non-Residential Unit) and to create additional means of egress and ingress to such Non-Residential Unit, provided that such alterations, modifications and/or restorations are in compliance with Law and do not adversely affect the structural integrating or mechanical systems of the Building;

(vii) the Condominium Documents may not be amended or modified so as to adversely affect a Non-Residential Unit Owner without the prior written consent of the affected Non-Residential Unit Owner;

(viii) The Non-Residential Unit Owner shall have the right to sell or lease all or any portion of the Non-Residential Unit without complying with any right of first refusal contained in the Declaration or By-Laws;

(ix) notwithstanding any subdivision of any of the Non-Residential Unit, the Non-Residential Unit Owner shall have the right to designate 1 member to the 5 member Condominium Board;

(x) members of the Condominium Board designated by a Non-Residential Unit Owner may only be removed by such Non-Residential Unit Owner, who alone will have the right to elect or designate a replacement; and

(xi) any decisions by the Condominium Board which solely affect the Non-Residential Unit may be made only with the consent of the Non-Residential Unit Owner.

Any non-residential condominium unit created as a result of the sub-division of the Non-Residential Unit will retain the same rights afforded the Non-Residential Unit Owner as set forth herein.

CHANGES IN PRICES AND UNITS

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

Sponsor reserves the right to negotiate with each Purchaser the following terms and conditions of the Purchase Agreement: Purchase Price; the amount and timing of the Deposit; the availability of financing; the payment of Purchaser's financing fees and other closing costs; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of use and occupancy agreements and the amount of interim thereunder; and the application of interim use and occupancy fees towards the Purchase Price, and upgrades on extras to the Unit finishes and equipment.

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

The location in the Building, approximate size and layout of the Units are shown on the Floor Plans set forth in Part II of the Plan. In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of Purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of the Condominium Board, any Unit Owner or mortgagee, to (a) change the size, layout and square footage of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one or more such Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering any boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway without changing the Common Interest) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit, and (c) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b) or (c) above, such change shall be disclosed in a duly filed amendment to the Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Unit, will be made with respect to such Unsold Residential Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default which increases or decreases the square foot area (excluding interior partitions) or Common Interest by more than 5%, or materially changes the Unsold Residential Unit size, the layout or Common Interest of such Unsold Residential Unit, unless the Purchaser consents to such changes. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any such change and will not affect a Purchaser's

obligations under the Purchase Agreement or the Plan. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the Purchase Price for the Unit or otherwise be relieved from any obligations under the Purchase Agreement, by virtue of a non-material inaccuracy or error in the Floor Plans.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest or Residential Common Interest of any Unit be changed, unless, in each such event, the Declaration and Floor Plans and the Plan are amended with the consent of each Unit Owner whose Unit is directly affected by such change. In the case of a material and adverse change in the size or quality of the Common Elements, no such change shall be made without the consent of every Unit Owner. Sponsor will have the right to amend or to cause the Condominium Board to amend the Declaration to reflect any such material and adverse change and to file such amendment and any necessary plans and specifications in connection therewith.

Sponsor reserves the right, in its sole and absolute discretion, to sell, lease, license or otherwise transfer to a Unit Owner, any non-material portion of the Common Elements for the exclusive use of such Unit Owner, provided that such Common Element was not offered in the Plan as an amenity for the shared use of the Unit Owners of the Condominium. Any such sale, lease, license or transfer will be disclosed in a duly filed amendment to the Plan and the Declaration and Floor Plans will be amended, if required.

The provisions set forth in this Section of the Plan shall also apply to Ancillary Amenities, as applicable.

USE AND OCCUPANCY AGREEMENTS

Sponsor reserves the right with respect to any Unsold Residential Unit, to enter into a pre-closing Use and Occupancy Agreement with the Purchaser of such Unsold Residential Unit on an interim basis on such terms and conditions as may be agreed to between Sponsor and Purchaser. Purchasers are advised that the occupancy under such Use and Occupancy Agreement is not subject to any governmental regulations, including, without limitation, rent regulations or continued occupancy. Such use and occupancy fees shall be determined by Sponsor in its sole and absolute discretion. No occupancy may commence until a Temporary Certificate of Occupancy has been obtained for such Unsold Residential Unit.

The Use and Occupancy Agreement will provide, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unsold Residential Unit which is the subject of the Use and Occupancy Agreement will constitute a default under the Use and Occupancy Agreement entitling Sponsor, at its option, to terminate such Use and Occupancy Agreement in accordance with Law. In addition, each Purchase Agreement will provide that an uncured default by the Purchaser under any Use and Occupancy Agreement with respect to the Unsold Residential Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its option, to terminate such Purchase Agreement and to exercise any remedies provided therein; provided however, that before Sponsor utilizes the default under the Use and Occupancy Agreement to declare a default under the Purchase Agreement, Sponsor will either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against Purchaser unless Purchaser has vacated the Unsold Residential Unit.

If a Purchase Agreement is cancelled based on an uncured default or Sponsor's election to abandon or withdraw the Plan, or the exercise of a right of rescission under the Purchase Agreement or the Plan, Purchaser shall have only 30 calendar days, from cancellation or rescission of the Purchase Agreement within which to vacate and surrender vacant possession of the Unsold Residential Unit to Sponsor, time being of the essence. Pending such surrender of vacant possession, Purchaser shall pay Sponsor a sum equal to the use and occupancy fee stated in the Use and Occupancy Agreement prorated for the period beginning with the date of cancellation of the Use and Occupancy Agreement and ending on the date of surrender of vacant possession.

Purchasers entering into a Use and Occupancy Agreement for an Unsold Residential Unit will be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Use and Occupancy Agreement. All other charges or other fees due under the Use and Occupancy Agreement will be adjusted as of the Closing of Title to the Unsold Residential Unit. Notwithstanding the foregoing, Sponsor will be under no obligation to enter into any Use and Occupancy Agreement and no portion of the Use and Occupancy fee paid under the Use and Occupancy Agreement will be credited towards the Purchase Price of an Unsold Residential Unit unless the Use and Occupancy Agreement expressly provides.

PROCEDURE TO PURCHASE

A Purchaser desiring to purchase a Residential Unit will be required to execute a Purchase Agreement, which will be in the form set forth in Part II of the Plan. A Purchaser also interested in acquiring an Ancillary Amenity will be required to execute the form of Rider annexed to the Purchase Agreement set forth in Part II of the Plan.

Purchasers shall be afforded not less than 3 business days to review the Plan prior to executing a Purchase Agreement. A Purchaser may obtain the Plan upon payment of a $200 deposit, which amount will be fully refunded upon either (i) the prompt return of the Plan in good condition or (ii) the execution by the Purchaser of a Purchase Agreement subsequently accepted by Sponsor. If a Purchaser has not received the Plan at least 3 business days prior to executing a Purchase Agreement, a Purchaser shall have the right to rescind the Purchase Agreement within 7 days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to Selling Agent. The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by Purchaser. Purchasers should be aware that if any conflict exists between the Plan and the Purchase Agreement, the provisions of the Plan shall in all events control.

Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement will not be contingent on Purchaser obtaining financing. Purchasers should be aware that even if a loan commitment is obtained, its terms may be limited, and it could expire before the Closing Date. Sponsor shall have no liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment.

Purchase Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the Purchaser. Sponsor will have 30 days after delivery by Purchaser of an executed Purchase Agreement and the required Deposit, within which to accept or reject the Purchase Agreement. Sponsor reserves the right to request thorough identification and financial information (including credit reports and litigation searches) concerning any Purchaser, subject to any limitations and requirements imposed by Law.

If a Purchase Agreement is not accepted by Sponsor within the 30 day period, the Purchase Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be returned to Purchaser within 30 days thereafter. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, to refuse to approve and execute (a) a Purchase Agreement for any Residential Unit, except as prohibited by Law, and (b) a Purchase Agreement for more than one Residential Unit to any Person.

The Purchase Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23-A of the General Business Law of the State of New York.

At the time of execution of a Purchase Agreement, Purchaser will be required to make an initial Deposit in an amount equal to 10% of the Purchase Price and an additional Deposit in an amount equal to 5% of the Purchase Price upon the earlier to occur of (i) 6 months after Purchaser executes the Purchase Agreement or (ii) within 15 days of the Presentation Date of the amendment declaring the Plan effective. A Purchaser executing a Purchase Agreement after the date the Plan is declared effective is required to make the full Deposit in an amount equal to 15% of the Purchase Price by an official bank check or check drawn on or issued by a United States Bank or trust company which is a member of the Federal Reserve System. Sponsor may require that Purchasers of more than 1 Residential Unit deliver a Deposit in excess of that set forth in the Plan, which amount shall be on terms individually negotiated with each Purchaser. All Deposits must be made payable to the direct order of "Starr Associates LLP, as escrow agent." All checks delivered in payment of the Deposit shall be accepted by Sponsor subject to collection, and if any such check is returned for

insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be cancelled and of no further force or effect.

All Deposits made pursuant to a Purchase Agreement are subject to the requirements of Section 71a(3) of the State of New York Lien Law and 352-e(2)(b) and 352-h of the General Business Law of the State of New York. Pursuant to these laws, Sponsor will cause all Deposits received by it directly or by its agents or employees to be promptly deposited and held in accordance with the procedures set forth in the Section of the Plan entitled "Escrow and Trust Fund Requirements."

The Balance of the Purchase Price shall be payable simultaneously with the delivery of the deed to the Residential Unit and, if applicable, the Ancillary Amenity License by official bank check drawn on or issued by a New York bank or trust company which is a member of The New York Clearinghouse Association or by wire transfer (at Sponsor's sole option) and shall be payable to the direct order of Sponsor, or otherwise if Sponsor shall so notify Purchaser. The deed and Ancillary Amenity License will be substantially in the form as set forth in Part II of the Plan. Interest, if any, on Purchaser's Deposit will be credited or paid to Purchaser at Closing.

Based upon the current construction schedule, Sponsor presently contemplates that, unless delayed by force majeure, construction of the Building will be sufficiently completed to permit closings of Residential Units to begin on or about January 1, 2008. If the First Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the First Year of Condominium Operation, as such date may be extended by Sponsor by amendment, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements within 15 days after receipt of notice or an amendment disclosing Sponsor's failure to close within such time frame.

If Purchaser fails to close title to the Residential Unit on the originally scheduled date of Closing ("Scheduled Closing Date") or otherwise fails to perform any other obligations under the Purchase Agreement, including, but not limited to, the failure to pay the Additional Deposit, and if such default is not cured within 30 days after Sponsor gives written notice to Purchaser of the default, Sponsor may, at its option, either (a) cancel the Purchase Agreement and retain the entire Deposit (Initial and Additional) together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser to each other shall wholly cease and terminate or (b) bring an action against Purchaser for specific performances. After the Plan has been declared effective, Sponsor will fix dates for closing of title to all Residential Units for which Purchase Agreements have been executed by serving notice on each Purchaser, which notice will state Purchaser's closing date and will be delivered no less than 30 days before the Scheduled Closing Date.

If Purchaser fails for any reason to close title to the Residential Unit on the Scheduled Closing Date and Sponsor elects not to cancel the Purchase Agreement as a result of such default: (a) the Closing apportionments described in the Section of the Plan entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the actual Closing occurs ("Actual Closing Date"), and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Residential Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% of the Purchase Price of the Residential Unit per day commencing with the Scheduled Closing Date through the Actual Closing Date.

TIME IS OF THE ESSENCE AS TO PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF ALL DEPOSITS AND THE BALANCE OF THE PURCHASE PRICE. FUNDS DRAWN ON FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE.

If a Purchaser has entered into Purchase Agreements to purchase more than one Unit, a default by Purchaser in the payment or performance of any obligations under any of such Purchase Agreements, beyond

any applicable grace periods, shall be deemed a default under the other Purchase Agreements. In the event of such a default, Sponsor may, at its option, cancel each such Purchase Agreements and retain, as liquidated damages, all of the entire Deposits made by Purchaser, together with any interest earned thereon, if any, under each of the Purchase Agreements.

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) ("Foreign Government Purchaser") shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement or the Condominium Documents being brought in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Any such Purchaser shall designate and authorize a lawful agent to receive process for and on behalf of Purchaser in any State or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with the Purchase Agreement or the Condominium Documents. Such Purchaser will be required at Closing to deposit with the Condominium an amount equal to 2 years' Common Charges in effect for the Unit which will be in addition to the required contribution to the Working Capital Fund.

Prior to the Closing of Title to a Residential Unit, the Purchase Agreement prohibits Purchaser from listing the Residential Unit for resale or rental with any broker or placing or authorizing any listing in any brokers listing system or other listing service or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or rental, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed in Sponsor's sole and absolute discretion. Any listing of the Residential Unit for sale or rental and/or advertising by Purchaser in violation of the terms of the Plan will be deemed a material default under the Purchase Agreement, and Sponsor may, at its option, cancel the Purchase Agreement and retain, as liquidated damages, the entire Deposit made by Purchaser, together with interest earned thereon.

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

From and after the Closing of each Residential Unit, Purchaser will become obligated for the payment of Common Charges (once Common Charges are assessed by the Condominium Board), real estate taxes and assessments whether or not separately assessed (including water charges and sewer rents, if separately assessed) and all other expenses with respect to the Residential Unit, whether or not Purchaser has taken possession of the Residential Unit, and whether or not all work required to be performed by anyone in or to the Residential Unit has been completed.

The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor (unless and until Purchaser takes possession of the Residential Unit, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Residential Unit. In the event of damage or destruction of a Residential Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Residential Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price for the Residential Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Residential Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Unit

Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws"), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return the Deposit, together with any interest earned thereon, to Purchaser, whereupon Sponsor and Purchaser shall be released and discharged from all obligations and liability under the Purchase Agreement and the Plan; provided, however, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

If the Purchase Agreement covers both a Residential Unit and an Ancillary Amenity and Sponsor does not elect, or the Unit Owners do not resolve to make such repair or restoration to the affected Ancillary Amenity or Ancillary Amenity Area pursuant to the By-Laws following the fire or casualty, then the Purchase Agreement shall only be cancelled, as described above, with respect to the Ancillary Amenity, and Purchaser shall remain obligated to purchase the Residential Unit. At the Closing of Title to the Residential Unit, Purchaser will receive a credit against the Balance of the Purchase Price equal to the amount allocated to the Ancillary Amenity, to the extent any such money has been delivered to Sponsor.

Sponsor is obligated to provide only the equipment, fixtures and furnishings set forth in the "Description of Property and Improvements" set forth in Part II of the Plan. If a Person desiring to purchase a Residential Unit requests that Sponsor perform special or additional work on the Residential Unit or provide extra or upgraded furnishings, including, but not limited to, any deviation from the materials or specifications described in the Description of Property and Improvements set forth in Part II of the Plan, and Sponsor agrees to perform such work and/or provide such furnishing, then Sponsor may require such Person to deposit an amount greater than the Deposit required under the Purchase Agreement. All funds received by Sponsor for upgrades or extras will be placed in the non-interest bearing portion of the Master Escrow Account. Such funds, however, may be released from the Master Escrow Account by Escrow Agent to Sponsor provided Sponsor uses the funds for upgrades or extras or the funds are used to reimburse Sponsor. As a result, in the event Purchaser is entitled to rescind the Purchase Agreement in accordance with the Plan, Purchaser will not receive a refund of any funds used for upgrades or extras.

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

Each Purchaser shall be given a reasonable opportunity to examine the Residential Unit prior to the Closing and is urged to make a careful inspection thereof. At the Closing, each Purchaser of a Residential Unit shall be required to sign and deliver to Sponsor an Inspection Statement in substantially the form set forth in Part II of the Plan wherein Purchaser acknowledges the condition in which Purchaser has inspected the Residential Unit. Under no circumstances shall any item included on an Inspection Statement (i) constitute grounds for a Purchaser to postpone or otherwise delay the date scheduled for the Closing nor (ii) obligate Sponsor to deposit any monies in escrow at Closing.

At Closing, each Purchaser will be required to execute and deliver a Unit Power of Attorney in favor of the Condominium Board and Sponsor, the failure of which shall be default under the Purchase Agreement entitling Sponsor to all of the remedies set forth in the Plan and the Purchase Agreement. The form of Unit Power of Attorney is set forth in Part II of the Plan.

ESCROW AND TRUST FUND REQUIREMENTS

All downpayments, advances and payments made by Purchasers prior to the Closing of a Residential Unit and/or an Ancillary Amenity License ("Deposits") will be held in escrow in conformity with the disclosure contained in this Section of the Plan.

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto and Section 71-a(3) of the State of New York Lien Law. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

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

All Deposits made by Purchasers prior to the Closing of each individual transaction will be placed in a segregated special escrow account of Starr Associates LLP, the escrow agent ("Escrow Agent"), whose address is 245 Fifth Avenue, Suite 1102, New York, New York 10016 and whose telephone number is (212) 620-2680. The attorneys who are signatories on these accounts authorized to withdraw funds, acting singly, are: Allan Starr, Esq., Andrea L. Roschelle, Esq., Samantha Sheeber, Esq., Hillary A. Potashnick, Esq., Jane Rosenberg, Esq. and Evan R. Schieber, Esq. Escrow Agent has established a master escrow account entitled "Starr Associates LLP, Escrow Account" ("Master Escrow Account") at JP Morgan Chase Bank located at 277 Park Avenue, 33rd Floor, New York, New York 10022 ("Escrow Bank"). Deposits will be placed in the Master Escrow Account within 5 business days after tender by Purchaser to Sponsor or Selling Agent. Any subsequent Deposit tendered by Purchaser after the Initial Deposit will be placed in any one of the Master Escrow Accounts within 10 business days after tender by Purchaser to Sponsor or Selling Agent.

All Deposits will be placed initially in the non-interest bearing portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8 (Certificate of Foreign Status) in the forms set forth in Part II to the Plan, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Purchase Agreement. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow account to the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon.

The sub-escrow account number and the initial interest rate, if any, will be disclosed to each Purchaser, as appropriate, in a letter from Escrow Agent to each Purchaser sent within 10 business days after the tender of the Deposit. If Purchaser does not receive notice that the Deposit has been placed in the Master Escrow Account within 15 business days after tender of the Deposit, Purchaser may cancel the Purchase and rescind so long as the right to rescind is exercised within 90 days after tender or crediting of the Deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. Escrow Agent will not be required to send the letter to each Purchaser referred to above in connection with any additional Deposits tendered by Purchaser (or changes in interest rate) after the Initial Deposit.

The Escrow Bank is covered by federal bank Deposit insurance to a maximum of $100,000 per individual Deposit. The following are SPECIAL RISKS of this offer: (i) if a Purchaser makes a Deposit in excess of $100,000 such Deposit will not be federally insured in excess of $100,000; and (ii) while the Deposit is in the non-interest bearing portion of the Master Escrow Account, the Deposit may not be fully federally insured even if the Deposit does not exceed $100,000.

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

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

If a Purchaser tenders a Deposit without an executed Purchase Agreement, Sponsor shall have the right to reject the Deposit and return it to Purchaser: (i) within 5 business days after tender, if the Deposit has not been Deposited into escrow, and (ii) within 10 business days, if the Deposit has been deposited into escrow and the Purchase Agreement has not yet been delivered by Purchaser.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to Sponsor only in the event there is a "consummation of the Plan" (as such term is defined in the Attorney General's regulations) and Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts. Interest will begin to accrue within: (x) 3 business days, if the Deposit is cash or cash equivalent, or (y) 5 business days, if the Deposit is other than cash or cash equivalent, of the transfer of the Deposit from the checking account portion of the Master Escrow Account into the sub-escrow account portion of the Master Escrow Account.

All instruments shall be made payable directly to the order of "Starr Associates LLP, as escrow agent." Endorsed instruments will not be accepted.

If a check delivered by a Purchaser fails for collection, the Purchase Agreement will be deemed void an initio (as if the Purchase Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within 10 business days of Sponsor receiving notice from Escrow Agent of such failure for collection.

Sponsor may, upon application approved by the Department of Law, elect to withdraw funds from the Escrow Account and secures all or any portion of the Deposits withdrawn by delivering to Escrow Agent or another escrow agent designated by Sponsor, one or more irrevocable letters of credit (collectively, "Letter of Credit"), in accordance with the terms and conditions set forth below. All funds withdrawn from the Escrow Account shall be paid to the Construction Lender pursuant to a collateral assignment and pledge by Sponsor to the Construction Lender or disbursed to Sponsor subject to the approval by the Construction Lender of the amount of the withdrawal. The amount of the Letter of Credit will be at least 125% of the aggregate of all Deposits expected to be received from Purchasers, and not retained in escrow, during such period of time as the Letter of Credit will be needed. Sponsor reserves the right at any time and from time to time to increase or decrease the amount of the Letter of Credit, by a duly filed amendment to the Plan provided, however, the aggregate amount of the Letter of Credit shall at no time be less than the aggregate of all Deposits, if any, withdrawn by Sponsor for use in construction, less any sums returned to Purchasers or otherwise disbursed in accordance with the Plan. Deposits will cease to earn interest upon withdrawal from the Escrow Account. The Letter of Credit shall name Escrow Agent as beneficiary to act as a fiduciary for the benefit of all Purchasers under the Plan.

The Letter of Credit will provide that Escrow Agent shall have sole power to draw upon the Letter of Credit without the consent or despite the objection of Sponsor or the issuer bank, at such times or upon such events as set forth below.

The Letter of Credit will continue in effect, or shall be periodically renewed, until the Closing of Title to all Units for which Deposits have been placed in Sponsor's construction fund account.

Escrow Agent shall be entitled to release the Deposits to Sponsor provided that the Escrow Agent has documentation showing that the Letter of Credit or renewal or replacement Letter of Credit has been issued in accordance with this Section of the Plan and is in effect.

Escrow Agent, as the beneficiary of the Letter of Credit, acting as fiduciary for the benefit of Purchasers under the Plan whose funds were released from escrow, shall have the duty and the right to draw upon and collect the proceeds of the Letter of Credit, 10 business days after notice to Sponsor and Sponsor's failure or refusal to restore such funds to Escrow Agent, without the consent or despite the objection of Sponsor or the issuer bank, upon the following events or circumstances:

(a) timely rescission of a Purchase Agreement by a Purchaser pursuant to an offer of rescission contained in the Plan or an amendment to the Plan;

(b) acceptance for filing by the Department of Law of an amendment abandoning the Plan;

(c) a written agreement of Sponsor and Purchaser directing payment of the funds or a determination of the Attorney General or a order or judgment of a court of competent jurisdiction;

(d) failure by Sponsor to obtain a renewal or replacement Letter of Credit no later than 60 days prior to the expiration of the existing Letter of Credit;

(e) direction by Sponsor upon request of Purchaser; or

(f) notice of impending cancellation of the Letter of Credit has been given or received, or the issuer bank has filed a bankruptcy or insolvency petition or has been taken over by a federal or state authority, and no proper replacement of the Letter of Credit has been furnished.

Upon payment to Escrow Agent of a drawing under the Letter of Credit, to the extent that Escrow Agent has no further obligation to hold the proceeds of such Letter of Credit in accordance with this section of the Plan, Escrow Agent shall remit the Deposit to the relevant Purchaser to the extent required by this section of the Plan and shall remit the excess amount (if any) of such proceeds over the Deposit to the Construction Lender (or, if no Construction Lender shall exist, to Sponsor).

The sole obligation of the issuer bank under or in connection with the Letter of Credit is to pay to Escrow Agent the amount drawn under the Letter of Credit pursuant to a conforming drawing thereunder. In no event shall the issuer bank, the Construction Lender be liable for the use of the proceeds of any drawing by Escrow Agent and no Purchaser shall have any recourse whatsoever to the issuer bank, the Construction Lender with respect to the use of such Deposits, other than the issuer bank's liability on the fronting bank for such Letters of Credit.

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

Except at set forth above, Escrow Agent will hold the Deposit and in no event shall any disputed funds secured by the Letter of Credit be paid to the Purchaser nor shall the Letter of Credit be terminated, until otherwise directed in:

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

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

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

Under no circumstances shall Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the Plan. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h.

If there is no written agreement between the parties to release the Deposit, Escrow Agent will not pay the Deposit to Sponsor until Escrow Agent has given Purchaser written notice of not fewer than 10 business days. Thereafter, the Deposit may be paid to Sponsor unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions and Escrow Agent has received such notice.

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

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

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

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

If Sponsor elects to change the Escrow Bank and/or Escrow Agent, such change will be disclosed in a duly filed amendment to the Plan prior to transferring any Deposits.

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

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

If the application permitting the release of funds is granted, the Deposit and any interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. If the application seeking the release of funds is denied, the Escrow Agent shall continue to hold the Deposit and any interest earned thereon until:

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

(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 a payment of such funds into court until such dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court competent jurisdiction or by written grant of Sponsor and Purchaser.

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

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

Escrow Agent is acting merely as a stakeholder. Escrow Agent makes no representation with regard to and shall not be responsible for the maintenance by Sponsor of the Letter of Credit. Upon payment of the Deposit pursuant to the Plan, Escrow Agent shall be fully released from all liability and obligation with respect to the Deposit. Escrow Agent shall accept a Deposit made by check, subject to collection.

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

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

Escrow Agent will maintain all records concerning the Master Escrow Account for 7 years after the release of funds.

ASSIGNMENT OF PURCHASE AGREEMENTS

No Third-Party Assignment

Purchaser does not have the right to assign the Purchase Agreement without the prior written consent of Sponsor, which consent may be unreasonably withheld or delayed. Any purported assignment by Purchaser in violation of this Section will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, then Purchaser shall be required to pay to Starr Associates LLP a fee of $1,250, in advance, for preparation of an assignment and assumption agreement. Any purported assignment by Purchaser in violation of this Section shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase," and shall be voidable at the option of Sponsor.

No Advertising

Prior to the Closing of Title, Purchaser shall not list the Residential Unit for resale or rental with any broker or place or authorize a listing in any broker's listing system or other listing service or advertise or otherwise offer, promote or publicize the availability of the Residential Unit for sale or rental, without Sponsor's prior written consent, which may be withheld or delayed by Sponsor in Sponsor's sole and absolute discretion. Any listing of the Residential Unit or form of advertising, promotion or publicizing of the Residential Unit by Purchaser prior to the Closing of Title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase."

EFFECTIVE DATE

The offering by Sponsor of the Residential Units under the Plan is contingent upon the Plan being declared effective. The First Closing shall not occur until the Plan has been declared effective. The Plan may be declared effective, at Sponsor's option by (i) an amendment to the Plan or (ii) notice to each Purchaser stating that the Plan is declared effective and submission of an amendment to the Department of Law within 5 days confirming that the Plan was declared effective on a specified date. The Plan may be declared effective, at Sponsor's option, at any time when bona fide purchasers, including investors, have executed Purchase Agreements with respect to not less than 15% of the Residential Units.

The loan documents entered into with Morgan Stanley Mortgage Capital Inc. do not require Sponsor to enter into a minimum number of Purchase Agreements for Residential Units prior to declaring the Plan effective.

The Plan will not be declared effective based on Purchase Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) signed by Purchasers who have not been afforded at least 3 business days to review the Plan and all filed amendments prior to executing a Purchase Agreement or, in lieu thereof, at least 7 days to rescind after executing a Purchase Agreement; or (iii) signed by any Purchaser who is Sponsor, Selling Agent, Managing Agent or a principal of either, or is related by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner of Sponsor, Selling Agent, Managing Agent or a principal of either, except that such a Purchaser (other than Sponsor or a principal of Sponsor) may be counted only if Sponsor has submitted proof satisfactory to the Department of Law establishing that Purchaser is bona fide.

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

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

If the Plan is withdrawn or abandoned, all Deposits, together with any interest earned thereon, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras will be returned to Purchasers within 30 days following such withdrawal or abandonment. Upon the return of the Deposits, together with any interest earned thereon, the Purchase Agreement will be null and void and Sponsor will have no further obligation or liability to Purchaser under the Plan or the Purchase Agreement. Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment or withdrawal and shall file a notice of abandonment on form RS-3 or such other form as the Department of Law may require and explain the reason for the abandonment and disposition of all Deposits received, and any interest earned thereon.

TERMS OF SALE

The term "Closing" refers to the conveyance of title to a Residential Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the Purchase Price for such Residential Unit. The Closing to each Residential Unit shall be held at the office of Starr Associates LLP, 245 Fifth Avenue, Suite 1102, New York, New York or at such other place as Sponsor may designate.

The Closing to each Residential Unit shall take place only after or concurrently with the following events:

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

(b) a Temporary or Permanent Certificate of Occupancy for the Residential Unit is in effect (ongoing construction in the Building or other Units and/or the absence of a Temporary or Permanent Certificate of Occupancy for any other Unit shall not constitute a basis for Purchaser's failure or refusal to close). A Temporary Certificate of Occupancy is not required for the sale of Ancillary Amenities. A Purchaser may be required to consummate the purchase of an Ancillary Amenity even though a Temporary Certificate of Occupancy has not been issued (and access may not be available) to the Ancillary Amenity Area in which the Ancillary Amenity is located. In such event, the proceeds from the sale of the Ancillary Amenity will be held in escrow by Escrow Agent until such time as a Temporary Certificate of Occupancy has been issued for the Ancillary Amenity Area.

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

(d) the release of the Residential Unit and its Common Interest from the lien of all mortgages, if any.

(e) the delivery to Purchaser of written notice of the time and place of the Closing at least 30 days prior to the Closing Date specified therein, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Residential Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing.

(f) the execution and delivery by Sponsor and Purchaser of a bargain and sale deed with covenant against grantor's acts, the form of which is set forth in Part II of the Plan, in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law upon delivery to Sponsor of the Balance of the Purchase Price and such other checks and documents required pursuant to the Plan and the Purchase Agreement.

(g) the execution and delivery by Purchaser of the Unit Owner's Power of Attorney, the form of which is set forth in Part II of the Plan.

(h) the execution and delivery by Purchaser of a notice to Managing Agent indicating whether a child under the age of ten (10) will be living in the Unit or if the Purchaser wants to have window guards installed on the windows of the Unit even though no child under the age of ten (10) will be living in the Unit. In the event that window guards are to be installed in the Unit, such installation shall be performed at the direction of Managing Agent and the cost thereof (for the window guards and installation) shall be charged to and paid by the Purchaser of the Unit.

(i) if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole expense) of a policy of title insurance in at least the amount of the Purchase Price of the Unit, insuring that (i)

Purchaser has fee title to the Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances (set forth in Schedule A to the Purchase Agreement) and standard printed exceptions and (2) liens and encumbrances other than Permitted Encumbrances to which the Unit's title is subject either (a) which have been expressly accepted by Purchaser, or (b) for which the instrument required to remove it of record has been delivered to the Title Company for recording in the proper office, together with the requisite recording or filing fees or delivered to the representative of Purchaser's title insurance company (or, if none, to Purchaser's attorney); or (c) as to which the Title Company will insure (without additional premium) that such lien or encumbrance will not be collected out of or enforced against the Unit; or (d) as to which Sponsor, at its sole option, pays and discharges from monies paid by Purchaser at Closing; and (ii) the Condominium has been validly created pursuant to the Condominium Act.

Sponsor shall be entitled to deliver a 30 day closing notice to a Purchaser prior to meeting the Closing prerequisites set forth in items (b) through (i) above.

Ongoing construction in the Building or other Units and/or the absence of a Temporary or Permanent Certificate of Occupancy for any other Unit shall not constitute a basis for Purchaser's failure or refusal to close.

Purchaser's failure to execute and deliver at Closing, all documents necessary and/or customary in connection with the conveyance of a Condominium Unit, including without limitation, the deed, the power of attorney form, transfer tax forms and mortgage tax credit affidavit (if applicable), shall constitute an event of default under the terms of the Purchase Agreement, entitling Sponsor to the default remedies set forth in the Purchase Agreement.

In the event of the existence of any lien, encumbrance or title defect other than Permitted Encumbrances, which Sponsor fails or refuses to correct, the sole remedy of Purchaser under the Plan, provided Purchaser is not then in default, will be to either (i) take title subject to the title defect or (ii) terminate the Purchase Agreement, within 15 days after receipt of notice or an amendment disclosing such lien, encumbrance or title defect. A Purchaser electing to proceed with the purchase of the Unit will not be entitled to any credit against, or abatement of, the Purchase Price set forth in the Purchase Agreement and will have no claim or right of action against Sponsor for damages or otherwise by reason thereof. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money to make title marketable or to eliminate any encumbrances or title defects. If Purchaser elects to terminate the Purchase Agreement, Sponsor shall cause the Deposit together with any interest earned thereon, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras, to be returned to Purchaser, within 30 days after receipt of Purchaser's termination notice. Upon making such refund, Sponsor and Purchaser shall be relieved of all further obligations and liabilities under the Purchase Agreement and the Plan.

IF THE PURCHASER FAILS TO NOTIFY SPONSOR OF PURCHASER'S ELECTION WITHIN 15 DAYS AFTER SPONSOR NOTIFIED PURCHASER OF SPONSOR'S FAILURE TO REMEDY THE TITLE DEFECT, IT WILL BE CONCLUSIVELY DEEMED THAT PURCHASER ELECTED TO ACQUIRE TITLE SUBJECT TO THE TITLE DEFECT.

The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances or otherwise enable the Title Company to omit such title exceptions from Purchaser's title insurance policy are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments.

If existing mortgages or construction loans will not be satisfied at or prior to the closing of the first unit, then at the time of conveyance of the first unit, each mortgagee will either:

(i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units;

(ii) subordinate the lien of its mortgage to the declaration of condominium; or

(iii) release its lien on the condominium unit being conveyed and its interest in the common elements.

Sponsor shall be entitled to adjourn the Closing to remove or correct any title exception that cannot be dealt with as set forth above. Sponsor is not obligated to cause Purchaser's title company to omit any exception if the Title Company is willing to insure, without additional premium, Purchaser's title with such exception. Purchaser will be responsible to pay to the Title Company the entire premium for Purchaser's title insurance. Purchaser may obtain title insurance from any title insurance company or abstract company or not obtain any title insurance at all, at Purchaser's sole discretion (unless Purchaser's lender shall require Purchaser to purchase title insurance covering such lender).

The acceptance of a deed by Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and in General Business Law Section 352-e to survive delivery of the deed.

Any personal property located within the Unit (if any) on the date the Purchase Agreement is executed or located within the Common Elements on the date the Declaration is filed, that is owned by Sponsor, is included in the conveyance unless specifically excluded in the Purchase Agreement or the Plan.

CLOSING COSTS AND ADJUSTMENTS

Closing Costs

As more particularly set forth in the Purchase Agreement, in addition to Purchaser's legal fees, Purchaser will pay the following estimated closing costs and expenses at the time of the Closing of Title. Purchasers are advised that the Ancillary Amenities are deemed personal property and accordingly, are not mortgageable, insurable for title insurance purposes, or otherwise subject to the imposition of transfer taxes detailed in this Section. In the event that transfer taxes are imposed on the sale of the Ancillary Amenities, payment of such taxes shall be the obligation of Purchaser. Recording charges, fees, title costs and taxes set forth below pertain to Residential Units only and are based on rates in effect on the date of the Plan and are subject to change without notice.

(a) A contribution to the Working Capital Fund of the Condominium in an amount equal to 2 months' Common Charges assessed against the Residential Unit at the time of Closing.

(b) If Purchaser elects to obtain fee title insurance, Purchaser will pay the premium therefor, which will vary depending upon the amount requested. If ordered from Fidelity National Title Insurance Company, having an office at One Park Avenue, Suite 1402, New York, New York 10016 (telephone: (212) 845-3126, facsimile: (212) 742-0732) ("Title Company"), the premium will be calculated at a discounted rate of 70% of the standard fee policy rates in accordance with the following discounted rate schedule:

FEE BULK RATE SCHEDULE
(70% Rate)

AMOUNT OF INSURANCE	PREMIUM
First $35,000 or less	$402.00
From $35,001 to $50,000	$4.67 per Thousand
From $50,001 to $100,000	$3.80 per Thousand
From $100,001 to $500,000	$3.05 per Thousand
From $500,001 to $1,000,000	$2.79 per Thousand
From $1,000,001 to $5,000,000	$2.56 per Thousand
From $5,000,001 to $10,000,000	$2.28 per Thousand
From $10,000,001 to $15,000,000	$2.15 per Thousand
From $15,000,001 and up	$1.93 per Thousand

Note - The minimum premium for a fee policy is $402.

(c) If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from Title Company, the premium for the fee title insurance will be calculated as described in paragraph (b) above. The premium for the mortgage title insurance that does not exceed the fee policy will be calculated at a discounted rate of 21% of the standard mortgage policy rates in accordance with the following discounted rate schedule:

SIMULTANEOUS MORTGAGE BULK RATE SCHEDULE
(21% Rate)

AMOUNT OF INSURANCE	PREMIUM
First $35,000	$72.00
From $35,001 to $50,000	$1.17 per Thousand
From $50,001 to $100,000	$ .95 per Thousand
From $100,001 to $500,000	$ .76 per Thousand
From $500,001 to $1,000,000	$ .70 per Thousand
From $1,000,001 to $5,000,000	$ .64 per Thousand
From $5,000,001 to $10,000,000	$ .57 per Thousand
From $10,000,001 to $15,000,000	$ .54 per Thousand
From $15,000,001 and up	$ .49 per Thousand

A form of Unit Owner's Specimen Title Policy, if title insurance is ordered from the Title Company, is set forth in Part II of the Plan.

(d) A fee for recording the deed and Unit Owner's power of attorney, being $42 for each instrument plus $5 per page together with a fee of $75 for filing the New York City Real Property Transfer Tax return ("City Tax Return").

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

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

	Purchase Price $500,000 or less	Purchase Price Greater than $500,000
Tentative City Tax:		
Consideration	$400,000	$1,500,000
Tax Rate	x 1%	x 1.425%
Tentative tax	$ 4,000	$ 21,375
Tentative State Tax:		
Net Consideration	$400,000	$1,500,000
Rounded up to nearest $500	$400,000	$1,500,000
Tentative tax ($2 per $500)	$ 1,600	$ 6,000
City Tax:		
Consideration	$400,000	$1,500,000
Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$405,600	$1,527,375
Tax Rate	x 1%	x 1.425%
City Tax	$ 4,056	$ 21,765
State Tax:		
Net Consideration	$400,000	$1,500,000
Tentative taxes	+ 5,600	+ 27,375
Taxable Consideration	$405,600	$1,527,375
Rounded up to nearest $500	$406,000	$1,528,000
State Tax ($2 per $500)	$ 1,624	$ 6,112

Thus, the effective RPT tax rate is approximately 1.014% of the Purchase Price where the Purchase Price is $500,000 or less and 1.451% where the Purchase Price is greater than $500,000. A similar position has been taken by the New York State Department of Taxation and Finance and as a result the effective tax rate for the State Transfer Tax is $4.06 per thousand dollars of the Purchase Price where the consideration is $500,000 or less and $4.074 per thousand dollars of the Purchase Price where the consideration is greater than $500,000. When the Purchase Price is equal to or in excess of $1,000,000, payment by Purchaser of the Mansion Tax is not considered additional consideration to Sponsor for purposes of the calculation of the State Transfer Tax.

Sponsor has been advised by the Title Company that the information set forth below reflects the current position of the New York City Department of Finance with respect to real property transfer taxes that are due and payable in connection with the transfer by a seller of one or more units to the same or related purchasers, whether pursuant to one or more Purchase Agreements:

(1) ***Purchase of a single Residential Unit:***

The tax on the Residential Unit is 1% if the consideration is $500,000 or less, or 1.425% if the consideration is greater than $500,000

(2) ***Purchase of multiple Residential Units:***

The tax on each Residential Unit is 1.425% if the consideration is $500,000 or less, or 2.625% if the consideration is greater than $500,000

The Department of Finance takes the position that: (i) the lower tax rate (either 1% if the consideration is $500,000 or less, or 1.425% if the consideration is greater than $500,000) applies only in the case of a transfer of "an individual residential condominium unit;" and (ii) the higher tax rate (either 1.425% if the consideration is $500,000 or less, or 2.625% if the consideration is greater than $500,000) applies if a purchaser acquires more than one individual Residential Unit (i.e., two Residential Units).

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

In addition to the above-specified costs and expenses, a mortgage on a Residential Unit may provide that the Residential Unit Owner deposit monthly with the lender 1/12 of the estimated annual real estate taxes and tax assessments which are assessed or will be assessed against the Residential Unit, together with 1/12 of the annual fire and casualty insurance policy premiums for the Residential Unit, or other amounts, and, at Closing, Purchaser may be required to deposit with the lender a multiple of the aggregate of such one month's real estate taxes, tax assessments and insurance premiums, or other amounts, in order that sufficient funds will be available for the lender to pay the same when due.

(g) Fees payable to Starr Associates LLP, in accordance with the following schedule, all of which fees will be cumulative to the extent applicable to any individual closing:

(1) $1,750 for the preparation of closing documents, calculation of adjustments, attendance at Closing at the offices of Starr Associates LLP, or such other place as Sponsor may designate and supervision of execution of closing documents;

(2) If Purchaser requires that the Closing occur other than at the office of Starr Associates LLP, or such other place as Sponsor may designate, and Sponsor consents to such change (in Sponsor's sole discretion), an additional attendance fee of $750 for each Closing held within Manhattan. No Closing will be held in any borough outside Manhattan.

(3) If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement (which request in all instances must be received by Sponsor's attorney no later than 7 business days prior to the Scheduled Closing Date), a fee of $1,250, payable in advance, for preparation of an assignment agreement.

(4) If through no fault of Sponsor, Purchaser fails to close on the date scheduled for Closing, then Purchaser shall pay an additional fee of $750 for <u>each</u> rescheduled Closing granted at Purchaser's request to defray the cost of preparing and coordinating the Closing and recalculating the Closing apportionments.

Purchaser may pay more than one fee pursuant to (g) above with respect to a Unit. In addition to an attendance fee in connection with a completed Unit transfer, Starr Associates LLP

shall also be entitled to an attendance fee in the amount set forth above if such firm's representative attends a scheduled Closing but the Closing is adjourned due to Purchaser's failure to comply with Purchaser's closing obligations. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one assignment request.

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

(i) If Purchaser obtains a mortgage loan, Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s);

(j) If Purchaser is a Foreign Government Purchaser, Purchaser will be required to deposit with the Condominium an amount equal to 2 years' Common Charges.

All legal costs, fees and expenses of Starr Associates LLP, other than those specifically set forth above, will be the sole responsibility of Sponsor.

Example of Estimated Closing Costs for a Typical Residential Unit

A numerical example of estimated closing costs and expenses for a single Residential Unit with a Purchase Price of $3,660,000 and a mortgage of $2,928,000 (80%) are set forth below by way of illustration only. All tax rates, title insurance premiums and recording rates are subject to change:

ITEM	DESCRIPTION	AMOUNT
Fee Insurance Premium for $3,660,000 of owner's insurance	(70% first condo bulk sale rate)	$9,970.00
Mortgage Insurance Premium for $2,928,000 of lender's insurance	(21% first condo bulk sale simultaneous rate)	$2,026.00
NYC RPT Tax	NOTE: transfer taxes are based upon bulked-up consideration of $3,726,795.00 The NYC RPT rate is 1.425%.	$52,155.00
NYC Mansion Tax	1% of bulked-up consideration of 3,726,795.00	$37,267.95
NYS Transfer Tax	The tax rate is $2 for every $500 of consideration or fraction thereof.	$14,640.00
Mortgage Recording Tax	The tax rate is 2.175%. The borrower pays 1.925% - $30. This does not include the lender's ¼ point of mortgage tax in the amount of $7,320.00	$56,334.00
Departmental and Bankruptcy Searches	(Estimated)	$325.00
Estimated Recording Fees	(one deed, one mortgage and one condo power of attorney)	$1,000.00
Estimated Lender's Title Endorsements	Three endorsements at $25 each.	$75.00
Legal fee of Sponsor's attorney	Basic closing fee	$1,750.00
Working Capital Contribution	2 months' Common Charges	See Schedule A
Total Estimated Closing Costs	Excluding working capital contribution	$175,542.95

This example does not include the following costs or fees, to the extent applicable: Purchaser's financing costs, legal fees of Purchaser's attorney, additional legal fees payable to Sponsor's attorney as set forth in paragraph (g) above, recording additional documents, penalty for late closing or adjustments with Sponsor (including mortgage recording tax reimbursement), apportionment of real estate taxes and insurance as described below. Furthermore, this example does not take into account possible new taxes, increases in tax rates or cost of title insurance or recording fees.

Purchasers should note that adjustments for various closing items including Common Charges and real estate taxes will be made at Closing.

The foregoing projections assume that title insurance is purchased from the Title Company and that Purchaser closes without delays or the imposition of penalties. If Purchaser obtains a mortgage loan Purchaser can expect to incur additional fees for mortgage title insurance (with benefit of simultaneous rates), mortgage recording taxes and fees and other closing fees set forth above, plus the fee of Purchaser's attorney. Purchasers are advised to consult with prospective lenders for a detailed projection of related financing costs. Furthermore, the above example does not take into account possible new taxes, increases in tax rates or recording fees or increases in the cost of title insurance.

In the event Sponsor obtains a construction or acquisition loan which satisfies certain parameters and pays a mortgage recording tax thereon, it is specifically understood that, any mortgage tax credit shall inure to the benefit of Sponsor. Accordingly, at Closing, each Purchaser may pay all or a portion of the mortgage recording tax to Sponsor, to the extent of any mortgage tax credit allowed.

Closing Adjustments

(i) Adjustments. At Closing, adjustments between Sponsor and Purchaser will be made as of midnight of the day preceding the Closing Date with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed) on the basis of the period for which assessed, and future real estate taxes and assessments in accordance with the terms of the subsection below entitled "Real Estate Taxes;" (b) Common Charges (if Common Charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and (c) if Purchaser is occupying a Residential Unit pursuant to a Use and Occupancy Agreement, accrued rent and other charges.

(ii) Penalties. If Purchaser fails for any reason to close title to the Residential Unit on the Scheduled Closing Date, (a) the Closing adjustments described above will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the Actual Closing Date occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the Scheduled Closing Date to (and including) the day before the Actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally Scheduled Closing Date, these provisions shall apply to any new Scheduled Closing Date.

(iii) Real Estate Taxes. In the event the Units have not been separately assessed for real estate tax purposes by the New York City Department of Finance ("Finance Department") prior to the First Closing, the obligation of the Condominium to pay real estate taxes to the Finance Department for the next ensuing tax period, without deduction or allowance for any real estate tax benefits not yet in place ("Future Taxes") shall be secured by Sponsor delivering at the First Closing to Escrow Agent, either cash, a letter of credit or a surety bond ("Tax Security") in the amount of the Future Taxes. Escrow Agent shall hold the Tax Security in escrow for the benefit of the Condominium. At each Closing prior to the date the Units are separately assessed and billed, Purchasers will be obligated to pay to Escrow Agent an amount equal to the Unit's pro-rata share of the Future Taxes (computed by multiplying the Common Interest of the Unit by the amount of

the Future Taxes) ("Unit Tax Payment"). Unit Tax Payments will not be placed in an interest-bearing account by Escrow Agent. The Future Taxes shall be paid to the Finance Department when due by Sponsor, or by Escrow Agent using the Tax Security, either at Sponsor's direction, or upon Sponsor's failure to make such payment. If Sponsor pays the Future Taxes directly, the Tax Security shall be released to Sponsor upon delivery to Escrow Agent of proof of payment from the Finance Department of the Future Taxes. If at the time the Future Taxes are paid, the amount of the Future Taxes has been reduced by the Finance Department as a result of the implementation of real estate tax benefits, Escrow Agent shall make appropriate refunds to Sponsor and Purchasers who deposited Unit Tax Payments with Escrow Agent.

In the event the Units are separately assessed and individual tax bills are issued by the Finance Department prior to the date the Future Taxes are due, Escrow Agent shall release the Tax Security to Sponsor and the Unit Tax Payments to the Purchasers, as appropriate. In such event, Sponsor and Purchasers who closed title shall be required to pay their respective tax bills directly to the Finance Department. If an actual payment to the Finance Department is reduced as a result of the implementation of real estate tax benefits, Escrow Agent shall make appropriate refunds to the parties.

With respect to subsequent Future Taxes, until the Units are separately assessed and individual tax bills are issued, the Condominium Board shall collect a Unit Tax Payment from each Unit Owner which Unit Tax Payment shall constitute additional Common Charges. Unit Tax Payments shall be payable by Unit Owners within 5 days of the date billed by the Condominium and shall be due and payable by such Unit Owner to the Condominium Board irrespective of whether such Unit Owner is required to escrow funds with a Lender in connection with a mortgage loan on such Unit. If any Unit Owner fails to make the Unit Tax Payment as set forth above, the Condominium will have a lien on the Unit for non-payment in the same manner as Common Charges (see the Section of the Plan entitled "Rights and Obligations of Unit Owners," subsection: " Common Charges: Collection and Lien for Non-Payment" for details).

Illustration. By way of illustration only, a Purchaser closing on a Unit in the middle of December (prior to separate assessment and individual billing of real estate taxes) is obligated to: (a) adjust with Sponsor for the first-half real estate taxes (July 1 to December 31) paid by Sponsor in July for the period from Closing through December 31; and (b) deliver to Escrow Agent a Unit Tax Payment for the second-half Future Taxes (January 1 to June 30). Thereafter, if the Units are not separately assessed and individual tax bills are not issued prior to the next ensuing tax payment, the Condominium will have the obligation to collect from each Unit Owner a Unit Tax Payment for first-half real estate taxes (July 1 to December 31) and pay such real estate taxes directly to the Finance Department on behalf of all Unit Owners.

In the event the amount of Future Taxes is increased (due to an increase in the tax rate or otherwise) prior to the separate assessment and issuance of individual tax bills by the Finance Department, the amount of such increase shall be payable by all Unit Owners, including Sponsor (with respect to its Units), in proportion to each Unit's Common Interest, adjusted for the period of ownership of each Unit by the respective Unit Owner. Such amount of increase shall be payable to Sponsor or Escrow Agent, as the case may be, within 5 days following written notice provided to such Unit Owner. Such increase shall be deemed additional Common Charges.

Other Costs

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

RIGHTS AND OBLIGATIONS OF SPONSOR

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

(a) Sponsor reserves the right to make any changes in the proposed Condominium Documents and modifications to the Plans and Specifications as may be necessary in Sponsor's sole discretion to conform to Law or to expedite the sale of the Residential Units, or due to structural, architectural or mechanical considerations provided, however, that any such amendments, additions, or changes shall not materially and adversely affect a Residential Unit Owner or Purchaser, increase any obligation of a Residential Unit Owner or Purchaser to any adverse and material degree and any substitution of appliances, equipment or materials shall be of substantially equal or better quality. A change in the square foot area and dimensions of a Residential Unit due to field conditions, construction variances and tolerances which do not increase or decrease the square feet area of the Residential Unit by more than 5% (excluding interior partitions) shall not be deemed a material and adverse change.

(b) Sponsor has procured financing for the substantial renovation and construction of the Building from Morgan Stanley Mortgage Capital Inc. ("Construction Lender"). Sponsor will receive advances each month from Construction Lender provided Sponsor complies with the provisions of the construction loan regarding its responsibilities to use the funds advanced in the agreed manner and generally proceeds with the construction as agreed to in the loan documents. Pursuant to the terms of the construction loan documents, Sponsor must meet certain minimum release prices prior to Construction Lender's release of its lien against the Residential Unit. The construction loan documents do not require a specific minimum number of Purchase Agreements to be entered into prior to declaring the Plan effective.

(c) The offering by Sponsor under the Plan is contingent upon the Plan being declared effective and the First Closing shall not occur until the Plan has been declared effective. The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective (see the Section of the Plan entitled "Effective Date" for details).

(d) Sponsor will perform such work and supply such materials, or will cause the same to be performed and supplied, as is necessary in order to complete the Building with a quality of construction comparable to the currently prevailing local standards and substantially in accordance with the Plans and Specifications for the construction work filed with the Buildings Department and other appropriate governmental authorities.

(e) Based upon its current construction schedule, Sponsor presently contemplates that, unless delayed by Force Majeure, the construction of the Building will be sufficiently completed to permit Closings of Residential Units to begin on or about January 1, 2008. Purchasers should note, however, that: (i) the Residential Units will be completed at different times over a period that may likely extend significantly beyond such date, and (ii) Residential Units or higher floors generally close title later than Residential Units on lower floors. Purchasers will not be excused from paying their full Purchase Prices (without credit or set-off), and will have no claim against Sponsor for damages or losses, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to the Units is delayed or postponed by Sponsor. Notwithstanding the foregoing, if the First Closing does not occur within 12 months after the date set forth in the Schedule B as the commencement date for the First Year of Condominium Operation, as such date may be extended from time to time by amendment to the Plan, Sponsor will offer all Purchasers (provided such Purchaser is not in default) a right for 15 days, to rescind their Purchase Agreement and receive a refund of the Deposit together with any interest earned thereon, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras. In the event the

actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest projected budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

(f) Sponsor is obligated to bear all costs and expenses incurred in connection with completing construction of the Building substantially in accordance with the Plans and Specifications. During the course of construction, Sponsor reserves the right, in its sole and absolute discretion, without prior notice to Purchasers or amendment to the Plan to (i) amend from time to time the Plans and Specifications (including changes in layouts and designs in accordance with the Section of the Plan entitled "Changes in Prices and Units"; and/or (ii) substitute materials, appliances, equipment and fixtures that are of substantially equal or better quality in place of those described in the Plan and the Plans and Specifications. Notwithstanding the foregoing, no such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Residential Unit, will be made with respect to such Unsold Residential Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default which increases or decreases the square foot area (excluding interior partitions) or Common Interest by more than 5%, or materially changes the unit size, layout or percentage of Common Interest of such Unsold Residential Unit, unless the Purchaser consents to such changes. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing the Residential Unit and will not have any claim against Sponsor as a result of any such change and will not affect a Purchaser's obligations under the Purchase Agreement or the Plan. If Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Sponsor's sole obligation shall be to refund to Purchaser the Deposit made under the Purchase Agreement and any interest earned thereon, except for funds expended by or reimbursed to Sponsor for upgrades or extras.

(g) At the First Closing, Sponsor will deliver, assign, or otherwise grant to the Condominium Board, on behalf of all Unit Owners, the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors, suppliers, or others in connection with the substantial renovation and equipping of the Building, except that warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in any Unit shall be assigned to the Purchaser on the Closing Date, including the warranties and undertakings received by Sponsor which relate to appliances, equipment, or fixtures located in the Units and the Common Elements. Sponsor makes no representation as to which, if any, of the warranties and other undertakings will continue to remain in force upon the Closing of any particular Unit. Sponsor shall have no liability or responsibility in the event a warrantor is unable, unwilling or for any reason, fails to perform under its warranty.

(h) Prior to the First Closing, Sponsor will cause a Temporary Certificate of Occupancy to be issued for the Unit to be closed and will attempt to obtain a Permanent Certificate of Occupancy within 2 years after the First Closing, subject, however, to Force Majeure, actions by Unit Owners or tenants of Unit Owners, or any other cause over which Sponsor has no control, but in any event, before the expiration of applicable Temporary Certificate of Occupancy, as the same may be renewed, replaced or extended. Sponsor makes no representation or guarantee that the Buildings Department will issue a Permanent Certificate of Occupancy within 2 years after issuance of the first Temporary Certificate of Occupancy. Sponsor will, at its sole cost and expense, do and perform all work, and will supply for the Building all materials that shall be necessary in order to cause the Temporary Certificate of Occupancy to be continuously renewed and to obtain a Permanent Certificate of Occupancy. Sponsor shall not be

responsible for any costs or liabilities suffered by Unit Owners on account of delays in obtaining the Permanent Certificate of Occupancy due to (i) work undertaken in a Residential Unit by a Residential Unit Owner or (ii) work undertaken in Common Elements by the Condominium Board after Sponsor no longer controls the Condominium Board, except in instances where Sponsor has given its consent to a Unit Owner to perform alterations in such Unit Owner's Unit.

(i) If Sponsor fails to obtain a Permanent Certificate of Occupancy for the Building prior to the First Closing, Sponsor will be obligated to: (i) direct the Escrow Agent to hold and maintain those monies received pursuant to all Purchase Agreements (see the Section of the Plan entitled "Escrow and Trust Fund Requirements") which would otherwise be payable to Sponsor in the special trust account required by the General Business Law of the State of New York, Sections 352-e(2)(b) and 352(h), provided, however, that if Sponsor's Architect certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete the work needed to obtain a Permanent Certificate of Occupancy, then the amount exceeding the sum so certified by Sponsor's Architect shall be released from the special escrow account to Sponsor; or (ii) Sponsor shall deposit with Escrow Agent cash or an unconditional, irrevocable letter of credit or post a surety bond in an amount Sponsor's Architect, from time to time, certifies is reasonably necessary to complete the work needed to obtain the Permanent Certificate of Occupancy.

(j) Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. It is anticipated that during the first 5 years of Condominium operation, construction workers and related personnel will be at the Building from time to time, completing construction of the Building, making adjustments and corrections and performing various tasks relating to the completion of construction. During this period various building systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may require substantial time after any Closing to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require substantial time after the First Closing to be completed. In addition, the presence of hoists or construction elevator shafts or similar temporary construction facilities, may delay the Closing of Title to certain Residential Units or lines of Residential Units until such hoists, elevators or temporary facilities are no longer needed and are removed. A Purchaser who closes title to his or her Unit during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibration, fumes, odors, dust, debris and other temporary interruption of services may affect Purchaser's enjoyment of the Unit during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser whatsoever or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the Building. Furthermore, Sponsor makes no representation or warranty (express or implied) that any noise, odors, fumes or vibrations, if any, emanating from mechanical equipment belonging to the Condominium or the Non-Residential Unit will not disturb occupants of the Residential Units, and Sponsor shall have no liability whatsoever for any such disturbance to any Unit Owner or occupant.

(k) Sponsor has no obligation to repair or improve the Units, the Common Elements or the Facilities used in connection with the operation of the Building except as otherwise expressly provided in the Plan. Sponsor agrees to complete substantial renovation and to cause all mechanic's liens with respect to the (substantial renovation) of the Building to be promptly discharged or bonded or to deliver any and all requested documents to the title company necessary to insure title to the Unit, if such mechanics lien creates a defect in title (all subject to Sponsor's rights to abandon the Plan).

(l) Each Residential Unit and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan, at the time of transfer of title to such Unit unless Sponsor and

the Purchaser otherwise agree in writing. With respect to Residential Units, upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Residential Unit within 7 days prior to the Closing Date and shall execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Residential Unit in good condition and in accordance with the terms of the Plan. However, if Purchaser finds that Sponsor's improvements as described in the Plan or in the Purchase Agreement or other writing duly executed and delivered by Sponsor, have not been fully completed, although such improvements have been substantially completed, then Sponsor or its designated representative and Purchaser will at the time of such execution agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed by Sponsor following the Closing without provision for escrow. Sponsor's obligation thereunder shall survive delivery of the deed to the Purchaser. The failure of Sponsor to complete such work shall not be grounds for Purchaser to delay the Closing or to unilaterally refuse to pay the full Balance of the Purchase Price at Closing. Purchasers shall be obligated to provide Sponsor and its contractors, subcontractors agents and employees, unfettered access to the Unit and any Residential Limited Common Elements appurtenant thereto and Ancillary Amenities after Closing in order to complete the work on the Inspection Statement, failing which Sponsor shall be relieved of its obligations to complete the work set forth on the Inspection Statement.

(m) Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") does not apply to this offering as the Building comprises more than 5 stories. Sponsor makes no other warranties, express or implied, in connection with this offering of the Units and all such warranties are excluded, except as provided in the limited warranty ("Limited Warranty") set forth in this Section. Sponsor will correct, repair, or replace any and all defects relating to substantial renovation of the Building, Common Elements or the Units or in the installation or operation of any appliances, fixtures, or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

(1) such defects are due to substantially improper workmanship or construction practices or the use of materials that are substantially and materially at variance with the Plans and Specifications for the same; and

(2) Sponsor is notified by the Condominium Board or the affected Unit Owner, as the case may be, of the same in accordance with the following, which notice shall be by certified mail, return receipt requested:

(i) with respect to any latent defect (that is, a defect that is not visually ascertainable) in the construction of a Unit, within 1 year of the earlier to occur of the (a) the Closing of Title to the Unit or (b) the commencement date of any agreement by which a Purchaser is permitted to occupy the Unit prior to Closing;

(ii) with respect to any patent defect in the construction of a Unit within 6 months of the earlier to occur of the (a) the Closing of Title to the Unit, or (b) the commencement date of any agreement by which a Purchaser is permitted to occupy the Unit prior to Closing, provided, in each instance such patent defect is not caused by the Unit Owner or other occupant of the Unit;

(iii) with respect to any defects (patent or latent) in the construction of the Common Elements, within 1 year from the date of substantial completion of the portion of the Common Elements claimed to be defective. The issuance of a certification from a registered architect or licensed engineer shall be presumptive evidence that the construction of the Common Elements has been substantially completed.

The method of correcting any defect will be selected by Sponsor in its sole discretion. The quality of construction as to any such correction will be comparable to local standards customary in the particular trade or trades involved and will be in accordance with the Plans and Specifications.

Sponsor will be conclusively considered to have discharged any obligation that it may have with respect to any defects, whether patent or latent, if:

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

b. The Condominium Board and/or Managing Agent and/or the Unit Owner fails to allow prompt access to the Unit in question by Sponsor or Sponsor's contractors; or

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

(3) This Limited Warranty is only available to the first Purchaser of the Unit and Sponsor shall have no liability to any subsequent Purchaser with respect to any claimed defects relating to the construction of the Units, the Common Elements or the Building.

Notwithstanding the foregoing, Sponsor is obligated to construct the Condominium in accordance with the terms of the Plan and in compliance with Law.

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

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

(ii) resulting from normal wear and tear, natural deterioration, normal settling (including, cracks in crown molding) , deflection, expansion or shifting of the Building;

(iii) resulting from Purchaser's renovations and/or alterations to a Unit or its appurtenant Residential Limited Common Elements or Ancillary Amenities; or

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

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

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

c. door or window sticking due to weather, door warpage (including warpage of the main entrance door or Terrace door to a Unit within reasonable tolerances of doors of

similar size, weight and quality), adjustment of bi-fold doors, and air and water infiltration from windows or Terrace doors in excess of industry standards;

d. variations in tone or color of interior and exterior natural stone (including the limestone used on the exterior façade of the Building) or variations in tone or color of vanity tops or other natural stone surfaces, slight scratches in plastic laminate, glass, metal, vitreous china, natural stone, wood, stainless steel, or porcelain surfaces, discoloration to hardware and plumbing finishes, cracked bath tile grouting, variation in grouting thickness, and misalignment of bathroom finishes;

e. variations in wood floor stains and finishes, if performed by Sponsor, caused by normal foot traffic during construction and sales periods;

f. noise, vibrations or odors from normal plumbing, heating, air-conditioning, ventilating, and elevator operation, and floor noises and creaking;

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

h. normal wear, including chips, to passenger elevator cabs, cab doors, elevator door frames, cab panels, Unit doors and Unit door frames; and

i. pertaining to television, radio, internet or other telecommunication reception;

Notwithstanding the foregoing, Sponsor will be obligated to repair abnormal scratches in plastic laminate, vitreous china, natural stone, wood, porcelain and metallic surfaces by filing or refinishing the same not caused by the use of the Units by Unit Owners, but Sponsor will not be obligated to replace any such surfaces. Additionally, during the course of construction concrete cracks and/or chips of a material nature in the limestone on the exterior façade of the Building may be repaired by Sponsor by field patching.

THE ITEMS AND CONDITIONS DESCRIBED ABOVE IN (IV) ARE NOT DEFECTS AND MAY BE FOUND IN ANY SUBSTANTIALLY RENOVATED BUILDING. PURCHASERS WHO PURCHASE A UNIT IN THE BUILDING OR IN ANY OTHER SUBSTANTIALLY RENOVATED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR UNITS OR THE COMMON ELEMENTS. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF SUCH ITEMS AND CONDITIONS AND SHALL NOT BE LIABLE TO ANY PURCHASER OR CONDOMINIUM BOARD THEREFOR. IF PURCHASER OR CONDOMINIUM BOARD DESIRES TO CORRECT OR REPAIR ANY SUCH ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THE PURCHASER OR CONDOMINIUM BOARD WILL HAVE TO PROCEED AT ITS SOLE COST AND EXPENSE AND/OR ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO IT BY SPONSOR.

(o) NOTHING CONTAINED IN THIS SECTION WILL BE CONSTRUED SO AS TO RENDER SPONSOR LIABLE FOR MONEY DAMAGES (WHETHER BASED ON NEGLIGENCE, BREACH OF CONTRACT, BREACH OF WARRANTY, OR OTHERWISE), IT BEING INTENDED THAT SPONSOR'S SOLE OBLIGATION UNDER THE PLAN WILL BE TO REPAIR OR REPLACE ANY DEFECTIVE ITEM OF CONSTRUCTION UPON, AND SUBJECT TO, THE TERMS AND CONDITIONS SET FORTH ABOVE. ADDITIONALLY, EXCEPT AS EXPRESSLY SET FORTH ABOVE, SPONSOR WILL HAVE NO OBLIGATION TO CORRECT OR REPAIR ANY DEFECTIVE

OR OTHER CONDITIONS IN THE BUILDING (INCLUDING IN THE UNSOLD RESIDENTIAL UNITS AND THE COMMON ELEMENTS) OR IN, OR WITH RESPECT TO, ITS INSTALLATIONS, APPARATUSES, FIXTURES, FINISHES, MATERIALS, AND APPURTENANCES. ASIDE FROM ANY SPONSOR WARRANTIES AND UNDERTAKINGS WITH RESPECT TO THE CONSTRUCTION AND COMPLETION OF THE BUILDING CONTAINED IN THIS SECTION, NO OTHER WARRANTIES OR UNDERTAKINGS SHALL BE IMPLIED. HOWEVER, NO SUCH DISCLAIMER OR LIMITATION OF LIABILITY ON SPONSOR'S PART SHALL APPLY TO SPONSOR'S OBLIGATIONS UNDER ALL APPLICABLE STATUES, LAWS AND REGULATIONS.

(p) Except for those warranties or guarantees provided to Sponsor by contractors, manufacturers or suppliers, which Sponsor will assign to the Condominium Board and/or Unit Owners, as necessary, Sponsor does not make any warranty of any kind, express or implied, and Sponsor hereby discloses any and all warranties, including but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the construction of the Units and the Common Elements and with respect to the personal property located within the Units, the Common Elements, and the Unit Owners assume all risk and liability from the use of this property.

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

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

(s) Sponsor will pay or cause to be paid all contractors, subcontractors and materialpersons and all others involved in the substantial renovation and equipping of the Building in accordance with the New York Lien Law, for work performed and fixtures, material and equipment supplied or installed during Sponsor's construction thereof and will cause any and all mechanics' liens arising out of such construction and equipping, if any, to be discharged by bonding, or otherwise, promptly after the filing of any such liens, unless the title company is willing to insure title over such liens at no additional cost to Purchaser.

(t) No Closing of a Unit will occur prior to the issuance of a Temporary Certificate of Occupancy for the particular Unit. Sponsor will perform any work and/or supply any material necessary to obtain a Permanent Certificate of Occupancy.

(u) Sponsor shall be obligated to defend any suits or proceedings arising out of Sponsor's acts or omissions and shall be obligated to indemnify the Condominium Board and Unit Owners against any such action or proceeding.

(v) Following the issuance of a Permanent Certificate of Occupancy, Sponsor will deliver to the Condominium Board copies of all of the mechanical, electrical and plumbing drawings for the Building.

(w) In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans are an accurate copy of portions of the Plans and Specifications of the Building as filed with and approved by the municipal or other governmental authority having jurisdiction over the issuance of permits for the construction of the Building and, in addition, such architect or professional engineer shall make periodic inspections at various stages of construction to determine that the Building is built in accordance with the Plans and Specifications.

(x) Sponsor will pay all Common Charges (once Common Charges have been assessed by the Condominium Board), special assessments and real estate taxes allocated to any Unsold Residential Units in accordance with the provisions of the By-Laws. Sponsor expects to have the financial resources to meet the aforesaid obligations and to fund same from income from projected sales, the rental or leasing of Unsold Residential Units and Sponsor's other financial resources. No bond or other security will be posted by Sponsor with respect to this obligation.

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

(z) Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection, by prospective Purchasers and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of 6 years from the date of the recording of the Declaration. In addition, a set of Floor Plans showing the layout, location and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

(aa) Sponsor will deliver to the Condominium Board copies of all books of account and records pertaining to the Building' operation which are in Sponsor's possession.

(bb) In the event of the dissolution or liquidation of Sponsor or the transfer by Sponsor of 10 or more Residential Units or 20% or more of the total number of Residential Units in the Condominium, whichever is less, to a single Purchaser, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all obligations of Sponsor for those Residential Units under the Plan and Laws.

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

under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

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

(ee) Sponsor intends, in good faith, to sell rather than rent Residential Units. However, under the Plan, Sponsor has reserved the unconditional right to rent Residential Units rather than sell Residential Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Residential Units, Sponsor is not committed to sell more Residential Units than the 15% necessary to declare the Plan effective and, therefore, owner-occupants may never gain effective control and management of the Condominium.

(ff) Sponsor intends to offer Unsold Residential Units for sale both to Purchasers for personal occupancy as well as to those who are purchasing for investment or resale. Purchasers for investment or resale may, in turn, rent such Units and accordingly, such Units will not be used for the personal occupancy of the owner thereof. As a result, some and possibly many Units may be occupied by renters instead of Unit Owners. Since the Condominium Board does not have the right to approve or disapprove potential purchasers of Units, the Condominium Board is unable to limit the number of purchasers who purchase Units for investment or resale rather than for personal occupancy and there may always be a substantial percentage of Unit Owners who are not occupants. It is possible that those Unit Owners who occupy their Units may have different interests than those Unit Owners who purchased such Units as an investment.

(gg) At the First Closing, Sponsor will transfer the Lobby Unit to the Condominium Board, on behalf of all Unit Owners. All transfer taxes and recording fees imposed in connection therewith shall be paid by the Sponsor.

(hh) All representations under the Plan, all obligations pursuant to the General Business Law Section 352-e, and such additional obligations under the Plan which are to be performed subsequent to the Closing Date shall survive delivery of the deed.

Obligations of Sponsor under the Plan with respect to the Building shall be enforceable by the Condominium Board on behalf of all Unit Owners. Obligations of Sponsor shall be enforceable by individual Unit Owners if either (i) the Condominium Board fails to take reasonable action to enforce such obligations within 120 days following the giving of notice of such claim by any Unit Owner to the Condominium Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Condominium Board will expire during the aforesaid 120-day period.

Obligations of Sponsor under the Plan shall inure solely to the benefit of Purchasers of Units directly from Sponsor and shall not inure to the benefit of any Purchaser or tenant upon the resale, assignment or subletting of a Unit.

Except as set forth above or as required by Law, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to

perform. No representation can be made that it will be financially able to perform any or all of such obligations. Unless expressly provided to the contrary herein, the obligations of Sponsor under the Plan shall survive the delivery of the respective deeds to the Units to Purchasers.

In the event Sponsor is unable to perform its material obligations under the Plan, all sales will cease, Sponsor will promptly submit an amendment to the Plan setting forth its inability to perform such material obligations under the Plan, and will offer all Purchasers the right to rescind their Purchase Agreements within 15 days after the Presentation Date of the amendment. Any Purchaser electing rescission pursuant to the offer will have their Deposit and any interest accrued thereon returned, except for funds expended by, or reimbursed to, Sponsor for upgrades or extras.

The foregoing sets forth the entire obligations of Sponsor hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their respective Purchase Agreements. Sponsor makes no representations or warranties other than as set forth in the Plan.

The terms of the Plan will govern in the event of a conflict between the Plan and any other document or advertisement used in connection with the Plan.

Use of Unsold Residential Units

Sponsor reserves the right, without prior notice or amendment to the Plan, to use any Unsold Residential Units as sales, rental offices and model units and in any other manner in compliance with Law. In the event Sponsor thereafter elects to sell any such Unsold Residential Unit, Sponsor may require Purchaser to purchase all or any of the furniture, furnishings, finishes, equipment or decorations (including wall coverings and carpeting) ("FFE") therein and pay, in addition to the Purchase Price for the Unit, such amounts as Sponsor may determine.

Sales Center/Model Units

In no event shall the presence of any FFE in any model unit imply or represent that any Residential Unit will contain such FFE upon delivery of the Unit to Purchaser. The presence of FFE in such Unsold Residential Unit, Sales Center or model unit and the location, size and quantity of such FFE therein are only illustrative and will not be installed by Sponsor in any Residential Unit. The layout, size and dimensions of the model rooms located in the Sales Center or model unit are only illustrative of the style and feel of the Residential Units in the Building and may not correspond to the exact layout, size or dimensions of any particular Residential Unit.

CONTROL BY SPONSOR

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor. Sponsor presently anticipates that the initial members of the Condominium Board shall be Elliott Ingerman, William Brodsky, and Drew Connor, who shall serve as President, Vice President and Secretary/Treasurer, respectively. Mr. Ingerman and Mr. Brodsky are principals of Sponsor and Mr. Connor is a consultant to Sponsor. Sponsor reserves the right to designate different individuals to serve on the initial Condominium Board in lieu of the above mentioned individuals. The initial Condominium Board shall conduct all affairs of the Condominium.

The first annual meeting of the Residential Unit Owners will be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale.

Sponsor will have voting control over the Condominium Board until the later to occur of (i) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 95% in number of all Residential Units offered for sale, or (ii) the issuance of a Permanent Certificate of Occupancy ("Initial Control Period"). Sponsor reserves the right to relinquish voting control of the Condominium Board prior to the expiration of the Initial Control Period.

Commencing with the first annual meeting, the Condominium Board shall consist of 5 individuals, 4 of whom shall be elected and/or designated in accordance with the terms of the By-Laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and 1 of whom shall be designated by the Non-Residential Unit Owner ("Non-Residential Member"). The number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

At meetings of the Residential Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. When voting for members of the Condominium Board, each Residential Unit Owner shall be entitled to cast 1 vote for each .00001% of Common Interest attributable to the Unit per Residential Member to be elected. However, at elections of members to the Condominium Board held during the Initial Control Period, Sponsor shall have the right to designate 3 of the 5 Residential Members of the Condominium Board.

So long as Sponsor shall continue to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board, and shall have the right to vote its Common Interests attributable to the Unsold Residential Units for the remaining Residential Members of the Condominium Board.

Within 30 days after the expiration of the Initial Control Period, 1 of the 3 Residential Members of the Condominium Board who were designated by Sponsor shall resign and a replacement shall be filled by a vote of the Residential Unit Owners (including Sponsor) at a special meeting called for such purpose. After the Initial Control Period, a majority of the Residential Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principals.

The number of members of the Condominium Board may not be increased or decreased without the consent of Sponsor for so long as Sponsor continues to own at least 1 Unsold Residential Unit.

During the Initial Control Period, Sponsor will through its control of the Condominium Board have control of the maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners.

So long as Sponsor continues to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessments for the creation of, addition to, or replacement of or addition to all or part of a working capital, reserve, contingency or surplus fund; (c) increase or decrease the number, or change the kind of employees from those described in the First Year's Budget; (d) enter into any service or maintenance contract for work or otherwise contract for work or services in excess of those described in the First Year's Budget, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that (x) Sponsor may diminish or eliminate any services, facilities or line items as set forth in Schedule B; and (y) Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

CONDOMINIUM BOARD

The affairs of the Condominium shall be governed by the Condominium Board. The term of office of the members of the Condominium Board shall be for 1 year or until their successors are elected. Members of the Condominium Board shall serve without compensation. Any member of the Condominium Board may resign membership at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Condominium Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein. (See the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" for details.)

A Residential Member of the Condominium Board may be removed with or without cause by an affirmative vote of a majority of Residential Unit Owners who are present at a meeting containing a quorum of Residential Unit Owners, provided, however, that any Residential Member designated by Sponsor may only be removed and replaced by Sponsor, and further provided, however, that the Non-Residential Member of the Condominium Board may only be removed by the Non-Residential Unit Owner, who alone shall have the right to designate a replacement. After the Initial Control Period, there is no requirement in the By-Laws that a majority of the Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principals. No member of the Condominium Board shall continue to serve on the Condominium Board if, during the term of office, such member shall cease to be a Unit Owner or an interested party as described in the By-Laws; provided, however, that these provisions respecting Unit Ownership and occupancy, and Condominium Board membership, shall not apply to members of the Condominium Board designated by Sponsor and/or the Non-Residential Unit Owner.

A successor officer may be elected at any regular Condominium Board meeting or at any special Condominium Board meeting called for such purpose. The President may call a special meeting whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such meeting signed by Unit Owners having in aggregate no less than 40% of the Common Interest of all Residential Unit Owners.

All officers, and members of Condominium Board and employees of the Condominium will be insured at all times from and after the First Closing under directors and officers liability insurance in favor of the Condominium. The amount and cost of the insurance has been provided for in the First Year's Budget.

To the extent permitted by Law, members of the Condominium Board will have no liability to Unit Owners except for liability for bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any member of the Condominium Board, any Unit Owner, Sponsor, or any affiliate of any of them without incurring any liability for self-dealing, except in the cases of bad faith or willful misconduct. The Condominium Board has a fiduciary duty to act in the best interests of the Condominium. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests indemnify each member of the Condominium Board against any liability or claim except those arising out of the bad faith or willful misconduct of such member of the Condominium Board.

Purchasers should refer to the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws" subsection "Amendments to Condominium Documents" for a discussion of procedures needed to amend the Condominium's By-Laws and Declaration.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sales and Leases of Units

Each Residential Unit Owner may sell or lease the Residential Unit for terms of not less nor more than 1 year provided the Residential Unit Owner ("Offering Unit Owner") first gives the Condominium Board, on behalf of all Residential Unit Owners, notice of intention to sell or lease together with any and all application forms and documentation required by the Condominium Board, and an opportunity to purchase or lease such Residential Unit at the same price or rental and on the same terms as were offered in good faith by a prospective Purchaser or lessee, as more specifically provided in the By-Laws. If the Condominium Board does not elect to purchase or lease the Residential Unit within 30 days after receipt of notice, the Offering Unit Owner will have an additional 60 days to enter into a written agreement with the prospective Purchaser or lessee, as the case may be, embodying the terms set forth in such notice. In the event such written agreement is not executed by the Offering Unit Owner within such 60 day period or such sale or lease is not consummated within an additional 60 days following the expiration of such 60 day period, the Offering Unit Owner will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, either or both of such 60 day periods. The Condominium Board may not exercise its option to purchase or lease any Residential Unit without prior approval of a majority in interest of all Residential Unit Owners. The By-laws permit the Condominium Board to (i) borrow money on behalf of the Condominium for the benefit of Residential Unit Owners, (ii) increase Common Charges assessed against all Residential Unit Owners and (iii) impose Special Assessments against all Residential Unit Owners, in the event the Condominium Board elects to exercise its right of first refusal. Purchaser should refer to Article 7 of the By-Laws for details concerning the Condominium Board's election to exercise its right of first refusal. Any such deed given by an Offering Unit Owner shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Condominium Documents, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the lease or sublet the Residential Unit or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by Law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

Any purported sale or lease of a Residential Unit in violation of this Section shall be voidable at the election of the Condominium Board. The Condominium Board may not discriminate against any person on the basis of color, race, creed, national origin, sex, age, disability, marital status or other grounds prescribed by Law.

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

A Residential Unit Owner may only sell or lease the entire Residential Unit. In addition, each conveyance of a Residential Unit by a Residential Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's undivided interest in (a) the Common Elements, (b) the Residential Common Elements (with respect to Residential Units); (c) any Unit or Units acquired by the Condominium Board on

behalf of all Unit Owners, or any proceeds of the sale or lease thereof and (d) any other assets of the Condominium. No part of the Residential Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Residential Unit Owners.

A Residential Unit may not be sold or leased unless all unpaid Common Charges and liens against the Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to the sale or lease. In addition, the Condominium Board may (i) establish reasonable restrictions with respect to the sale and lease of Residential Units and (ii) implement reasonable fees in connection with the processing of sale and lease packages, which shall be payable by the Offering Residential Unit Owner.

The restrictions upon the sale and lease of Residential Units shall not apply to Sponsor with respect to any Unsold Residential Units, or to Residential Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, and they shall be free to sell or lease without first offering to sell or lease to the Condominium Board and without payment of any fees.

The Non-Residential Unit Owner is free to sell or lease all or any portion of the Non-Residential Unit without first notifying or obtaining the approval of the Condominium Board and without payment of any fee or charge to the Condominium Board.

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

Sales of Ancillary Amenities

To protect the security of the Building, Ancillary Amenities may not be owned independently of the ownership of a Residential Unit and may be sold (or its Ancillary Amenity License assigned) only to another Residential Unit Owner or Purchaser who is simultaneously purchasing a Residential Unit. These restrictions shall not apply to Sponsor, who may sell, assign, transfer or lease any Ancillary Amenities to any party in its sole discretion. Each Residential Unit Owner will be required to maintain insurance for the Ancillary Amenity in amounts sufficient to cover the property located therein. If the Condominium Board terminates an Ancillary Amenity License or a Residential Unit Owner surrenders an Ancillary Amenity License without assigning the Ancillary Amenity License to another Residential Unit Owner, the Condominium Board shall have the right to issue a new Ancillary Amenity License to another Residential Unit Owner, in its sole discretion.

Upon the issuance of a Ancillary Amenity License to a Residential Unit Owner (by assignment or otherwise), such Ancillary Amenity License shall be freely assignable without the consent of the Condominium Board provided written notification of such assignment is delivered to the Condominium Board. Neither Sponsor nor the Condominium Board shall have any obligations or liabilities with respect to private assignments between Unit Owners. The restrictions upon the assignment of Ancillary Amenities shall not apply to Sponsor, who may assign Ancillary Amenity Licenses without the consent of the Condominium Board or Unit Owners.

Use of Residential Units and Common Elements and Ancillary Amenities

As set forth in the By-Laws, Residential Units may be used for residential purposes and "Permitted Home Occupations," as set forth below. A Residential Unit may not be utilized for any "dormitory," "bed and breakfast" or other transient hotel-type use. Permitted Home Occupations are accessory to residential use, do not comprise more than 25% of the square footage area of the Unit, and are conducted by the residential occupants of the Unit and, in certain cases, by one non-occupant employee. The By-Laws may

not be amended to add to the list of Permitted Home Occupations, to delete a Permitted Home Occupation or to change the conditions under which such Permitted Home Occupations may be conducted ("Use Restrictions") for so long as the Reciprocal Easement Agreement is in effect, unless required by law or unless reasonable prior notice is provided to affected Unit Owners and the owners of Unit 2C and PHC of 137 Reade Street Condominiums. Provided and for so long as the Condominium Board imposes upon and uniformly enforces the Permitted Home Occupations and Use Restrictions against Artisan Lofts Condominium Unit Owners, the Permitted Home Occupations and Use Restrictions shall also apply to the unit owners of Units 2C and PHC of 137 Reade Street Condominiums, the 2 Units which are located on the second through fifth floors of 143 Reade Street above the Lobby.

Permitted Home Occupations consist of the following:

Psychiatrists and other mental health professionals who treat no more than 2 people at any one time,

Fine art studio,

Teaching (other than musical instruction): no more than 2 pupils simultaneously,

Teaching music: no more than 1 pupil at a time,

Lawyer's office,

Accountant's office,

Architect's office,

Computer work such as web design, graphic design, programming, etc.,

Writer, editor

Permitted Home Occupations must be conducted in accordance with the Residential Rules and Regulations and the following Use Restrictions: (a) in the event a Residential Unit Owner or Permitted User employs an individual in connection with a Permitted Home Occupation, such Unit Owner or Permitted User shall provide the name of such employee to the Managing Agent; (b) there shall be no authorized entry into the Building of persons for business-related purposes, including but not limited to messengers, customers and clients ("Business Invitees"), unless such entry is monitored by the Unit Owner or Permitted User; and (c) Residential Unit Owners, their Permitted Users and their Business Invitees, if any, may not utilize the Lobby, mailboxes, package room, doormen or concierges for business purposes, and no Business Invitee shall be permitted to wait in the Lobby.

A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments) may only be occupied by such individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, a member of such limited liability company, the fiduciary or beneficiary of such fiduciary, a principal or employee or such other entity, respectively, or by Family Members and guests of any of the foregoing.

A Storage Locker may be used for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item or any item which would impose a health or safety threat or create a nuisance, be stored therein. Sponsor shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of such unassigned Storage Locker subject to the provisions of the By-Laws. Except for Sponsor, no Storage Locker may be owned independently of a Residential Unit.

A Private Roof Terrace may be used for passive recreational use by the licensee of such Private Roof Terrace, and shall be subject to such rules and regulations as may be promulgated by the Condominium Board, from time to time, including restrictions on the hours of access and use.

All or any portion of the Non-Residential Unit may be used for any purpose permitted by Law, subject however to the provisions of the By-Laws.

Notwithstanding the foregoing, Sponsor may, without the permission of the Condominium Board: (a) retain ownership of one or more Unsold Residential Units for use as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or the Non-Residential Unit, or for any other purpose, subject only to compliance with Law; and (b) lease any Unsold Residential Unit.

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

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Building. All Laws shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

No awnings, air conditioning equipment or ventilators shall be installed or modified in the Building by any Residential Unit Owner without prior written approval of the Condominium Board. No radio or television aerial or satellite dish or other similar device shall be erected on the roof or exterior walls of the Building or on the Property (excluding Sponsor) by Residential Unit Owners, without obtaining in each instance the written consent of the Condominium Board.

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

Each Unit Owner shall keep the 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 the Unit in accordance with the provisions of the By-Laws and Law. The Residential Rules and Regulations concerning the use of Residential Units may be amended from time to time by the Condominium Board provided that copies thereof are furnished to each Residential Unit prior to the time that they become effective (except that no amendment thereof affecting the Unsold Residential Units may be made unless agreed to by Sponsor).

Mortgage of Residential Units by Residential Unit Owners

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

As more particularly set forth in the Section entitled "Amendments to Condominium Documents," in certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration,

By-Laws or Residential Rules and Regulations. The By-Laws provide that no more than 3 Residential Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor, (ii) a bank, trust company, insurance company, real estate investment or mortgage trust or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

Common Charges: Determination and Assessment

Common Expenses, which are payable by Unit Owners and are included in their Common Charges, are allocated among Unit Owners either based on actual usage of services and facilities or in proportion to their respective Common Interest (in the case of the Non-Residential Unit) and in proportion to their respective Residential Common Interest (in the case of Residential Units). Common Expenses include, among other things, (a) all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements and the Lobby, (b) water charges and sewer rents in connection with the Building; (c) real estate taxes and assessments levied with respect to the Property (until the same are separately assessed to individual Units); and (d) amounts for certain other items as the Condominium Board may deem proper, such as amounts for reserves for capital expenditures or in connection with the purchase or lease by the Condominium Board of any Unit. The Condominium Board may impose fees on the owners of Ancillary Amenities to cover the expenses of the Condominium for maintenance and repair of the Ancillary Amenities.

The Common Interest of each Unit in the Common Elements has been allocated pursuant to the method set forth in Real Property Law Section 339-i(l) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

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

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

Common Charges: Collection and Lien for Non-Payment

Under the provisions of Section 339-z of the New York Real Property Law and the By-Laws, the Condominium Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit in proportion to the respective Common Interests. Pursuant to the provisions of Section 339-aa of the New York Real Property Law, during the Initial Control Period, Sponsor shall cause the Condominium Board to file a lien for unpaid Common Charges against any Unit owned by Sponsor in which Sponsor is more than 30 days in arrears. All such liens, however, to the extent permitted by Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until 6 years from the date of filing (unless foreclosure of such lien is started within such 6 year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing such lien. In addition, the Condominium Board may assess Unit Owners a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, and interest at the rate

of 1.5% per month of such unpaid amounts (less any "late charges" theretofore collected), plus all expenses of collection, including but not limited to reasonable attorneys' fees and costs.

No Unit Owner may become exempt from liability for Common Charges by waiving use of any of the Common Elements or by abandonment of the Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges subsequent to a permissible sale, transfer or other conveyance of the Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying the Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, become exempt from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to the Unit and such Unit being free and clear of all liens and encumbrances other than Permitted Mortgages. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unsold Residential Unit thereafter accruing, unless: (i) the aggregate Residential Common Interests appertaining to the Unsold Residential Units constitutes 15% or less of the total Residential Common Interests then appertaining to all Residential Units; (ii) at least 5 years have elapsed from the date of the First Closing; and (iii) at the time of conveyance, Sponsor shall pay the Condominium Board a sum equal to the product of the then current monthly Common Charges for the Unsold Residential Units being conveyed multiplied by 24.

On a resale of a Unit, the purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to acquisition. Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser shall be entitled to a statement from the Condominium Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor such purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement. In the event of a foreclosure by the Condominium Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. Neither (a) a Permitted Mortgagee acquiring title to a Unit at foreclosure sale nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such Permitted Mortgagee or Purchaser. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. The Condominium Board will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

Set forth in Part II of the Plan is a copy of §339-kk of the Real Property Law of the State of New York, which provides, among other things, for the ability of the Condominium to serve a notice to any tenant occupying a Unit to pay its rent directly to the Condominium if the Unit Owner has failed to pay Common Charges, assessments or late fees within 60 days after the expiration of any grace period.

Repairs to, and Maintenance of, Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, (a) in or to any Unit (other than to the Common Elements contained therein), including all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), the plumbing, appliances in the Units, the fireplace and flue, if any, and the interior side of entrance doors thereto, and the Terrace doors, shall be performed by the Unit Owner at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a General Common Expense (c) in or to the Residential Common Elements and the Lobby (with the exception of the Private Roof Terraces) shall be performed by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense; and (d) in or to the Residential Limited

Common Elements (and the Private Roof Terraces) shall be performed (i) by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense, if involving structural or extraordinary maintenance, repair or replacement, (except if necessitated by the negligent act or omission of the Unit Owner) or (ii) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating, and non-structural ordinary maintenance, repairs and replacements. For the purposes of maintenance, repairs, replacements and alterations the Private Roof Terraces shall be treated as Residential Limited Common Element, except that any and all expenses associated with such maintenance and repair shall be borne by the licensee of such Private Roof Terraces.

Any Residential Unit Owner having access to a Terrace (including a Private Roof Terrace) shall keep such Terrace free of snow, ice and accumulation of water. In order to promote a consistent appearance of the Building from the outside, no Residential Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Residential Unit in such a way that will alter the conformity of the Building, without the prior written approval of the Condominium Board. Additionally, the type, size and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior written approval of the Condominium Board and shall be in compliance with Law.

The exterior and interior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and are to be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Unit Owner thereof at the sole cost and expense of the Unit Owner (unless such breakage is caused by the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner), including the expense of an exterior hoist if the replacement window does not fit into the service elevator. Notwithstanding the foregoing, prior to the replacement of any glass window the Unit Owner must obtain the prior written approval of the Condominium Board, with respect to the type of replacement windows installed. In addition, the public areas of the Building and those residential areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building as determined by the Condominium Board in its sole discretion, by (i) the Condominium, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior surfaces of windows and window treatments in, or appurtenant to the Unit.

If any repairs or replacements to the Common Elements, whether structural or non-structural, ordinary or extraordinary, are either (x) necessitated by the negligence, misuse or abuse of a Unit Owner or such Unit Owner's agents, workers, guests, etc., or (y) required as a result of special or custom work performed in the Unit by the Unit Owner, such maintenance, repairs or replacements will be made by the Condominium Board, and any portion of the cost thereof attributable to such Unit Owner's acts or omissions shall be paid by such Unit Owner.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep the Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. (See the Section of the Plan entitled "Rights of Access" for details.)

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

Alterations, Additions and Improvements of Units and Common Elements

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

To the extent that any alterations are commenced in a Unit by a Residential Unit Owner prior to Sponsor's completion of the punchlist items, Sponsor shall be relieved of completing all such items or any other items requested by the Unit Owner.

Sponsor and the Non-Residential Unit Owner shall each have the right, without the approval of the Condominium Board, Managing Agent, other Unit Owners, or representatives of holders of Mortgages on Units to: (a) make alterations additions, improvements, or repairs in or to their respective Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of their respective Units. (See the Section of the Plan entitled "Changes in Prices and Units" for details.)

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, or its appurtenant Residential Limited Common Elements, or a Private Roof Terrace, each Residential Unit Owner is required by the By-Laws to (i) obtain the written approval of the Condominium Board, (ii) obtain the written approval of the Condominium Board of the Unit Owner's contractors and suppliers, (iii) obtain such insurance as the Condominium Board may require, (iv) agree to indemnify Sponsor, the Condominium Board, Managing Agent and the other Unit Owners against any liability arising from such alterations, additions, improvements or repairs, (v) agree to pay and reimburse the Condominium Board for all architectural, engineering, legal and other fees incurred in connection with such alterations, additions, improvements or repairs, (vi) agree to pay a fee to the Managing Agent for processing such alteration applications, and (vii) execute and enter into an alteration agreement, in form and substance prepared by the Condominium Board, setting forth the terms and conditions under which such alterations, additions, improvements or repairs, may be made, including without limitation, the days and hours during which any work may be performed. Under no circumstances shall a Residential Unit Owner be allowed to commence any work until all of the conditions set forth above have been complied with. Any failure to meet these conditions shall be a default by Residential Unit Owner under the Condominium Documents.

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, improvement or repair to be made in a Unit, unless approved and executed, if necessary, by the Condominium Board. The Condominium Board will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Condominium Board and the Residential 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, materialperson, 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, or the Non-Residential Unit provided any alteration to such Unsold Residential Unit or Non-Residential Unit shall be in accordance with, and only as permitted by, the Condominium Act and Law.

Insurance

The Condominium Board is required to obtain and maintain the forms of insurance described in the Section of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws." The Condominium Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about each Unit or the Residential Limited Common Elements or Ancillary Amenities. Consequently, all Unit Owners are strongly urged to obtain casualty insurance with respect to the fixtures, furniture, furnishings and other personal property located within their respective Units and liability insurance with respect to occurrences in or about their respective Units.

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board and any managing agent, manager, Resident Manager and other persons authorized by the Condominium Board, will have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by Law, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the occupants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Condominium Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for purposes of performing certain alterations and repairs in or about Unsold Residential Units or the Non-Residential Unit and in fulfilling Sponsor's obligations under the Plan, provided that access to any Unit may not be exercised in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes.

By-Laws and Residential Rules and Regulations

Each Unit Owner must strictly comply with the provisions of the Condominium Documents. Pursuant to Section 339(j) of the Condominium Act, failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief shall not be exclusive of other remedies provided by law. The By-Laws, together with the Residential 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.

Self-Help

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

General

All restrictions and prohibitions, set forth herein with regard to the use of a Residential Unit and its appurtenant Residential Limited Common Elements and Ancillary Amenities shall not apply to Sponsor or any principal of Sponsor owning or leasing such Residential Unit, except for the Permitted Home Occupations and Use Restrictions, set forth in the By-Laws.

Purchasers should refer to the Section of the Plan entitled "Non-Residential Unit" for a summary of additional rights and obligations of the Non-Residential Unit Owner.

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

Condominium Board

The Condominium Board shall initially consist of 3 persons designated from time to time by Sponsor (collectively, the "Members"). The Condominium Board will call the first annual meeting of the Residential Unit Owners to elect a new Condominium Board approximately 30 days after the later to occur of (i) the second anniversary of the First Closing or (ii) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 50% in number of all Residential Units offered for sale. At such meeting, the incumbent Condominium Board shall resign and, subject to the rights of Sponsor and the Non-Residential Unit Owner to designate members of the Condominium Board, the Residential Unit Owners (including Sponsor) shall elect and/or or designate a new Condominium Board consisting of 5 members. (See the subsection below entitled "Meetings and Votes of Unit Owners" and the Section of the Plan entitled "Control by Sponsor" for details.) Thereafter, at each annual meeting, members of the Condominium Board shall be elected and/or designated and shall serve until the next annual meeting thereof and until a successor has been elected and/or designated.

Except for the Members of Condominium Board designated by Sponsor and/or the Non-Residential Unit Owner, all Members of the Condominium Board must be either Residential Unit Owners or certain interested parties as described in the By-Laws. No member of the Condominium Board shall continue to serve on the Condominium Board if, during such members term of office, such member shall cease to be a Residential Unit Owner or an interested party. All Members of the Condominium Board shall serve without compensation.

Powers and Duties of and Determinations by the Condominium Board

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

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

Notwithstanding anything to the contrary contained herein, so long as Sponsor continues to own at least 25% in number of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent: (a) make any addition, alteration, or improvement to the Common Elements or to any Unit; (b) assess any Common Charges or Special Assessment for the creation of, addition to, or replacement of, all or part of a working capital, reserve, contingency, or surplus fund; (c) increase or decrease the number, or change the kind of employees from that described in the First Year's Budget; (d) enter into any service or maintenance contract for work or otherwise contract for work or services in excess of those set forth in the First Year's Budget, except as is required to reflect normal annual increases in operating services; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such action is necessary, and no alternatives is available, to enable the Condominium Board to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

Notwithstanding the preceding paragraph, Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

Meetings and Votes of Unit Owners

Annual meetings of Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At such meetings, the Residential Unit Owners shall elect the 4 Residential Members to the Condominium Board, subject to any rights of Sponsor to designate Residential Members to the Condominium Board, and there shall also be transacted such other business as may properly come before such meetings. 1 member of the Condominium Board shall be designated by the Non-Residential Unit Owner. In addition, the President may call a special meeting whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such meeting signed by Unit Owners having in aggregate not less than 40% of the Common Interest of all Residential Unit Owners. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice, which will be given at least 10 days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning more than 40% of the Residential Common Interests attributable to all Residential Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Residential Unit Owners.

At all meetings, each Unit Owner (or their proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Residential Units) shall be entitled to cast one vote for each .0001% of Common Interest attributable to the Unit.

Officers

The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Condominium Board. The Condominium Board may appoint additional officers. None of the officers of the Condominium need be Unit Owners or have any interest therein or be Condominium Board members until the first organizational meeting of the Condominium Board following the first annual meeting. Thereafter, the President and Vice President must be members of the Condominium Board. Except as otherwise provided by the Condominium Board, no officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Condominium are to be executed by any officer thereof or by such other person or persons as may be designated by the Condominium Board.

Repair or Reconstruction after Fire or Other Casualty

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

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

If 75% or more of the Building is destroyed or substantially damaged by fire or other casualty 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 the Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on the Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Condominium Board in the event of a loss amounting to $1,000,000 or less. In the event that such proceeds are in excess of $1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

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

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

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

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured or (iv) pro rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least 30 days' prior written notice to the Condominium Board and to all of the insureds, including all Unit Owners and Permitted Mortgagees who have requested the same from the Condominium Board in writing. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees, who have requested the same from the Condominium Board in writing. Renewals shall be obtained at least 10 days prior to the expiration of the then current policies.

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage

occurring upon, in or about the Property and the Lobby, in such limits as the Condominium Board may from time to time determine, covering (1) the Condominium Board, Managing Agent or agents thereof, each Condominium Board member and each officer and employee of the Condominium, and (2) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owners Unit or within the Common Elements, if any, exclusive to such Unit Owners Unit. The Condominium Board shall review such limits not less than once each year. Until the first meeting of the Condominium Board following the first annual meeting of Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

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

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation, if available, and further provided that the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Liability of the Condominium Board and Unit Owners

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

Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Condominium Board to all Unit Owners approximately 4 months after the end of each fiscal year.

Amendments to Condominium Documents

Generally, subject to certain exceptions concerning, among other things, Sponsor and the Non-Residential Unit Owner, and provided that required consents of the Mortgage Representatives, if any, are obtained, any provision of the Declaration, By-Laws or Residential Rules and Regulations affecting the (i) 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, and (ii) the Residential Common Elements or all Residential Unit Owners may be amended, modified, added to or deleted by the affirmative vote of at least 66 2/3% in number and Residential Common Interest of all Residential Unit Owners; provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

No amendment, modification, addition or deletion of the Declaration, By-Laws or Residential Rules and Regulations, other than those required by Law, shall be effective (a) against Sponsor or any Unsold Residential Unit unless Sponsor has given its written consent thereto, or (b) against the holder of any mortgage, pledge or other lien or security interest covering any Unsold Residential Unit unless such holder has given its prior written consent thereto, or (c) against the Non-Residential Unit Owner and/or the Non-Residential Unit without the prior written consent of the affected Non-Residential Unit Owner.

Notwithstanding the foregoing, no amendment, modification, addition or deletion of the Declaration, By-Laws or Residential Rules and Regulations, other than those required by Law, may be made which imposes a discriminatory charge upon the unit owners of 137 Reade Street Condominiums for use of the Lobby, Fitness Center or Recreation Room, for so long as the Reciprocal Easement Agreement is in effect.

Termination of Condominium

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

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

Residential Units Acquired by Condominium Board

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

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

Procedure to Review Real Estate Tax Assessments

The Condominium 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 Unit Owner individually seeks to have the assessed valuation of the Unit reduced by bringing a separate certiorari proceeding, the Condominium 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 Condominium Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees and costs) resulting from such proceedings.

Mechanics' Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the several Units and their respective Common Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit of a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. No labor performed on, or materials furnished to, the Common Elements shall be the basis for a lien thereon but all Common Charges received by the Condominium 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 Condominium Board or Managing Agent for the Common Elements.

Easements

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 Condominium Board. 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 their appurtenant Residential Limited Common Elements and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In addition, as set forth in Articles 10 and 11 of the Declaration, Sponsor and the Non-Residential Unit Owner have been granted certain easements with respect to the use and operation of their respective Units.

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Units and Common Elements. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes.

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.

Reciprocal Easement Agreement

The current street address of the Building is 157 Chambers Street, New York, New York. The Sponsor will change the address of the Building so that the Condominium address will be 143 Reade Street, New York, New York. To this end, Sponsor intends to create the lobby ("Lobby") and entrance ("Entrance") to the Condominium in a portion of the first floor and the first floor portion of the rear yard of the adjacent building to the north known as 143 Reade Street, New York, New York. The 143 Reade Street building is one of 4 buildings which together comprise 137 Reade Street Condominiums, a 12-Unit condominium having street addresses of 137, 139, 141 and 143 Reade Street, New York, New York.

In order to create the Lobby and Entrance, Sponsor and the current owner of the condominium unit located on the first floor of the 143 Reade Street building (the "Lobby Unit") have entered into a contract of sale pursuant to which Sponsor will purchase the Lobby Unit in which to construct the Lobby. The Lobby will incorporate certain common elements of the 137 Reade Street Condominiums consisting of the entrance to 143 Reade Street, the first floor corridor of 143 Reade Street and the rear yard of 143 Reade Street at the

first floor level (the "Easement Area") which Sponsor may utilize in the Lobby construction pursuant to the easement agreement described herein. Sponsor and the board of managers of 137 Reade Street Condominiums will execute an easement agreement ("Reciprocal Easement Agreement") to be recorded upon the closing of Sponsor's acquisition of the Lobby Unit and which will be assigned by Sponsor to the Board of Managers of the Artisan Lofts Condominium. Among other provisions, in the Reciprocal Easement Agreement, 137 Reade Street Condominiums grants the Artisan Lofts Condominium Unit Owners the right of ingress and egress to and across the Easement Area in order to access the Condominium. The Artisan Lofts Condominium grants the 137 Reade Street Condominiums unit owners the right to enter the Lobby to travel to and utilize the fitness center and recreation room located in the Condominium, and to utilize the doorman, package acceptance services and package storage room on the same terms and conditions as the unit owners of the Artisan Lofts Condominium. In addition, the Sponsor will install and the Artisan Lofts Condominium will maintain, intercom service between the 2 units of 137 Reade Street Condominiums located on the upper floors of 143 Reade Street and the doorman's station in the Lobby. The Condominium may not prevent the 137 Reade Street Condominiums unit owners from utilizing any of the above-listed amenities unless such amenity is also discontinued for Artisan Lofts Condominium Unit Owners. The Condominium may not amend its Declaration or By-laws so as to impose a discriminatory charge on the 137 Reade Street Condominiums unit owners for using the above-listed amenities, may not prevent them or their Permitted Users from using the above-listed amenities on the same terms and conditions as the Artisan Lofts Condominium Unit Owners are permitted to use those amenities, and may not prevent access to the 143 Reade Street building by the residents of that building. On or before the First Unit Closing, Sponsor will transfer the Lobby Unit to the Condominium. All of the costs and expenses relating to the repair and maintenance of the Lobby (both the Lobby Unit and the Easement Area), including the common charges imposed on the Lobby Unit by the 137 Reade Street Condominiums and real estate taxes, will be included in the Residential Common Expenses. See "Schedule B—First Year's Budget" for a description of such costs. A copy of the Reciprocal Easement Agreement is set forth in Part II of the Plan.

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

The following discussion of certain income tax consequences of the ownership of Residential Units by Purchasers who use such Residential Units as a personal residence was prepared by Sponsor based, in part, upon the income tax opinion of Olshan Grundman Frome Rosenzweig & Wolosky LLP, tax counsel to Sponsor ("Tax Counsel"), a copy of which is set forth in Part II of the Plan.

TAX COUNSEL IS COUNSEL TO SPONSOR AND NOT THE RESIDENTIAL UNIT OWNERS. EACH PURCHASER SHOULD CONSULT PURCHASER'S OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF RESIDENTIAL UNIT OWNERSHIP UNDER THE PLAN.

Income Tax Deductions to Residential Unit Owners

Each Residential Unit Owner will own fee simple title to the Residential Unit together with an undivided interest in the Common Elements. Each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. As a result, each Residential Unit Owner will be individually liable for the real estate taxes and assessments levied against the Residential Unit. Additionally, each Residential Unit Owner may mortgage the Residential Unit, and thereby become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Tax Counsel that a Residential Unit Owner who uses the Residential Unit as a personal residence will, under present Law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that deductions, if applicable, may vary in future years due to changes in the interest rate or the Residential Unit Owner's mortgage or from changes in the allocation of the constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property. Purchasers who are individuals should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire, construct or substantially improve a principal or second residence (or which constitutes a refinancing of such debt) (up to a total indebtedness of $1 million, $500,000 for married tax payers filing separately) plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of these limitations would not be deductible. In addition, Residential Unit Owners should note that special limitations may apply to the deductibility of points and prepaid interest, if any, on their mortgage loans and to the overall allowance of itemized deductions.

Tax Status of the Condominium

As discussed in the Attorney's Income Tax Opinion, the Condominium should meet the requirements for qualification as a "homeowners association," under Internal Revenue Code Section 528 and accordingly, may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Unit Owners.

If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve fund (less expenses directly connected with the production of such income).

If the Condominium does not qualify as a "homeowners association," or if it does but chooses not to make the necessary election, it will be taxable as a partnership or corporation for Federal and New York State

income tax purposes. Special Tax Counsel recommends that the Condominium file Form 8832 within 75 days of its formation so it will be taxable as a corporation for federal income tax purposes.

The qualification of an organization as a "homeowners association" is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof upon which Tax Counsel bases its opinion, will not change. In addition, none of the aforesaid give any warranties with respect to the tax consequences of the Plan or the tax consequences of ownership of any Residential Units offered under the Plan, and no one has been authorized to give any warranties.

REAL ESTATE TAXES

Prospective purchasers are advised to review Footnote (6) of "Schedule A – Purchase Prices of Units and Related Information" for details concerning real estate taxes for the First Year of Condominium Operation. The information contained therein is based on the Real Estate Tax Projection Opinion prepared by Podell, Schwartz, Schechter & Banfield LLP set forth in Part II of the Plan.

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as an entity. This overall assessment is then apportioned among the respective Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Register's Office. For purposes of Schedule A, the projected real estate taxes for the Units were apportioned based in part upon the proportion the projected selling price presented in the Plan for each Unit bears to the gross sellout price for all Units available for purchase in the Condominium and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units. There is no assurance that the City of New York tax assessor will allocate taxes among Units in proportion to selling prices. It is possible that the apportionment will be based on Common Interest percentages.

Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, apportionment or taxes among the Units and tax rates, when actually established by the City of New York, may be lesser or greater. Accordingly, these estimates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or the actual real estate taxes to be assessed. In no event will Sponsor, its principals, sales agents, Sponsor's counsel or any other person be liable if the assessed valuations, tax rates or taxes, when actually established, are lesser or greater than that predicted herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. Please refer to the Section of the Plan entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium" for more details.

In the event the Units have not been separately assessed for real estate tax purposes by the New York City Department of Finance ("Finance Department") prior to the First Closing, the obligation of the Condominium to pay real estate taxes to the Finance Department for the next ensuing tax period, ("Future Taxes") shall be secured by Sponsor delivering at the First Closing to Starr Associates LLP ("Escrow Agent"), either cash, a letter of credit or a surety bond ("Tax Security") in the amount of the Future Taxes. Escrow Agent shall hold the Tax Security in escrow for the benefit of the Condominium. At each Closing prior to the date the Units are separately assessed and billed, Purchasers will be obligated to pay to Escrow Agent an amount equal to the Unit's pro-rata share of the Future Taxes (computed by multiplying the Common Interest of the Unit by the amount of the Future Taxes) ("Unit Tax Payment"). Unit Tax Payments will not be placed in an interest-bearing account by Escrow Agent. The Future Taxes shall be paid to the Finance Department when due by Sponsor, or by Escrow Agent using the Tax Security, either at Sponsor's direction, or upon Sponsor's failure to make such payment. If Sponsor pays the Future Taxes directly, the Tax Security shall be released to Sponsor upon delivery to Escrow Agent of proof of payment from the Finance Department of the Future Taxes. If at the time the Future Taxes are paid, the amount of the Future Taxes is reduced by the Finance Department as a result of the implementation of real estate tax benefits, Escrow Agent shall make appropriate refunds to Sponsor and Purchasers who deposited Unit Tax Payments with Escrow Agent.

At such time as the Units have been separately assessed for real estate tax purposes, and real estate tax bills are issued by the New York City taxing authorities to each Unit Owner, such Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subjected to any lien arising from the non-payment of real estate taxes assessed against other Units.

The Unit Power of Attorney which each Purchaser shall be required to sign at Closing, the form of which is set forth in Part II of the Plan, authorizes the Condominium Board to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to the Residential Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate.

As of the Filing Date of the Plan, there are no tax certiorari proceedings pending for the reduction of real estate taxes with respect to the Property.

ANTICIPATED J-51 REAL ESTATE TAX ABATEMENT BENEFITS

As more fully explained in the Real Estate Tax Projection Opinion and J-51 Tax Abatement Benefits Opinion of Sponsor's Special Tax Counsel set forth in Part II of the Plan, the Residential Units of the Property are expected to qualify for partial real estate tax abatement benefits under the J-51 Abatement program. Sponsor will apply to the New York City Department of Housing Preservation and Development ("HPD") for approval of J-51 Abatement for the Residential Units. Sponsor will also request an opinion letter from HPD which shall be obtained before the Plan is declared effective. Sponsor shall not be obligated to incur any extraordinary expenses (beyond the customary expenses associated with such approvals) or commence any litigation to obtain such approval. Sponsor anticipates but does not represent or guarantee that such final approval will be obtained. If such approval is not obtained, Purchasers will have no right to rescind their Purchase Agreements even though the J-51 Abatement would not be available to the Residential Units. In connection with HPD's enforcement of the J-51 Abatement program, all prospective Purchasers are advised that HPD may conduct an audit which may result in a revocation of the J-51 Abatement if all documents required to be filed with HPD are not so filed or if the real estate taxes are not paid for one or more years.

Sponsor's Special Tax Counsel has estimated that potential J-51 Tax Abatement Benefits would commence during the second half of the 2008/2009 fiscal year (i.e. January 1, 2009), assuming HPD approval prior to March 15, 2008.

In connection with its application to HPD to obtain the J-51 Abatement for the Residential Units, Sponsor will (i) keep all records required by HPD and make such records available to HPD whenever requested by HPD to do so, (ii) in a timely fashion file all applications required to be submitted to HPD in connection with the J-51 Abatement, and (iii) otherwise comply with all procedures required by HPD to properly procure and maintain the J-51 Abatement. In addition, Sponsor will make available to the Condominium Board all J-51 Abatement documents for inspection and copying for so long as the Residential Units receive any J-51 Abatement.

Purchasers should note that increases in a property's assessed valuation resulting from changes in its market value (other than changes resulting from new construction or alteration of an existing improvement) are phased in over 5 fiscal tax years in annual increments of 20% each. Any further increase in assessed valuation during such 5 year period resulting from a still higher market value is similarly phased in over an additional 5 year period from the date of such increase. The full increased assessed valuation targeted to be in effect after the end of the 5 year period is called the "actual" assessed valuation, and the amount of the incremental assessed valuation upon which taxes are actually computed for each fiscal tax year during such 5 year period is called the "transitional" assessed valuation.

Purchasers should note that the real estate taxes that will be payable by the Residential Unit Owners for future years will vary in accordance with the amounts of the Residential Unit's assessed valuation (transitional and actual) and of the real estate tax rate. In this regard, prospective Purchasers should note that, assuming the partial abatement from real estate taxes pursuant to the J-51 Abatement is maintained, the real estate taxes payable by the Residential Unit Owners will in any event increase after the sixth year following completion of construction, when the J-51 Abatement is expected to have been fully utilized.

The New York City Department of Finance has a policy whereby J-51 Abatement Benefits apportioned to a condominium unit containing new cubic content will be reduced for that unit in the same ratio as the new cubic content in the unit bears to the total cubic content of the unit. Despite the above policy, Sponsor has been advised that, based on the past practice and policy of the Department of Finance, the Department of Finance will continue to allocate J-51 Abatement Benefits on a building wide basis (i.e. among all of the Residential Units in a building if the following conditions are met:

a) A consent in recordable form is executed by each Unit Purchaser in which such Purchaser agrees to an allocation of benefits among all Residential Units;

b) A copy of such consent is included in the Plan with reference to its requirement;

c) The Declaration of Condominium includes a reference that the consents be recorded;

d) An affidavit is submitted by legal counsel which states that the consents will be recorded after the Condominium Declaration is filed.

Since Sponsor desires that such J-51 Abatement Benefits be distributed among all of the Residential Units, all Purchasers shall be required to execute a consent in recordable form for such allocation of the J-51 Abatement benefits. The form of consent is set forth in Part II of the Plan ("Real Estate Tax Consent Form"). Sponsor intends to comply or cause compliance with the four requirements set forth above and to provide appropriate documentation thereof to the Department of Housing Preservation and Development, as required, to obtain the issuance of a Certificate of Eligibility and Reasonable Cost to obtain J-51 Abatement benefits.

Neither Sponsor, Sponsor's Attorney, Sponsor's Real Estate Tax Consultant, Selling Agent, Managing Agent, nor any other Person makes any warranty that the partial abatement from real estate taxes under the J-51 Abatement will be granted in whole or in part, or if granted, will not be later reduced or revoked, or as to the amount of the tax which will be assessed against any Residential Unit, or the amount of real estate taxes payable at any time by any Residential Unit Owner or that the Department of Finance will allocate J-51 Abatement benefits among all of the Residential Units. Purchasers should refer to the Opinion Letter of Sponsor's Real Estate Tax Consultant set forth in Part II of the Plan for further details concerning the assessed valuation of the Property and the estimated taxes to be imposed against the Property if the J-51 Abatement is not granted.

The tax projections found in Schedule A are merely estimates and cannot be construed as an assurance of the actual amount of real estate taxes that will be assessed or the actual amount of any J-51 Abatement.

WORKING CAPITAL FUND AND APPORTIONMENTS

A Purchaser of a Residential Unit shall be required to make a contribution at the Closing to the working capital fund of the Condominium ("Working Capital Fund and Apportionments") in an amount equal to 2 months month's Common Charges assessed against the Residential Unit at the time of Closing.

No provision has been made to establish a reserve fund for capital replacements or repairs, because the Building, upon completion of substantial renovation to be performed by Sponsor will be entirely new construction. While Sponsor does not anticipate the imminent need for such capital replacements, repairs or improvements, no assurance or guaranty is given that such needs will not arise in the future. Therefore, Unit Owners will be obligated to pay their share of the cost of repair, replacements and improvements to the Common Elements as the need for such arises, unless there are sufficient Working Capital Funds or other funds available. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by special assessment or by increases in Common Charges.

At or subsequent to the First Closing, Sponsor will apportion with the Condominium the following items as of midnight of the day preceding the First Closing, to the extent applicable:

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

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

(3) charges for electricity and other utilities for the Common Elements.

(4) cost of fuel on hand (plus sales tax), if any.

(5) charges and receipts in connection with service, maintenance and concession contracts.

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

(7) cost of building supplies on hand at Sponsor's cost (including sales tax).

(8) premiums for transferable insurance policies, if any.

(9) janitorial service fees, if any.

(10) management fees.

(11) building supplies (including, but not limited, to uniforms, cleaning supplies, carts, luggage).

(12) common charges and real estate taxes with respect to the Lobby Unit.

(13) other customary closing adjustments.

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

If the result of the Closing adjustments is a net credit in favor of the Condominium, Sponsor will contribute the amount of such net credit to the Work Capital Fund. If the result of the Closing adjustments is a net credit in favor of Sponsor, the payment of any net credit shall be evidenced by an unsecured, negotiable promissory note, without interest, to be executed by the Condominium Board and delivered to Sponsor at or as of the First Closing to be repaid on the first anniversary of the First Closing.

The Working Capital Fund will be used for working capital, a reserve for repairs or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges. While Sponsor controls the Condominium Board, the Working Capital Fund will not be used to reduce Common Charges. (See the Section of the Plan entitled "Control By Sponsor" for details.)

The Condominium Board will be able to utilize the funds in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Residential Units. In addition, within 3 months following the end of the Initial Control Period, Sponsor shall deliver to the Condominium Board a statement from an officer of Sponsor, certifying in reasonable detail as to any changes in the amount of the Working Capital Fund which have occurred since the First Closing.

No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, including repairs, replacements or major improvements, for the first or any subsequent year of Condominium operation. If additional funds are required over and above the Working Capital Fund to cover expenses of the Building operation, it may be necessary to increase Common Charges or make special assessments. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

RESERVE FUND

No provision has been made to establish a reserve fund for capital replacements or repairs, because the Building, upon completion of substantial renovation to be performed by Sponsor will contain virtually all new systems. While Sponsor does not anticipate the imminent need for capital repairs, replacements and/or improvements, no warranty or guaranty is given that such needs will not arise in the future. Therefore, Unit Owners will be obligated to pay their share of the cost of repairs, replacements and/or improvements to the Common Elements as the need for such arises, unless there are sufficient Working Capital Funds or other funds available. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by special assessment or by increases in Common Charges.

MANAGEMENT AGREEMENT

At the First Closing, Sponsor will assign, and the Condominium Board will assume, the Management Agreement for the Condominium between Sponsor and Penmark Realty Corporation ("Managing Agent"), having an office at 820 Second Avenue, 4th Floor, New York, New York 10017 ("Management Agreement"). Sponsor may, in the alternative, have the Condominium Board enter into the Management Agreement directly with Managing Agent.

The Management Agreement will provide for an initial term of 1 year commencing on the date of the First Closing ("Commencement Date"). Thereafter, the Management Agreement will be automatically renewed from year to year, but may be cancelled by either party without cause, upon not less than 60 day's prior written notice.

Managing Agent will receive an annual fee, payable in equal monthly installments during the term of the Management Agreement as follows: $36,000 per annum. The management fee is comparable to the rate for similar services in comparable Building. In addition, for services rendered to Residential Unit Owners (other than Sponsor), in connection with processing applications to (i) sell, lease or otherwise transfer Residential Units and obtaining necessary waivers of the right of first refusal by the Condominium Board, (ii) mortgage or refinance of an existing mortgage on a Residential Unit and (iii) alter or renovate a Residential Unit, Managing Agent shall receive a fee from the Residential Unit Owner in such amounts as shall be determined, time to time, by the Condominium Board.

The management fee is comparable to the fee for similar services in comparable Building.

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

(1) billing and collecting Common Charges.

(2) causing the Common Elements and Lobby to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board.

(3) contracting for necessary services and repairs and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements.

(4) checking all bills received in connection with the maintenance and operation of the Common Elements and causing all such bills and other expenses to be paid.

(5) supervising, hiring, discharging and paying employees necessary for the proper maintenance and operation of the Building.

(6) rendering monthly statements of receipts and disbursements to Sponsor or other designated entity, upon request.

(7) maintaining payroll records and filing withholding tax statements for employees.

(8) maintaining accurate sets of books for the Condominium Board.

(9) cooperating with the Condominium Board's accountants in preparing and submitting annually to the Condominium Board an operating budget of the anticipated income and expenses for the ensuing year.

(10) attending meetings of the Condominium Board and Unit Owners, and preparing agendas and sending notices relating to such meetings.

(11) causing to be obtained and maintained insurance for the Condominium in amounts deemed advisable by the Condominium Board.

(12) processing applications of Unit Owners for permission to alter the Residential Units.

(13) processing applications for waivers of the right of first refusal.

(14) generally, doing all things deemed reasonably necessary or desirable by the Condominium Board for the proper management of the Building.

Managing Agent, at the expense of the Condominium, will be insured during the term of the Management Agreement under a crime insurance policy in favor of the Condominium for any loss resulting from fraudulent or dishonest acts committed by Managing Agent, its directors, officers or employees.

The Management Agreement provides that the Condominium Board shall indemnify Managing Agent with respect to claims in connection with Managing Agent's carrying out the provisions of the Management Agreement or acting under the express or implied directions of the Condominium Board, unless arising from the gross negligence, bad faith or willful misconduct of Managing Agent in carrying out its duties.

Sponsor reserves the right during the Initial Control Period to designate any other reputable managing agent to perform all of the duties and services to be performed by Managing Agent under the Plan and if Sponsor does so, Sponsor will cause such other managing agent to accept employment on terms substantially similar to the terms specified above. The Management Agreement may not be assigned by Managing Agent without the prior written consent of the Condominium Board. The Condominium Board may not assign the Management Agreement.

There are presently no contracts or leases binding on the Condominium.

IDENTITY OF PARTIES

Sponsor

Artisan Lofts Development Owner LLC is a limited liability company organized under the laws of the State of Delaware, with an office c/o Tribeca Associates LLC, 321 Greenwich Street, New York, New York 10013 ("Sponsor"). The Secretary of State has been designated to receive service of process for Sponsor.

The principals of Sponsor who will be actively involved in this offering are Elliott Ingerman and William Brodsky. Mr. Ingerman and Mr. Brodsky have been involved in leasing and developing residential and commercial properties in New York and other states for approximately 18 years.

Prior Offerings

Neither Sponsor nor any of the principals of Sponsor have taken part in any prior public offerings of cooperatives or condominiums. Mr. Ingerman and Mr. Brodsky are also principals of the Sponsor of the proposed condominium development of the property located at 85 West Broadway, New York, New York. The offering plan for that property has not yet been accepted for filing by the Department of Law.

There have been no prior felony convictions of Sponsor, or any principals of Sponsor and no prior convictions, injunctions and judgments against Sponsor, or any principals of Sponsor that may be material to the Plan or an offering of securities generally that occurred within 15 years prior to the submission of the Plan.

Attorneys for Sponsor

Sponsor has retained the law firm of Starr Associates LLP, having an office at 245 Fifth Avenue, Suite 1102, New York, New York 10016 to represent it in connection with the Plan and to serve as Escrow Agent. Jane Rosenberg, Esq. participated in and supervised the preparation of the Plan. Starr Associates LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to the sale and closing of Residential Units.

Sponsor has retained the law firm of Olshan Grundman Frome Rosenzweig & Wolosky LLP, having an office at Park Avenue Tower, 65 East 55th Street, New York, New York 10022 to prepare the Income Tax Opinion for the Condominium and Unit Owners under the direction of Warren Gleicher, Esq.

Sponsor has retained the law firm of Podell, Schwartz, Schechter & Banfield LLP, having an office at 605 Third Avenue, New York, New York 10158, to provide the Real Estate Tax Projection Opinion and J-51 Real Estate Tax Abatement Benefits opinion set forth in Part II of the Plan.

Selling Agent

Corcoran Group Marketing, having an address at 888 Seventh Avenue, New York, New York 10106. Selling Agent is a licensed real estate broker whose principals have been engaged in the sale of real estate for many years.

There have been no prior felony convictions of Selling Agent, or any principals of Selling Agent and no prior convictions, injunctions and judgments against Selling Agent, or any principals of Selling Agent that may be material to the Plan or an offering of securities generally that occurred within 15 years prior to the submission of the Plan.

Managing Agent

Managing Agent for the Condominium will be Penmark Realty Corporation, having an office at 820 Second Avenue, 4th Floor, New York, New York 10017. Managing Agent is a licensed real estate brokerage and management firm, which has been engaged in the management of residential real estate for over 100 years. It currently provides property management services for many residential cooperatives and condominiums.

There have been no prior felony convictions of Managing Agent, or any principals of Managing Agent, and no prior convictions, injunctions and judgments against Managing Agent, or any principals of Managing Agent that may be material to the Plan or any offering of securities generally that occurred within 15 years prior to the submission of the Plan.

Construction Professionals

Sponsor has retained the following professionals in connection with the construction of the Building:

a) Architect of Record

BKSK Architects LLP, having an office at 28 West 25th Street, New York, New York 10010 is the architect of record for the Building ("Architect"). The Architect prepared the Floor Plans of Units set forth in Part II of the Plan and the Floor Plans which will be filed with the New York City Real Property Assessment Department required in order to create the Condominium. Architect has also examined the physical condition of the Building and has rendered its report thereof and a certification which is set forth in Part II of the Plan. Architect has been providing architectural services for many years and has been the architect of many Manhattan buildings including 147-153 Waverly Place, 124 Hudson Street, 116 Hudson Street, 138-142 Reade Street and The Hubert, 7 Hubert Street.

b) Structural Engineer

Eipel Barbieri Marschhausen LLP, having an office at 224 West 35th Street, New York, New York 10001, is the structural engineer for the Building ("Structural Engineer"). The Structural Engineer has been providing structural engineering services for many years and has been the structural engineer of many comparable luxury buildings.

c) Mechanical Engineer

Simon Rodkin P.C. Consulting Engineers, having an office at 214 West 29th Street, New York, New York 10001, is the mechanical engineer for the Building. The Mechanical Engineer has been providing engineering services for many years and has been the mechanical engineer for many comparable luxury buildings.

Condominium Budget Expert

Sponsor has engaged Penmark Realty Corporation, having an address at 820 Second Avenue, 4th Floor, New York, New York 10017, as Sponsor's Budget Expert. The Budget Expert estimated all amounts of income and expenses in "Schedule B - Estimated Budget for Projected First Year of Condominium Operation" in consultation with Sponsor. The Budget Expert has rendered a certification as to the adequacy of the First Year's Budget and a certification as to the adequacy of the Common Charges payable by the Non-Residential Unit Owner, which may be found in Part II of the Plan.

Title Company

Fidelity National Title Insurance Company, having an office at One Park Avenue, Suite 1402, New York, New York 10016, phone: (212) 845-3126, facsimile: (212) 742-0732 has reviewed the Plan and the Condominium Documents and has committed to insure that a valid condominium will be created pursuant to the Condominium Act and is prepared to issue fee and/or mortgage title insurance policies to those Purchasers who request them. A form of Residential Unit Owner's Specimen Title Policy, if title insurance is ordered from the Title Company is set forth in Part II of the Plan.

Related Parties

Sponsor and its principals have no affiliation with Selling Agent, Managing Agent, Sponsor's Attorneys, the Architects/Engineers or the Budget Expert, the Construction Professionals, or any person or firm who will provide services to the Condominium subsequent to the First Closing. Neither the Condominium Budget Expert, the Construction Professionals nor the Attorneys have any financial interest in the Property, the Units, the Condominium, or this offering, except for their fees for services rendered.

No Pre-Sales

Neither Sponsor nor its principals have entered into contracts or agreements, written or oral, or accepted deposits or advances of funds for the purchase of Units as of the Filing Date of the Plan.

REPORTS TO UNIT OWNERS

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

1. A financial statement of the Condominium prepared by a certified public accountant or public accountant, within approximately 120 days after the end of each fiscal year of the Condominium. Such statement shall be certified while Sponsor is in control of the Condominium Board.

2. At least 30 days' prior notice of the annual Unit Owners' meeting.

3. A copy of the proposed annual budget of the Condominium at least 30 days prior to the date set for adoption thereof by the Condominium Board. While Sponsor is in control of the Condominium Board, such budget shall be certified in compliance with Section 20.4 of the Regulations of the Department of Law.

DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan, all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan shall be kept on file and available for inspection by Purchasers and their attorneys without charge, and for copying at a reasonable charge, at Sponsor's office for a period of 6 years after the First Closing. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its Unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board.

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

GENERAL

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

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

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

Sponsor reserves the right, from time to time prior to the First Closing, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Residential Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor and Purchasers. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the Purchase Price or payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially and adversely affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised within 15 days from the Presentation Date of such amendment. Sponsor shall promptly return any Deposit, together with any interest earned thereon to Purchasers who rescind, except that Sponsor shall retain the Deposit of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

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

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

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

The Property has not been the subject of a prior public offering.

Neither Sponsor nor its principals have entered into any contracts or agreements, written or oral, for the sale or transfer of any of the Units offered in the Offering Plan nor taken any Deposits or advances of

funds by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Units, prior to the Filing Date of the Offering Plan by the Department of Law.

As of the date of the submission of the Plan, the Building was being substantially renovated and none of the Units in the Building were occupied by residential tenants.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the "Description of Property and Improvements" set forth in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Building except as set forth in the Description of Property and Improvements or as contemplated to be made as described therein. As more fully described above, and subject to the matters described therein, Sponsor anticipates that construction and renovation of the Building will be sufficiently completed to allow the First Closing to occur as projected in Schedule B.

The Buildings Department issued Permanent Certificate of Occupancy No. 18097 dated December 25, 1931 for the Building which will be amended, as required, to conform to the status of the Building following substantial renovation.

PART II

CONDOMINIUM OFFERING PLAN

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10007

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

11/16/06

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK
November 16 , 2006

The report which follows is intended to outline generally the nature of the work, materials and equipment to indicate the contemplated character of the building.

A. Location of Property

1. The building is located at 157 Chambers Street, between Hudson Street & Greenwich Street, in the borough of Manhattan, City of New York. The building is also located within the Tribeca Mixed Use special district. The building is located within a C6-3A zoning classification area; the residential equivalent is R9A.
Address will be 143 Reade Street due to location of lobby and entrance on Reade Street (See A-6 below).

2. The building is situated on Block No.: 140 , Lot No. 10. Upon completion of renovation and construction, each residential unit will have an individual tax lot designation.

3. Based on a Survey prepared by Neville R.Ramsay, dated January 09, 2005, the approximate Lot Area is 7,644 square feet (excluding lobby and connecting bridge). After development, there will be no residual residential or commercial development rights.

4. The Legal uses proposed will be as per the approved Department of Buildings Application. The proposed use is general residential with commercial use on the ground floor.

5. The completed project will comply with the requirements of Local Law 58, providing Handicapped Accessibility to the building's common elements and an accessible path to all units.

6. As indicated in approved D.O.B. pre-consideration dated 07/06/06, sponsor will acquire Ground floor unit at 143 Reade Street which will be connected to 157 Chambers and serve as lobby and entrance for residential units.
The total area of the lobby and entrance will be approximately 916 SF; it will be connected to 157 Chambers Street through a steel structure supported aluminum and glass bridge. Gradual floor change will render floor elevation differences between 2 buildings handicapped accessible.

B. Status of Construction

1. This project can most generally be described as being comprised of the gut-renovated 17 story plus cellar, masonry and steel framed building originally built in 1931, on 157

Chambers Street, New York, NY. There will be a total of 38 residential units and 1 superintendent unit in the building and commercial space on the ground floor.
The total area of the building is approximately 115,000 Gross Square Feet. (excluding lobby at 143 Reade Street and connection bridge).
Pursuant to the Pre Consideration approved by the Department of Buildings on October 06,2005, The existing top floor and mechanical bulkhead will be demolished and 2 residential floors will be constructed on an extended footprint, utilizing area relocation and mechanical deductions. The total height of the building will not increase.
A new stair bulkhead and an extended elevator bulkhead will be provided to access the roof level, as shown on plans.

2. Class of Construction at 157 Chambers Street will be 1-C Non-combustible, 2 hour protected, and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code"). 143 Reade Street is a Class 3 Non-Fireproof building. An automatic fire shut-off door will separate the two buildings in case of fire.

3. Certificate of Occupancy: After completion of construction, the Developer will apply for (1) Certificate of Occupancy (preceded, if appropriate, by temporary Certificates of Occupancy) for the Building from the Department of Buildings of the City of New York. A temporary Certificate of Occupancy will be obtained prior to the closing of the first unit. Ultimately there will be 38 Residential apartments and 1 Superintendent apartment in the building and commercial space on the ground floor, as well as 2 private terraces on the Roof level , as shown on Roof plan. The lobby located at 143 Reade Street will be owned by the condominium board but will not be included in the condominium.

   The project is more specifically described in outline form in this report. This report is based on a visual inspection of the premises, and a review of the construction documents prepared by BKSK Architects, LLP, and approved by the New York City Department of Buildings, alteration permit # 104451807.

   Selective demolition of interior walls and stairwells, which will lead to construction of the new stairwell and apartment units is to begin on November 6 , 2006, and the developer anticipates completion by February 28, 2008, 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 Developer has no control.

4. Security will be provided by Pavarini McGovern during Construction on Monday-Friday between 7am to 4pm. During other hours as well as on weekends and holidays, a uniformed security guard will be onsite located at the main construction entrance. After construction is completed the property will have a doorman/concierge at the Property 24 hours a day, 7 days a week.

5. There will be no interruptions of services once units are occupied unless on an emergency basis. If emergency interruptions must occur they will take place in the evening.

6. A connection bridge structurally designed by a structural engineer will connect the lobby and entrance located on 143 Reade Street with the ground floor of 157 Chambers street. All access will be handicapped accessible. 157 Chambers Street will remain a service entrance as well as an emergency FDNY access and entrance to the commercial spaces. An emergency shut-off will separate the buildings in case of fire.

C. Site

1. Based upon information contained in a survey prepared by Neville R. Ramsay dated January 9, 2005 , the total lot area is approximately 7,644 square feet.

2. There is one building foundation for 157 Chambers Street, and the designated use is residential, with commercial use on the ground floor.

3. Sidewalks and Streets (157 Chambers Street only) :
   a) An existing concrete sidewalk is outside the property line and is generally in fair condition. Concrete sidewalks will be replaced as required.
   b) Chambers Street is presently pitched to drain through existing catch basins into the New York City storm water drainage system.
   c) Present street lighting is provided by pole mounted mercury-vapor
   d) All sidewalks will comply with the requirements of the New York City Highways, Buildings, and Fire Departments.
   e) Any Broken or missing Sidewalk pavement shall be replaced to comply with New York City requirements.
   f) Any Broken or missing curb will be replaced with steel curb profile.
   g) There is an existing backyard on the site and it is to be used as private terraces accessible by units 2A & 2B only.
      4 trees will be planted on Chambers street in front of the building per Quality Housing requirements.
   h) There will be catch basins on the roof terraces, which will drain into the sewer system that services the sanitary and roof drainage needs of the building. Street drainage is collected in existing catch basins which discharge into the New York City sewer and storm system mains.

D. Utilities

Water supply and sewer servicing for the Building will be provided by the City of New York. The Building water service will be collectively metered.

The fire water service is pumped directly into the building and metered through a bypass water meter.

There will be no exterior gutters or leaders in the building. All roofs will have drains leading to combined sewage and storm drain system made of no-hub cast iron (see page 13).

Gas will be provided by Con Edison . Electrical service will be provided by Con Edison, a public service company. The Building will be wired for telephone and cable television. It will be a purchaser's obligation to purchase telephones and arrange for telephone services for his or her unit. Water supply for the Sprinkler/ Standpipe System for 157 Chambers Street will be from water services entering the building from Chambers Street as per the Department of Buildings of NYC code, metered through a bypass water meter. Sanitary and storm sewer mains are located below grade on Chambers Street and are serviced and maintained by the City of New York.

E. Sub-soil Conditions

1. Remedial structural work will be done to alleviate any foundation movement or settling that has occurred.
2. There is no visible or other evidence of ground water infiltration at cellar floor.

F. Landscape & Enclosure

The private terraces on 11th floor will be separated by a terrace divider. There will also be private terraces on floors 2, 12, 16,17 & PH. There will be two private terraces on the Roof level which will be sold separately. There will be a public terrace at the main roof level accessible to all residential tenants.
The private terraces will include pavers and/or wood or composite decking.
The public terrace will include pavers and/or wood or composite decking.

No grass cover exists on site.

G. Building Size

1. The height of the Building (to roof slab) will be approximately 218'-0" above Chambers Street's sidewalk.
2. There will be a full cellar throughout 157 Chambers Street. The Cellar floor-to-ceiling height will be app. 10'-0", exclusive of mechanical soffits and structural beams.
3. A common core containing two elevators, two egress (scissor) stairs, and one trash chute, occurs on all floors in the building from ground floor thru PH Floor. The main roof level is accessible by two egress (scissor) stairs and one elevator. The cellar is accessible by two egress (scissor) stairs and one elevator.
4. The Ground (1st) floor-to-ceiling height in the lobby is approximately 12'-0" .
5. Exclusive of dropped ceiling areas at kitchens, bathrooms, soffits, MEPS transitions for mechanical equipment including ducts and plumbing elements, and structural offsets and boxed-out structural beams, ceiling heights in residential units located in the Building are approximately the following:

i.	Ground floor	12'-0"
ii.	2nd floor:	11'-2"
iii.	3rd floor:	11'-2"
iv.	4th floor:	11'-2"
v.	5th floor:	11'-2"
vi.	6th floor	11'-2"
vii.	7th floor	11'-2"
viii.	8th floor	11'-2"
ix.	9th floor	11'-2"
x.	10th floor	11'-2"
xi.	11th floor	11'-2"
xii.	12th floor	11'-2"
xiii.	14th floor	11'-2"
xiv.	15th floor	11'-2"
xv.	16th floor	11'-2"
xvi.	17th floor	11'-2"
xvii.	Penthouse	11'-2"

6. Equipment Rooms: The elevator machine room will be located on the roof ; mechanical equipment rooms are located within the cellar.

7. All portions of roofs and terraces will have either a parapet, or a parapet and railing combination, each of which will be a minimum of 3'-6" in height above the roof.

H. Structural Construction Systems

1. Building Structure (157 Chambers Street) :

The existing load-bearing walls' construction is of masonry.
Condition of the exterior walls is sound with planned pointing & brick replacement repairs to be performed per Local Law 11/98 Report (see Appendix 'A').

The existing foundation's construction is masonry and is generally in good condition. Remedial Structural work will be done to alleviate any foundation movement or settling that has occurred.

The entire Building at 157 Chambers Street will be of Non-Combustible construction with a minimum of 2 hr. Fire Rating for all structural members. The new building's interior demising walls separating units from core elements will be 2-hour fire rated. An automatic fire shut-off door will separate the building from the lobby at 143 Reade Street.

1a. Building Exterior (157 Chambers Street) :

This Building is located within the Tribeca Mixed Use special district.
There is a comprehensive façade restoration program underway by sponsor pursuant to Cycle 6, Local Law 11/98 (See Appendix 'A').

Exterior Finishes:
Storefront on 157 Chambers Street is finished with metal & glass .
The Storefront on 143 Reade Street is finished with steel & glass.
i) New aluminum & glass windows are to be installed in all existing masonry openings as well as in new masonry openings on 157 Chambers Street.

iii) The windows and terrace doors will be new insulated aluminum. Windows are a combination of fixed and operable casement types. All operable casement windows will have window stops for child safety. A warranty that guarantees materials and workmanship of windows for up to five years, covering repair or replacement of all defective window parts will be submitted by the manufacturer.
iv) There will be Lot-line Windows in this project, as following:
Units A & B on floors 2nd-5th will have Lot-line windows facing North;
Unit C on floors 6th-14th will have lot line windows facing East;
Unit A on floors 6th-14th will have Lot-line windows facing North & West;
Unit B on floors 6th-11th, as well as units 15A & Tower 17 North will have lot line windows Facing North & East;
Units 15A, Tower 16 South & Tower 17 South will have lot line windows facing North, East & West;
Penthouse unit will have lot line windows facing East & West;

v) Any lot line windows on the north, east & west façades will not count toward legal light or air to any habitable room. Sponsor may acquire light & air easement to the east & west, which would allow east & west lot line windows to count toward legal light & air.
vi) The sponsor has obtained approval from the City Planning Commission to include all windows facing the rear yard towards light & air calculations, therefore all of the windows facing the rear yard are not considered lot-line windows and will not need to be closed up in the event of future re-development of any adjacent properties, notwithstanding the location of certain of these windows less than 30 feet from the property line. There will be North-facing windows facing the rear yard on floors 2nd-17th, there will be West facing windows facing the rear yard on floors 2nd-15th as well as East facing windows/balcony doors facing the rear yard on floors 2nd-16th. These windows will be legal towards light & air as described above.

2. Parapets and Coping:

Parapets are of brick construction tied to the roof slab, with painted steel railings if additional height is necessary to comply with minimum of 3'-6". The existing brick parapets will be finished with a cement plaster synthetic stucco system, or breathable

elastomeric coating. All Existing Stone copings shall be preserved, and replaced by similar masonry if necessary, by Exterior Walls and Appurtenances Consulting Engineer Vincent Stramandiloni, P.E. (See Appendix 'A').

3. Chimneys and Caps:

i) Functioning wood-burning fireplaces in units Tower 17 North, Tower 17 South & Penthouse will be provided with a concrete refractory flue, and will be enclosed in two hour rated construction.

ii) A new refuse and recycling chute of heavy gauge steel, enclosed by 3 hour fire rated wall construction is to be located at the public corridor of the Building, The refuse chute is accessible on all residential floors.

iii) The new common building boiler for the Building will vent through a boiler flue located at the rear of 157 Chambers Street.

4. Balconies and Terraces:

Private terraces and balconies are provided at residential units as shown on unit plans. Deck finish at terraces will be of pavers and/or wood or composite flooring on pedestals, or an equivalent substitution.
All terraces will be enclosed with a masonry parapet to a height of 3'-6"or with a painted metal guardrail of the same height, or a combination thereof.

Balcony floor construction will be existing concrete slab.
Guardrail will be painted steel support members and railings. Balconies' doors will be aluminum frame integral to window wall with insulated glass units.

Roof drains will be installed on all terraces.

Doors to private terraces will be aluminum doors with insulated glass.

5. Exterior Entrances:

The building will have a lobby and entrance on 143 Reade Street. The entrance is Accessed from the sidewalk by steps and a handicapped accessible ramp. The entrance doors will be of steel & glass integral with the storefront of 143 Reade Street.
The building will also have a service entrance on 157 Chambers Street, which will also serve as an emergency access and commercial units on 157 Chambers Street.

i) Exterior Doors and Frames: The Residential Lobby will be entered directly from the exterior by a pair of new steel and glass doors.

ii) Vestibules, Doors and Frames: A pair of glass doors will separate the entry lobby from the hall.

iii) Exterior Stairs: N.A.

iv) Railings: Painted metal railings are provided at portions of the roof terrace parapets and at balconies.

v) Mail Boxes: Mail is to be placed in government-approved individual mailboxes located in residential lobby.

vi) New Exterior Lighting will be provided at the exterior entrance in compliance with New York State Multiple Dwelling Law.

6. Service Entrances: There will be a handicapped accessible service entrance at 157 Chambers Street. This entrance will also serve as the official FDNY access in case of emergency.

7. Roof and Roof Structures

i) a) Roof receives waterproof membrane, drainage mat, protection board, rigid insulation, and concrete pavers and/or wood or composite deck on pedestals.

b) Insulation: Minimum 2" rigid insulation.
Min. "R" value of roofs R = 20.

"R value of exterior walls at face brick:
3 5/8" face brick,
2 inch air space,
6" cmu,
1" air space,
2 1/2" steel stud,
3 1/2" batt insulation,
5/8" gwb
Exterior wall at face brick R = 20

c) Surface Finish: pavers and/or Wood or Composite walking surfaces.

d) Expected Useful Life: 10 years, with a manufacturer's 10 year warranty.

e) Bond or Guarantee: no additional roofing guarantee is provided.

f) Flashing Material: Stainless steel or reinforced fabric base and counter flashing.

g) Parapet Finish: New or Existing brick parapet with stone coping. Additional metal railing if necessary.

ii) Drains:

a) Material and Type: New Cast-iron body, 12" diameter dome or 13 1/4" square roof drains will be provided.

iii) Skylights:

There will be either vented skylights with wire glass or equivalent window at the rooftop fire stair bulkhead, as required by code.
There will be an operable skylight above the Cellar fitness area.

iv) Bulkheads:

a) One of the existing Elevators will be extended in order to achieve service to the main roof level. The new Bulkhead Finish will consist of stucco on denseglass with steel & structural stud structure.

b) New Stair Bulkhead: New concrete filled metal pan stairs, or cast in place concrete stairs, with painted concrete masonry unit enclosure will be located within new roof stair bulkhead.

v) Metal Work at Roof Level

a) Railings: See description of Parapet/Roof Railings (Section H-5, iv).

b) Hatches to Roof: N.A.

c) New steel dunnage, or concrete pads, will be provided for mechanical equipment as required. Existing Dunnage will be used if found capable of supporting necessary loads.

vi) Roof Top Facilities:

a) There will be rooftop recreation area (residential common area) for the use of all residential unit owners. There will also be 2 private terraces which will be sold as separate units (see Roof plan).

b) The condominium management will have unlimited access to public areas of the roof or cellar for the purpose of making inspections and repairs.

c) After development, no additional enclosed area can be built as-of-right on the building's roofs, or terraces. Any additional roof terrace work, including any terrace paving, plumbing work, electrical work, or terrace structures requires a permit from the Department of Buildings.

8. Fire escapes: Not Applicable.

9. Yards and Courts: There will be a yard at the back of the building, accessible by Units 2A & 2B only.

a) The paving will consist of pavers on top of existing concrete slab.
b) Drains: Material and Type: New Cast-iron body, 12" diameter dome or 13 1/4" square floor drains will be provided.

10. Interior Stairs:

i) Two new egress (scissor) stairs will be constructed inside a single masonry and / or gwb fire rated enclosure
ii) Stair Construction: New fire stairs will be either cast in place concrete or concrete and steel pan construction.

iii) Stringers: Steel stringer or cast in place concrete.

iv) Treads: Concrete.

v) Risers: Steel pan or cast in place concrete.

vi) Guard Rails: Steel pipe.

vii) Handrails: Steel pipe.

11. Interior Doors and Frames:

i) All new doors and frames to Service Areas and Public Corridors, including residential unit entrances, shall be painted hollow metal and will meet the New York City Building Code requirements. The apartment interior doors shall be solid core wood doors with painted wood frames.

ii) Stair Doors and Frames: All doors and frames leading to fire stairs or refuse chute shall be hollow metal and will meet the New York City Building Code requirements.

iii) Roof Doors, Cellar Doors and Frames: These doors and frames shall be hollow metal and will meet the New York City Building Code requirements.

12. Elevators

i) There will be (2) new public passenger elevators servicing all levels of the building, except the main roof level and the cellar, which will be serviced by one elevator only. The elevator servicing the cellar will stop app. 5'-0" above the top of cellar level slab, and a stair and ADA lift will be provided to connect that landing to the Cellar level. The elevator servicing the Roof will stop at app. 1'-8" below the roof slab elevation and will be connected to the roof terrace by steps and an ADA lift. The elevators will be placed within a separate existing shaft, and are to conform to New York City Local Law 87 and 58 requirements. They are to be overhead gear traction type passenger elevators, the main machine manufactured by Hollister Whitney, or equal. The elevators will have 2,500 pound capacity with a speed of 350 ft/min., with a capacity of approximately 10 people. All motors, controllers and cables are to be new.

ii) The two (2) new duplex elevators will undergo modernizations with modifications in an existing building. The elevators are currently overhead gear traction type and they will remain overhead gear traction type with new controls, fixtures cabs, etc. All new installed or modernized equipment will be updated to current codes including ADA and NYC-RS18. The elevators will be provided with Phase 1 and Phase 2 fire emergency operation and compliant emergency communications. There are at least three (3) major domestic suppliers of this equipment and dozens of qualified installers in the NYC Metropolitan area. All components will be generic in design allowing virtually all elevator companies to maintain the equipment.

13. Elevator Cabs (All new material and equipment)

i) Floor Material will be faux leather.

ii) The walls will be covered with faux leather & leather/metal rod panels.

iii) The lighting of the cab will be fluorescent down-lighting.

iv) The doors to the shafts are to be steel two-speed side opening sliding doors with stainless steel finish.

I. Auxiliary Facilities

1. Refuse Disposal

i) Incinerators: None

ii) Compactor: There will be one new compactor servicing the residential apartments. The compactor shall be Wilkinson Hi Rise 350-cs with access door for manual feeding and capacity of 89 cu. yd./hr. , or equal model. The compactor will be located in the Cellar compactor room.

iii) Chute: There will be one refuse chute accessed at the first through seventeenth floors. The chute shall be by High-Rise recycling systems or equal.

iv) All equipment shall have NYC M.E.A. approval numbers as required.

v) The Cellar Compactor room will also provide storage space for residential recycling.

vi) Storage Location: The compacted bags will be stored in the Compactor Room in the Cellar until they are transferred to street level.

vii) The bags from the residential compactor room will be picked up by the New York City Department of Sanitation.

J. Plumbing and Fire Protection

1. Domestic Water

a. An existing 4-inch metered domestic water service will be utilized for the building's water demand. The cold water service enters the basement from Chambers street. A hydrant flow test was performed on September 1, 2005 by the Department of environmental protection. The test results are as follows: 50 pounds static, 48 pounds residual with 500 gpm flowing. The service will feed a triplex 15 HP booster pump. Hot and cold water distribution for domestic uses will be provided via insulated copper and brass piping.

b. Domestic hot water for each dwelling unit will be provided by a duplex central gas fired hot water heater and storage tank system located in the Basement Boiler room. The heaters will be rated for 850 MBH each with a 400 gallon storage tank.

c. Dedicated hot water and hot water return risers will be provided. Distribution of the risers will be via a pipe chase from the cellar to the Penthouse floor.

d. Domestic water for the Reade Street Lobby Toilet will be connect to an existing cold water riser on the first floor of the Reade Street building lobby space.

2. Sanitary Drainage System

a. Cast iron bell and spigot and no-hub sanitary risers to each floor provide sanitary drainage and vent. Sanitary waste from each fixture located above the cellar is gravity fed to an 8-inch combined sanitary and storm sewer in the cellar exiting the building at Chambers Street.

b. Floor drains are provided for the boiler room, fire pump room and water meter rooms. The fixtures and floor drains from the cellar discharge through a duplex sewer ejector.

c. The existing 6-inch combined sewer exiting the building will be replaced with a new 8-inch combined cast iron sewer that will reconnect to the existing 3'-6" x 2'-2" city sewer in Chambers street.

d. Sanitary waste and vent from the Reade Street Lobby Toilet will be connected to the existing 4-inch soil and vent stacks in the first floor Reade Street Lobby area.

3. Storm Drainage

a. Storm drainage from roofs and terraces will flow by gravity to the combined sewer in Chambers street.
b. Approximately 11 roof drains will collect storm water from various levels of the roof. There will be approximately 8 terrace drains on the various levels. All storm water will drain by gravity to the existing combined sewer in Chambers street.
c. Storm drainage piping will be bell and spigot and no-hub cast iron.

4. Natural Gas

a. An existing 6-inch Con Edison gas service enters the basement gas meter room and will split to two meters. One twin set meter will be dedicated for apartment gas cooking ranges and the domestic water heaters, the other will serve gas boilers and HVAC roof top units.
b. Black steel risers will provides gas to each unit for cooking in each apartment.
c. Natural Gas connections are provided for terrace barbeques as indicated on the plans.

5. Fire Protection

a. One new 6-inch metered firewater service will enter the Cellar water meter room. The service will come from a 12-inch water main in Chambers Street. The service will feed a 500 gpm fire pump located in the Cellar fire pump room. The fire pump will serve the combined fire standpipe and sprinkler risers.
b. One fire standpipe riser will serve the building. Each apartment floor will have a 2 ½" fire hose valve, 1 ½" reducer, chain and cap. The first floor amenity spaces and cellar areas will additionally be provided with a 2 ½" angle valve, 1 ½" reducer and 125 feet of 1 ½" fire hose and nozzle.
c. Each floor will be fully sprinklered, connected to the fire standpipe riser and have a floor control valve assembly located in the stair complete with OS&Y valve, flow switch and inspectors test connection and drain riser. The system will be provided with one siamese connection.
d. Sprinkler piping will be steel with threaded joints. Piping and fittings 2 inches and larger may by provided with Victaulic type fittings.
e. The entire building will be provided with a wet system. Sprinklers will be quick response pendant type in hung ceilings and upright type in exposed ceilings and side wall extended through type in the apartments without ceilings.
f. The Reade Street lobby sprinklers will be fed from a 4-inch sprinkler riser located in the Reade Street Building stair. The service is fed from a 4-inch sprinkler service in the basement of the adjacent building on Reade street.

K. Heating, Ventilation and Air Conditioning

1. The entire building will be served by condenser water / closed loop system consisting of 400 Ton cooling tower, a plate frame heating exchanger, primary condenser water pumps, and closed loop pumps and piping distribution systems to all apartment heat pumps. The cooling tower and heat exchanger will be as manufactured by BAC company or equal quality design. The heat pumps, located in the apartments, will be as manufactured by Climate Master Co. or equal design. Heat pumps will be of the following models:

   - Perimeter units – VHS series
   - AC rooms – TSV series
   - Above hung ceiling – TSH series

   Each heat pump will be provided with unit mounted thermostat. Each heat pump contains a water cooled condenser, reverse cycle valve, compressor, evaporator fan and filters.

2. Primary condenser water pumps will be provided to circulate condenser water between the cooling tower and plate frame heat exchanger.

3. Secondary close loop pumps will be provided to supply water to heat pumps.

4. Two (2) gas fired hot water boilers will be provided to add supplemental heat to the closed loop water whenever the loop water temperature drops below it set point. Boilers are based on LAARS Corp., Model PH-1,200, 1,200 MBH each.

5. Ventilation

   a. A mechanical exhaust is provided for the interior bathrooms and kitchens. The exhaust fans will be located on the Private Terrace at the17th floor level, Public Terrace at the 17th floor roof , on the roof over Elevator Machine Room.

   b. Gas ranges will be provided with exhaust hoods. Exhaust fans will be located on the Public Terrace at the 17th floor roof , on the roof over Elevator Machine Room and on the roof over the stair.

6. Cooling and heating for the Reade Street Lobby will be provided by a horizontal heat pump located above the ceiling in the Doorman Room. The unit will be connected to the building's condenser water system and controlled by a programmable room thermostat.

L. Electrical Systems

1. Electrical Service

a. The Chambers Street incoming service shall be 120/208 volts, 3 phase, 4 wire.

b. The Chambers Street service will reuse the two (2) existing service connections presently originating at a Con Ed vault off of Chambers Street. The first connection is a direct metered Con Ed service feeding a 1600 and 600 AMP service switch. The second connection is a 3,000 AMP service presently serving a non-metered distribution board which feeds tenants throughout the building. Con Ed meters for tenants presently served from this service are located within the tenant's demised space. The existing master metered service and its associated service switches will be reused to accommodate house loads. The existing 3000 AMP service distribution board will be removed and will be reconfigured to feed a residential meter center and retail tenant distribution trough. Each residential and commercial tenant will be provided with a dedicated Con Ed electric meter.
The Reade Street equipment will be serviced from the Reade Street point of entry as described in item 'h' below.

c. One and two bedroom residential units will each have a 125 Ampere service, and three bedroom units will each have a 150 Ampere service. All services shall be rated for 120/208 volt, 1 phase, and 3 wire. All units will be individually metered as described above.

d. As described above the building will be provided with one house meter and one meter for each tenant. In addition, a second house meter will be provided for the Reade Street lobby as described in item 'h' below.

e. All residential units shall have a minimum of six (6) appliance circuits, one (1) lighting circuit, and an individual circuit for each air conditioning unit. GFI type receptacles will be provided in all bathrooms and in the kitchen. AFCI (arc fault circuit interrupter) circuits will be provided for each bed room. Branch circuiting will be provided in accordance with article 210 of the 2002 N.E.C. / N.Y.C. supplement.

f. Each unit will be provided with lighting fixtures in the hallway, kitchen, bedrooms and bathroom.

g. A minimum of ten (10) outlets will be provided in the kitchen, bedroom and living areas. Receptacles will be provided in accordance with article 210 of the 2002 N.E.C. / N.Y.C. supplement.

h. The Reade street lobby will be served via a 100 amp3 phase 4 wire 120/208 volt panel feed from the Reade Street Con Ed service and will be provided with a dedicated utility meter. This panel will serve the lobby lighting and general power requirements of the space, its heat pump and the bathroom hot water heater.

2. Low Voltage System

   a. Each unit will be provided with an intercom station to provide 2 way communication between each unit and the lobby.
   b. Each unit shall be provided with technology outlets with connections to cable TV and telephone service. Each unit shall be provided with outlets in bedrooms and living areas wired to a structured wiring system cabinet within each cabinet.
   c. Security cameras will be provided in elevators, all entrances and fitness center.
   d. Each unit shall be provided with telephone outlets in bedrooms and living areas wired to a structured wiring system cabinet within each unit.

3. Lighting

   a. Lighting circuits in the common areas will be incandescent and fluorescent fixtures and will be connected to the house meter. Emergency lighting within the common areas (corridors, stairwells and building exits) will be provided with emergency battery packs to provide code required illumination through out the egress paths in the event of a power failure.
   b. Perimeter lighting will be HID (High Intensity Discharge) controlled via time clocks and connected to the house meter. Emergency lighting will be provided at each exit in accordance with applicable code requirements.

M. Intercommunication/ Security/ Television

1. The Building will be provided with an intercom system, permitting the occupants of the residential units to communicate with the doorman/concierge.

2. Cable television wiring will be provided to all residential units.

3. Each residential unit must establish a separate account for cable service.

N. Public Area Lighting

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

O. Garage and Parking Area: None

P. Swimming Pool: None

Q. Tennis Court: / Playgrounds / Recreation facilities: Residential common area on main roof level, accessible by an elevator and two stairs, as well as a 978 GSF fitness center (including a treatment room and a stretching room), a 250 GSF bicycle storage room and a 617 GSF recreation room at cellar.

R. Permits and Certificates:

The following Permits and Approvals will be obtained as required:
1. New York City Department of Buildings:
   a. General Construction and Plumbing Permits.
   b. HVAC, Equipment Use Permit
   c. Certificate of Occupancy
   d. Elevator Certification and Inspections.
   e. Smoke tests at fireplace flues.
   f. Certificate of completion from the Bureau of Electrical Control.

4. The Local law 11 report (requiring that all exterior walls, except for exterior walls that are less than 12 inches from the exterior wall of an adjacent building, be inspected every five years.) submitted December 24, 2005 by Vincent Stramandinoli, P.E.
(See Appendix 'A'). Next Local law 11 report after completion of construction will be due approximately December 2010.

S. Violations

Any violations at 157 Chambers Street shall be removed of record by the sponsor prior to issuance of a permanent Certificate of Occupancy. Once Final Inspections and Permits are in place and a Final C of O has been issued, on going Inspections and Permits must be maintained for the following (by building management):
   Elevator Inspections and Maintenance
   Boiler Inspections and Maintenance
   Cooling Tower and building HVAC system Inspections and Maintenance.

T. Unit Information

There are 38 residential units in the Building and 1 superintendent unit and commercial use. In addition there will be 2 private terraces on the Roof level as shown on Roof plan.

There will be one residential lobby on the 1st floor of 143 Reade Street, with private mail boxes. The Cellar is occupied by mechanical rooms, miscellaneous building utility rooms, a fitness center ,a recreation room, a bicycle storage room and tenant storage rooms.

The floor numbering systems for Construction and Marketing are not identical and will be as shown on the chart below:

Construction Number	Marketing Number
1st Floor	1st Floor
2nd Floor	2nd Floor
3rd Floor	3rd Floor
4th Floor	4th Floor
5th Floor	5th Floor
6th Floor	6th Floor
7th Floor	7th Floor
8th Floor	8th Floor
9th Floor	9th Floor
10th Floor	10th Floor
11th Floor	11th Floor
12th Floor	12th Floor
13th Floor	14th Floor
14th Floor	15th Floor
15th Floor	16th Floor
16th Floor	17th Floor
17th Floor	Penthouse

The measurement of every residential unit will consist of the area measured horizontally from the exterior face of the exterior walls of the Building to the centerline of the partitions separating one unit from another unit, and to the centerline of the walls separating one unit from corridors, stairs, elevators, and other mechanical spaces or any common elements (as herein after defined). Each residential unit will consist of the area measured vertically from the top of the structural slab to the underside (of any fire protection) of the structural members above.

Any Common Element located within a unit shall not be considered a part of such unit.

The Common Elements of the Condominium consist of the entire Property, including all parts of the building and improvements thereon, other than the units unless otherwise specified. Common Elements are comprised of General Common Elements, Residential Common Elements, and Limited Residential Common Elements.

U. Unit Finishes:

1. The partitions within the units will be 5/8" gypsum wallboard on metal studs. Partitions between residential units and other units, utility rooms, and egress passageways, will be 2-hour Fire Rated construction consisting of either two layers of 5/8" gypsum wallboard over metal studs, or 2 hour rated CMU. The perimeter walls of the units will be finished

with gypsum wall board. Dropped Ceilings are 5/8" gwb on furring channels on cross channels hung with black iron as per New York City Department of Buildings.

2. All Bathrooms, Kitchen areas, and Mechanical Rooms will be painted with at least two coats of washable semi-gloss latex paint over a primer coat. All other areas will be painted with at least two finish coats of flat latex paint over a primer coat.
The residential floors will be Pianeta Legno Walnut chic USA pre-engineered wood floors, 3 9/16" wide, ½" thick, 18"-48" long boards.
Bathrooms floor, base and partial walls will be finished with ceramic tiles.

3. **Bathroom Fixtures**: (All fixtures to be equal or better to those listed below)

Master Bath (all units):	**Make / Model:**
Toilet:	Kohler Wellworth
Lavatory:	Kohler Wellworth pedestal
Lav. Faucet:	Kohler Triton (polished chrome)
Bathtub :	Kohler Villager (no whirlpool)
Bath faucet:	Kohler Triton (polished chrome)
Shower Enclosure:	Easco 380-90 Estate frameless shower enclosure
Shower Faucet:	Kohler Triton (polished chrome)

Standard Bath :	
Toilet:	Kohler Wellworth
Lavatory	Kohler Wellworth Pedestal
Lavatory Faucet:	Kohler Triton (polished chrome)
Bathtub:	American Standard Princeton (no whirlpool)
Bathtub Faucet:	Kohler Triton (polished chrome)

Powder Room :	
Toilet:	Kohler Wellworth
Lavatory:	Kohler Wellworth Pedestal
Lavatory Faucet:	Kohler Triton

4. **Kitchen Appliances** (All new appliances to be equal or better to those listed below)

	Make / Model
Refrigerator / Freezer:	Sub Zero / 600 or 700 series 27" up to 36"
Oven :	Thermador CM-301-US
Gas Range:	Thermador SGCS-304-RS
Hood:	Gaggenau AH 100 790
Dishwasher:	Fisher Paykel DS6031
Wine Cooler:	Franklin FWC24
Microwave:	Sharp R-320HK
Sink:	Elkay

Cabinets:	Wood Veneer
Countertop:	'Butcher block' wood

5. **Laundry Room Appliances** (to be equal or better to those listed below)
Bosch WFL 2060UC/WTL5410UC

V. Information about Public Spaces

1. Finishes of Public Spaces to be equal or better to those listed below:

Space	Floor	Wall	Base	Ceiling
Lobby	WD	BR/PT	STL	PT
Stairs	CS	PT	---	PT
Mechanical Spaces	CS	CON	----	CON

2. Abbreviations for Finishes

BR	Exposed Brick, cleaned & sealed
CON	Concrete
CPT	Carpet
CS	Sealed Concrete
CT	Ceramic Tile
DE	Deck Enamel
MT	Metal
PT	Paint
S	Stone
ST	Stone Tile
STL	Steel
TER	Terrazzo
WD	Wood

W. Safety and Warning Devices:
Smoke & Carbon Monoxide Detectors as required by Code will be installed in all units and common areas, elevator machine rooms and boiler room.

X. Asbestos:
Sponsor has hired the services of ATC Associates, Inc. to perform an asbestos investigation throughout the property, including existing perimeter caulking around windows. Asbestos has been found in some locations, and sponsor will enter a remediation program in accordance with New York City codes and regulations to complete removal prior to obtaining a TCO.
After a professional Asbestos investigation on the Ground floor of 143 Reade Street , no asbestos has been discovered on the premises.

Y. Lead-based paint:
The building is to be gut rehabbed and in the course of renovations the lead paint hazard will be abated by removal of existing partitions and finishes, furring and re-painting of existing walls.

I hereby affirm that the above description of the property and specifications are an unbiased professional opinion arrived at without inducements of any kind.

Stephen Byrns, AIA
BKSK Architects, LLP

– End of Report –

FOR OFFICIAL USE ONLY

1. _____ NYC Buildings Dept. Application #

ACP 5 Fee $_____

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

ONL TYPEWRITTEN FORMS WILL BE ACCEPTED

NOT AN ASBESTOS PROJECT

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

2. Facility Address 157 Chamber Street Borough Manhattan Zip 10007

AKA _____ 3. Block 140 4. Lot 10

5. Building Owner RPT Chambers, LLC Tel. # (212) 941-5954

6. Address 321 Greenwich Street, NY State NY Zip 10013

7. Contact Person Mr. Ken Pliska 8. Tel. # (212) 941-5954

9. Description of the Entire Scope of Work
Remove all interior non-bearing partitions on floors 2-5 as shown on plans

10. Est. Start Date _____ ☑ As soon as permit approved Est. Completion Date 6/30/06 of the Entire Scope of Work.

11. I, Herant Antonyan (Name of Certified Asbestos Investigator), have conducted an asbestos investigation on 4/19/06 (Date) in accordance with

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

☐ a. premise to be demolished is free of any asbestos containing material (ACM).
☐ b. premise to be demolished contains 10 square feet or less or 25 linear feet or less of ACM.
☐ c. cumulative surfaces of structure(s) affected by the work are free of ACM.
☐ d. cumulative surfaces of structure(s) affected by the work contain 10 square feet or less or 25 linear feet or less of ACM
☑ e. normally non-friable ACM shall be disturbed/removed. Specify amount: 9,500 square feet
☐ f. ACM will not be disturbed during the scope of work. Specify amount of ACM present: _____ square feet _____ linear feet

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

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

FLOOR (including cellar and basement)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room #, boiler room, lobby, etc.)	ALL MATERIALS ASSUMED TO CONTAIN ACM AND/OR SAMPLED	NUMBER OF SAMPLES ANALYZED	ASBESTOS PRESENT YES	ASBESTOS PRESENT NO	ASSUMED ACM
2-5	Entire	Wall Plaster (WH & BR) coats	14		✔	
"	"	Ceiling Plaster (WH & BR)	10		✔	
"	"	12x12, 9x9 & mastic	3	✔		
	ATC Project No. 15-23102-0007					

13. Analytical Laboratory ATC Associates Inc.

14. ELAP # 10879 (NYS DOH CERTIFICATION) 15. Date(s) Samples Analyzed 4/24/06

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

NYC DEP Certified Asbestos Investigator's Signature | 98407 Certificate Number | 4/27/06 Date | (212) 353-8280 Daytime Telephone Number

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

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

SEAL OF THE NYC DEP CERTIFIED ASBESTOS INVESTIGATOR

CITY OF NEW YORK
HERANT ANTONYAN
Certified Asbestos Investigator

ACP5
2/2001

LOCAL LAW 11 REPORT

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK
November 16 , 2006

APPENDIX 'A'

PERIODIC INSPECTION OF
EXTERIOR WALLS AND APPURTENANCES
REPORT

December 24, 2005

Exterior Consultants, Inc.
441 Lexington Avenue • 19th Floor
New York, NY 10017
212-338-9661/Fax: 212-338-9831

CRITICAL EXAMINATION OF EXTERIOR WALLS AND APPURTENANCES LOCAL LAW 11/98

CYCLE 6 REPORT

FOR

157 CHAMBERS STREET
(AKA 163 CHAMBERS STREET)
NEW YORK, NY 10007

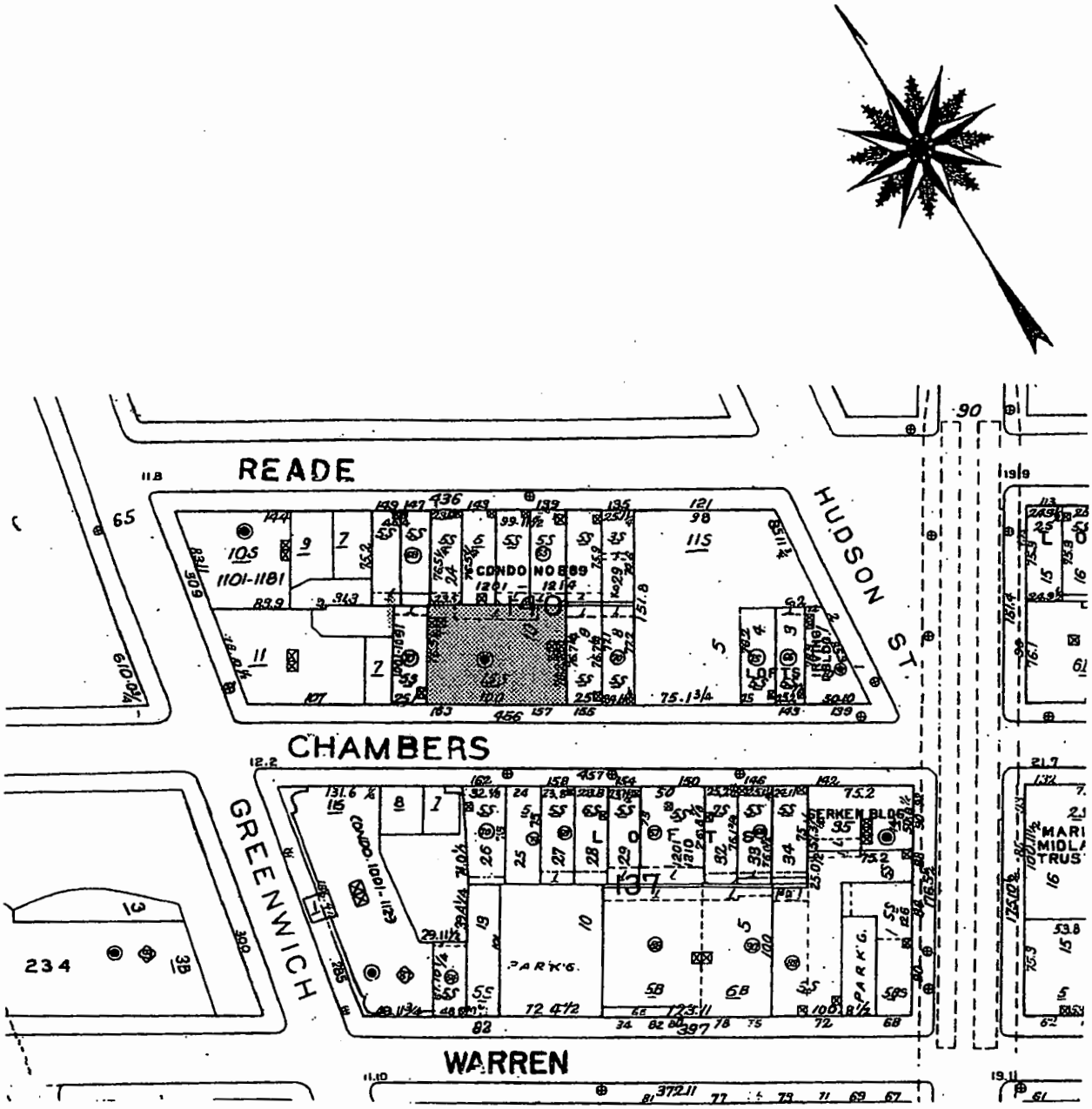
DECEMBER 24, 2005

A. BUILDING INFORMATION

Address:	157 Chambers Street, New York, NY 10007
AKA:	163 Chambers Street
Landmark Status:	Not a Landmark
Block No:	140
Lot No:	10
Bin No:	1001505
Location:	Midblock, north side of Chambers Street between Greenwich and Hudson Streets
No. of Stories:	16 plus penthouse
Height:	Approximately 175'
Plan dimensions:	See plot plan
Building Age:	Approximately 74 years
Certificate of Occupancy:	18097 (12/23/31)
Building Use:	Commercial
Type of Wall Construction:	Solid masonry wall
Owner/Agent:	RPT Chambers LLC
Address:	c/o Tribeca Associates 321 Greenwich Street New York, NY 10013
Telephone No.:	212-941-5954
Critical Examination	
Start Date:	December 12, 2005
Completion Date:	December 16, 2005

Local Law 11/98 - Cycle 6 Report
157 Chambers Street
(aka 163 Chambers Street)
December 24, 2005
Page 3

PLOT PLAN



B. DESCRIPTION AND APPURTENANCES

The building is a 16-story reinforced concrete framed commercial use building with solid masonry wall construction. Floor levels are designated 1 to 12, 14 to 16 and penthouse.

The principal facade on the south elevation (Chambers Street) has a two-story stone base capped off with a water table on the 3rd floor. The balance of this facade is brick extending up to the top of the building. Setbacks appear on the 11th, 12th, and 16th floors and at equipment and stairwell enclosures on the main roof level. A sidewalk shed is currently in place on the entire south elevation.

The setbacks and penthouse level are protected with masonry wall parapets capped with terra cotta coping stones. The facade is highlighted with decorative corbeled brick patterns on the parapets and corners.

Window openings are supported on steel lintels. Windows on this facade are steel-framed awing type windows with slate sills at their bases.

There are a number of steel channels mounted on the exterior surface of the narrow pilasters between window openings, as well as steel bar straps on two corners. It is presumed that these were installed to reinforce the masonry corners and pilasters; however, it cannot be confirmed as to their reliability.

The court and lot line walls extend above the rear courts or adjacent buildings. These walls have been recently encapsulated with a cementitious coating application. It is believed that the subsurface wall is reinforced concrete. Surface mounted steel channels also appear on the east wall at floors 12 to 15. Windows are steel-framed, although some have been replaced with aluminum type windows. They are set into masonry openings with slate sills.

The rear (north) elevation falls on the lot line and has a recessed court having two (2) return walls facing east and west and a setback on the 16th floor. These walls are also coated. The east court wall has cantilevered balconies which serve as egress platforms for the stairwell. There are two (2) steel stacks mounted on the north court wall. Windows are typical to that on the east and west facades.

The penthouse and main roof level have masonry wall enclosures and demising parapet walls between the varying roof levels. A masonry stack extends above the main roof level which has been reinforced with steel straps.

C. PRIOR REPORT REVIEW

Prior Cycle 5 report was prepared by Robert Feuer, PE and was filed on March 1, 2000. The report was filed as Safe With a Repair and Maintenance Program identifying repairs needed to repair cracked and spalled slate sills, cracked and spalling coating, and to cracked brick.

DOB records show a facade repair project under Permit No. 10323580 2. We could not confirm under this permit whether all items noted in the prior report have been addressed or where the locations were repaired on the pointing and slate sill replacement. Our observations do however reveal that certain areas have been addressed as evidenced by localized pointing, brick replacement and sill replacement. However several of the sills are still in need of replacement.

D. METHOD OF EXAMINATION

Visual observations using high-powered optical equipment were made from street level, main roof, setbacks and from the rear fire tower balconies.

Platform inspections using suspended scaffolding was conducted on December 12, 2005 between floors 2 and 15 on the south elevation, center bay of the building and on December 16th on the west elevation, south corner, between floors 6 and penthouse. Platforms and operators were provided by East Coast East Coast Restoration & Consulting Corp., 232 Madison Avenue, New York, NY 10016, Phone #212-685-2092.

Inspections were conducted by Vincent Stramandinoli, P.E.

E. DOB/ECB VIOLATIONS

No record of any outstanding DOB/ECB facade-related violations.

F. CURRENT FINDINGS

GENERAL STATEMENT OF CONDITION AND WATERTIGHTNESS

The exterior walls and appurtenances are in need of repairs which are noted in the following sections. In addition, there are several areas on the building where external structural steel reinforcing elements such as channels and strap plates have been installed in the past. These elements which we would consider as appurtenances were installed at some point in the past with what is believed to be for reinforcing walls that were cracked and to stabilize movement. There are no records of these installations.

The current condition at the time of this inspection was stable and safe; however, the long-term integrity and reliability of these elements cannot be determined. We have recommended remediation to those areas where masonry conditions within the field of these elements reveal cracking or movement. The balance of these elements are to be routinely monitored.

1. ***"UNSAFE"***

   No unsafe conditions noted during this inspection.

2. ***"SAFE"***

   All observations find the exterior facades as "SAFE" (except as noted in SWARMP).

3. ***"SAFE WITH A REPAIR AND MAINTENANCE PROGRAM" (SWARMP)***

   See the following pages for SWARMP.

3. ***"SAFE WITH A REPAIR AND MAINTENANCE PROGRAM" (SWARMP) cont'd.***

EAST ELEVATION

Item #E-1:

Findings: There are steel channels mounted on the east lot line walls first and second masonry column pier from the south end which are encroaching beyond the property line. At the time of this inspection, the condition of the channels and the masonry which we believe they were intended to reinforce was stable.

However, no record of this installation was found and thus we make no opinion on the engineering reliability of this installation. Rust and movement does appear at spandrels of floors 12 to 16 of the 2nd column pier which indicates potential corrosion within the wall (refer to dwg. and photo #E-1).

Recommendation: It is recommended that the masonry and steel at the spandrel area be replaced. The remainder of the wall, including the comer pier at the 10th floor, should be examined at that time to determine the condition of the balance of the wall and the reasoning and reliability of the channels. Alternative non-encroaching means of repair should be employed.

Time Frame: Two (2) years
Permit required as per TPPN: A.2

Item #E-2:

Findings: Bulging brick appears at the spandrels of the main roof and 16th floor parapet (refer to dwg. and photo #E-2).

Recommendation: Replace bulging brick.

Time Frame: Two (2) years
Permit required as per TPPN: A.2

3. ***"SAFE WITH A REPAIR AND MAINTENANCE PROGRAM" (SWARMP) cont'd.***

REAR COURT AND LOT LINE WALLS

Item #RC-1: Inspection drop on west wall (see dwg.) found the following:

Findings: Spalling and cracking of coating and concrete substrate at the following locations:

A. Penthouse spandrel area beneath glass enclosure (refer to photo #RC1-1).

B. Spalled sill on 15th floor (refer to photo #RC1-2)

C. Sporadic cracking appears on sills and head sections of window opening (refer to photos #RC1-3 thru RC1-6)

D. Open joints on the brick wall of the west corner at the 8th, 9th, 12th and 14th floors (refer to photos #RC1-7 thru 9)

Recommendation: Sound and examine all surfaces and repair spalled concrete and defective mortar joints.

Time Frame: One (1) year
Permit required as per TPPN: B.1

Item #RC-2:

Findings: The surface of the rear court and lot line walls are coated in cementitious wall coating over the original reinforced concrete wall which appears to be been recently installed. The current condition of the wall surface, except as noted in this report, was found to be in good condition at the time of inspection. However, the concrete surface itself could not be observed.

Recommendation: It is recommended that these walls be monitored on a yearly basis for any cracking, spalling or coating failures and repaired as needed.

Time Frame: **Comply with TPPN: B.2 for permit requirements at the time of repairs.**

3. ***"SAFE WITH A REPAIR AND MAINTENANCE PROGRAM" (SWARMP) cont'd.***

SOUTH ELEVATION

Item #S-1:

Findings:	Numerous steel channels and straps are secured to corners and masonry pilasters between windows. The condition of the wall and pilasters was stable at the time of this inspection. However, no record is available in DOB file to confirm the reliability of this installation for the long-term (refer to dwg. and photo #S-1).
Recommendation:	Monitor on an annual basis.
Time Frame:	Yearly **Permit required for any modification to piers.**

3. ***"SAFE WITH A REPAIR AND MAINTENANCE PROGRAM" (SWARMP) cont'd.***

Item #S-2:

Findings: There are numerous masonry defects on the south elevation noted in the following:

A. Vertical cracking of corners at floors 12, 16 to penthouse and 11 to 12 (refer to dwg. and photos #S-2A).

B. There is outward movement and jacking of the 16th floor east parapet and the adjacent column pier to the east (refer to dwg. and photo #S-2B).

C. There is outward displacement of the masonry at the penthouse level parapet (refer to dwg and photo #S-2C).

D. Coping on all of the parapets have open joints and occasional cracked stone. There is also erosion of the brick mortar joints which require pointing (refer to photo #S-2D).

E. Vertical crack in masonry at center wing, east return wall, floors 11 to 12 (refer to photo #S-2E).

F. Open mortar joints on 14th floor at second column pier from east corner (see elevation drawing).

G. Step crack in west return wall of interior parapet of penthouse level west wing (refer to dwg. and photo #S-2G).

H. Windows on this, as well as remaining elevations have rusting frames and deteriorated caulking.

Recommendation: A. All cracked masonry at the noted corners should be replaced.

Time Frame: One (1) year
Permit required as per TPPN A.2

Recommendation: B. The parapet at the 16th floor and the displaced spandrel on the south should be replaced.

Time Frame: One (1) year
Permit required as per TPPN A.4

3. ***"SAFE WITH A REPAIR AND MAINTENANCE PROGRAM" (SWARMP) cont'd.***

Item #S-2 *cont'd*:

Recommendation:	C.	Replace displaced brick at penthouse spandrel.
Time Frame:		Three (3) years **Permit required as per TPPN A.2**
Recommendation:	D.	Replace all broken copings, caulk all joints and point eroded joints of masonry on all setback parapets.
Time Frame:		One (1) year **No permit required as per TPPN A.6**
Recommendation:	E.	Replace cracked brick at corners.
Time Frame:		One (1) year **Permit required as per TPPN A.2**
Recommendation:	F.	Point open joints.
Time Frame:		One (1) year **No permit required as per TPPN A.1**
Recommendation:	G.	Replace cracked brick and point open joints
Time Frame:		One (1) year **No permit required as per TPPN A.1**
Recommendation:	H.	Scrape, paint windows, examine for and replace any broken glass and caulk defective joints on frames and muntins.
Time Frame:		Two (2) years **No permit required as per TPPN G.2**

3. ***"SAFE WITH A REPAIR AND MAINTENANCE PROGRAM" (SWARMP) cont'd.***

Item #S-3:

Findings:	Several slate sills at window openings shifted and deteriorating on all elevations (refer to photo #S-3).
Recommendation:	Examine all sills and replace shifted or deteriorated sills. ***Note:*** *Condition was reported in prior cycle.*
Time Frame:	One year. **No permit required as per TPPN H.4**

3. ***"SAFE WITH A REPAIR AND MAINTENANCE PROGRAM" (SWARMP) cont'd.***

PENTHOUSE AND MAIN ROOF

Item #PR-1:

Findings:	Vertical cracks on southwest and northwest corners of equipment room on main roof level (refer to dwg. and photos #PR-1, 1A).
Recommendation:	Replace cracked brick.
Time Frame:	One (1) year **No permit required as per TPPN A.2**

Item #PR-2

Findings:	Irregular and deteriorating mortar on abandoned stack on east wall of main roof (refer to dwg. and photo #PR-2).
Recommendation:	Repair masonry and add new coping.
Time Frame:	One (1) year **No permit required as per TPPN A.6**

Item #PR-3

Findings:	Main chimney stack has shifted masonry and copings at top and numerous localized cracking on all sides (refer to dwg. and photo #PR-3).
Recommendation:	Reset coping, replace defective brick at top and at cracks along the four sides of the stack.
Time Frame:	One (1) year **Permit required as per TPPN A.9**

Item #PR-4

Findings:	Bulging masonry on outboard side of main roof parapet and missing coping (refer to dwg. and photo #PR-4).
Recommendation:	Replace bulging brick and install new coping.
Time Frame:	One (1) year **Permit required as per TPPN A.2**

3. ***"SAFE WITH A REPAIR AND MAINTENANCE PROGRAM" (SWARMP) cont'd.***

Item #PR-5:

Findings:	Eroded joints at parapets and copings of main roof and penthouses (refer to photo #PR-5).
Recommendation:	Point defective joints, caulk all copings (replace damaged copings).
Time Frame:	One (1) year **No Permit required as per TPPN A.6**

Item #PR-6:

Findings:	Rusted lintels on PH level B stairwell and equipment room door (refer to photo #PR-6).
Recommendation:	Replace lintels.
Time Frame:	One (1) year **Permit required as per TPPN A.9**

Item #PR-7:

Findings:	Spalling wall surface on east return of 16th floor court wall (refer to dwg. and photo #PR-7).
Recommendation:	Sound, remove loose material and patch.
Time Frame:	One (1) year **Permit required as per TPPN B.1**

Item #PR-8:

Findings:	Outward displacement of spandrel brick on main roof, west wall (refer to dwg. and photo #PR-8).
Recommendation:	Replace bulged brick.
Time Frame:	One (1) year **Permit required as per TPPN A.2**

SUMMARY

The findings presented in this Report are the result of the undersigned's professional assessment reached under the inspection requirements of Local Law 11/98 and are based solely on a visual examination of the building exterior at the time of the inspection, utilizing the above described procedures. Such conclusions unless expressly stated are not to be interpreted as certification of the building's safety, nor do they imply any guarantee or liability on the part of the undersigned, as the scope of our work was limited to an evaluation of conditions visible from the ground and roofs of the building. Existing surfaces were not penetrated or removed; the condition of the building was determined solely from the visual appearance of the exterior condition and the undersigned's professional opinion based on his knowledge of buildings of this construction type.

Respectfully submitted,

Vincent Stramandinoli, P.E.

DOB BUILDINGS

TECHNICAL REPORT (TR-6)

Periodic Inspection of Exterior Walls and Appurtenances

February 21, 2005 - February 21, 2007

Initial Report Cycle 6

Amended Report Cycle # _____

RECEIVED
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DEPT. OF BUILDINGS
LOCAL LAW ENFORCEMENT UNIT

1. Filing Information - Answer all questions, File 3 copies with one (1) microfilm

☑ Initial Filing - Indicate last cycle filing date: 03/01/2000 ☐ Subsequent filing - Indicate Initial filing date: _____

☐ Amended Filing - Indicate Initial unsafe filing date: _____

2. Location

Borough Manhattan	**Block** 140	**Lot(s)** 10	**BIN** 1001505
House No(s). 157	**Street Name** Chambers Street		**Zip** 10007
A.K.A address(es) 163 Chambers Street			**Community Board No.** 101

3. Inspection Report Status – Refer to Definitions of Conditions in Rules 1 RCNY § 32-03(a)

Current Cycle	Prior Cycle
☐ Safe ☑ Safe with a Repair and Maintenance Program (SWARMP) ☐ Unsafe:	☐ Safe ☑ SWARMP ☐ Unsafe

4. Building Characteristics

Number of Stories: 16 Landmark Building: Yes: ☐ No: ☑ Landmark District: Yes: ☐ No: ☑

Exterior Wall Type:
Solid masonry wall

5. Professional

Last Name Stramandinoli	First Name Vincent		M.I.
Business Name VSA Exterior Consultants, Inc.			
Business Phone (212) 338-9661	E-Mail Address vsa@thevsagroup.com		
Address 441 Lexington Avenue, Suite 506	City New York	State NY	ZIP 10017
☑ P.E ☐ R.A	NYS License. No. 056777		

6. Owner of Record (Not a Representative or Building Manager)

Last Name Brodsky	First Name William		M.I. D
Business Name RPT Chambers LLC			
Business Phone (212) 941-0300	E-Mail Address bill@tribecallc.com		
Address 157 Chambers Street	City New York	State NY	ZIP 10007

7. Statements and Signatures

Falsification of any statement is a misdemeanor under Section 26-124 of the Administrative Code and punishable by a fine or imprisonment, or both. It is unlawful to give to a City employee, or for a City employee to accept, any benefit, monetary or otherwise, either as a gratuity for properly performing the job or in exchange for special consideration. All Violations are punishable by imprisonment or fine or both.

Professional's name (print):

Vincent Stramandinoli, P.E.

P.E. Professional

I hereby state that the owner has authorized me to submit his report. Furthermore, I hereby state that all statements are correct and complete to the best of my knowledge. A copy of this report has been given to the owner.

STATE OF NEW YORK VINCENT STRAMANDINOLI No. 056777 LICENSED PROFESSIONAL ENGINEER

Professional's Signature 1/27/06 Date

Owner / Owner representative's name (print below):

(A) I hereby state that I am the owner/owner's representative of the premises referenced in the attached report. Furthermore, I have received and read a copy of the attached report and I am aware of the required repairs and/or maintenance, if any and the recommended time frame for the same.

(B) I certify that all items noted as SWARMP conditions in the Cycle 5 Report have been corrected/repaired; or this report must be rated as "Unsafe" as per RCNY 32-03 (b) (3) (ii) (Q), if applicable.

If not the owner - Relationship to owner; Address & Phone No.

William D. Brodsky, Owner

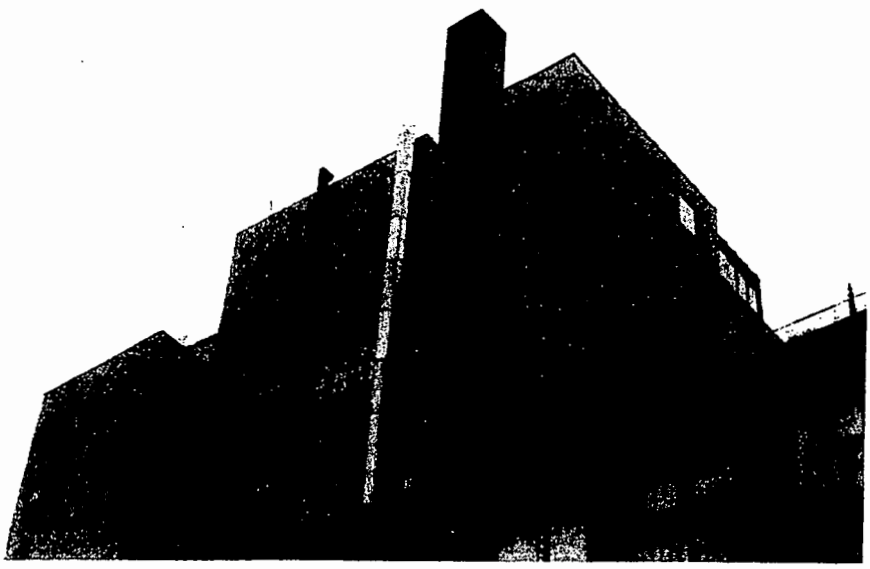
Tribecca Associates, 321 Greenwich Street, New York, NY 10013

Signature 1/27/06 Date

See TR-6 Instructions on Reverse side

SOUTH AND EAST ELEV.

SOUTH AND WEST ELEV



NORTH ELEV

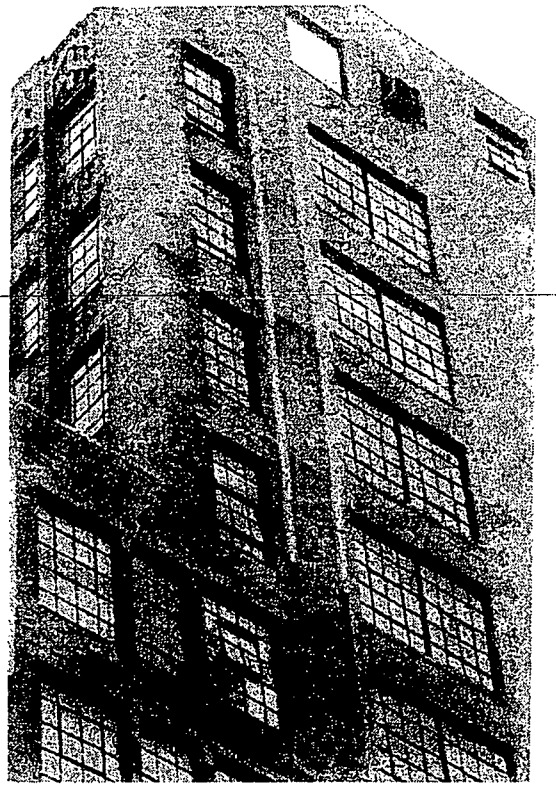
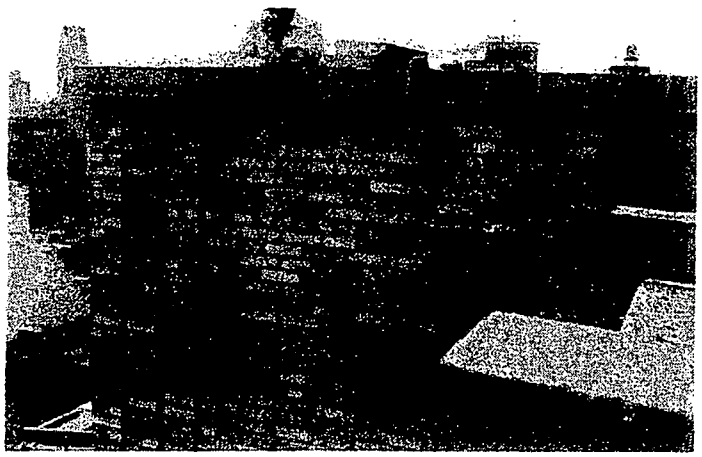


PHOTO E-1
STEEL CHANNELS ON EAST WALL
AND RUST AT SPANDRALS



PHOTOS E-2
DISPALCEMENT OF WALL
AT SPANDRALS OF 16TH FLOOR
AND MAIN ROOF

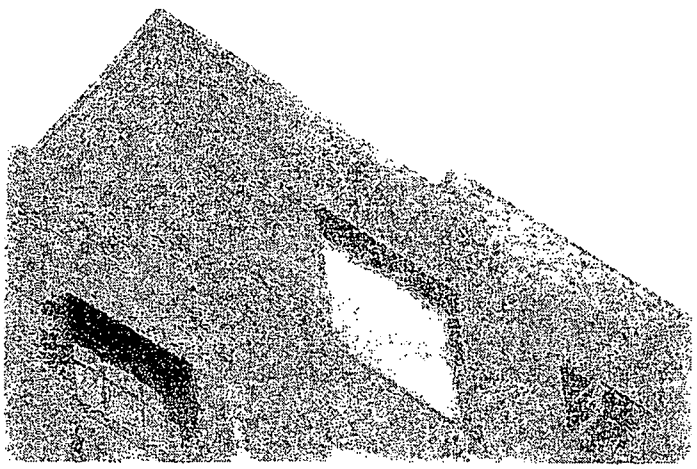
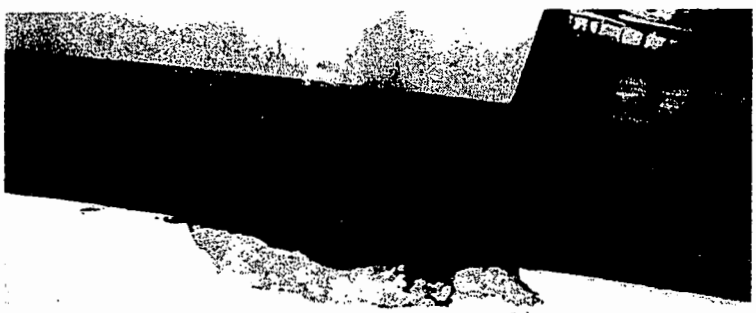


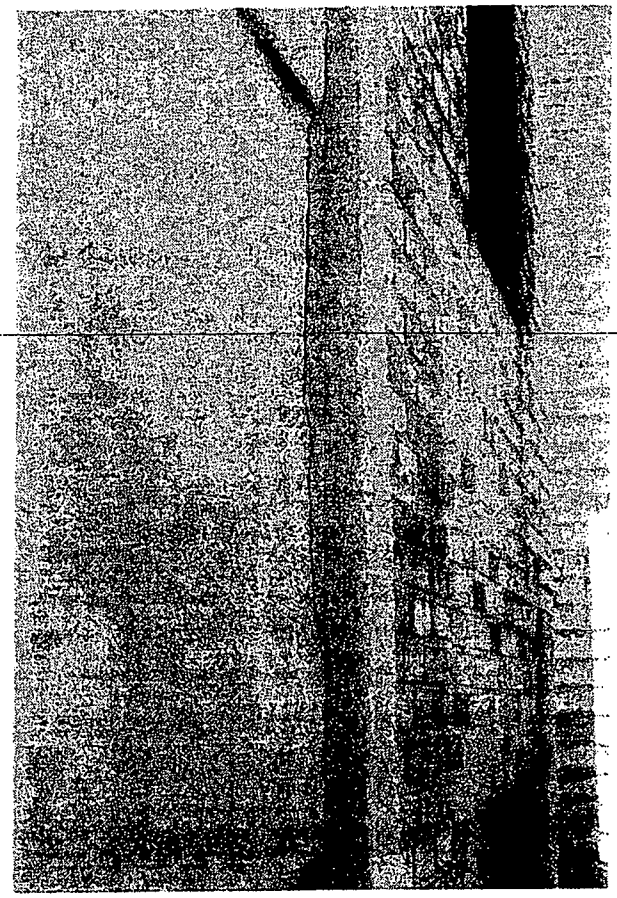
PHOTO RC1-1

crack on west penthousewall



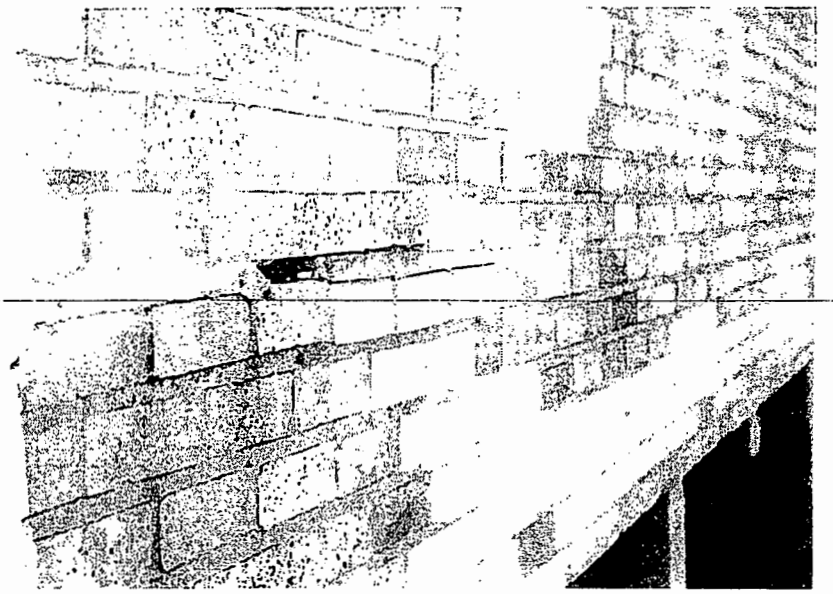
RC1-2

VIEW OF A SPALLED CONCRETE SILL ON THE WEST ALL 15TH FLOOR



PHOTOS RC1-,3,4,5,6

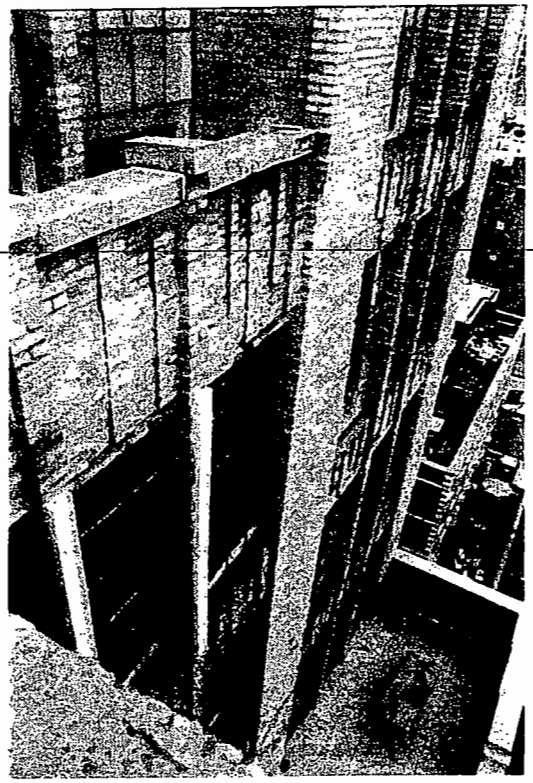
TYPICAL CRACKING AND SPALLING CONDITIONS ON WEST WALL INSPECTION DROP AREA



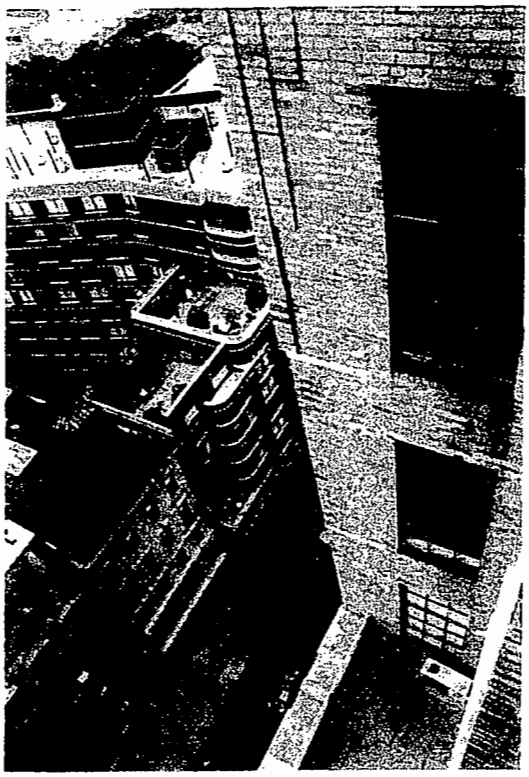
PHOTOS RC1-7,8,9

OPEN JOINTS ON THE WEST BRICK CORNER AT FLOORS 8,9,12 AND 14

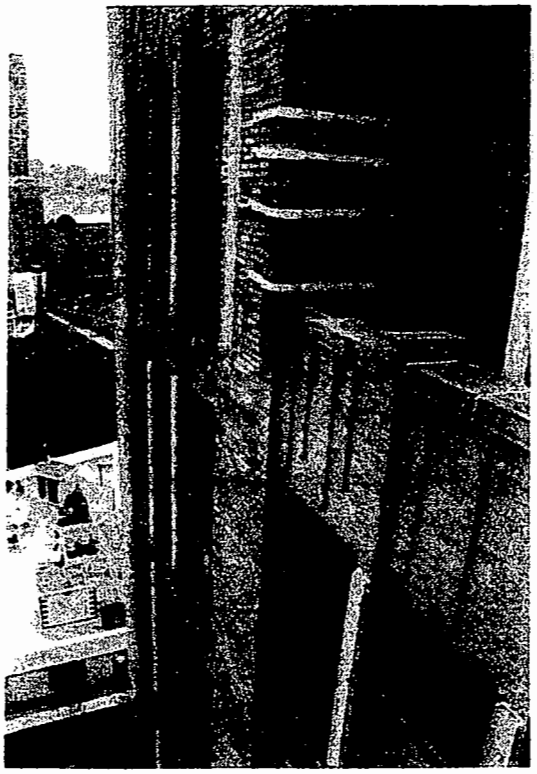
PHOTOS S-1



STEEL CHANNELS AT PIERS

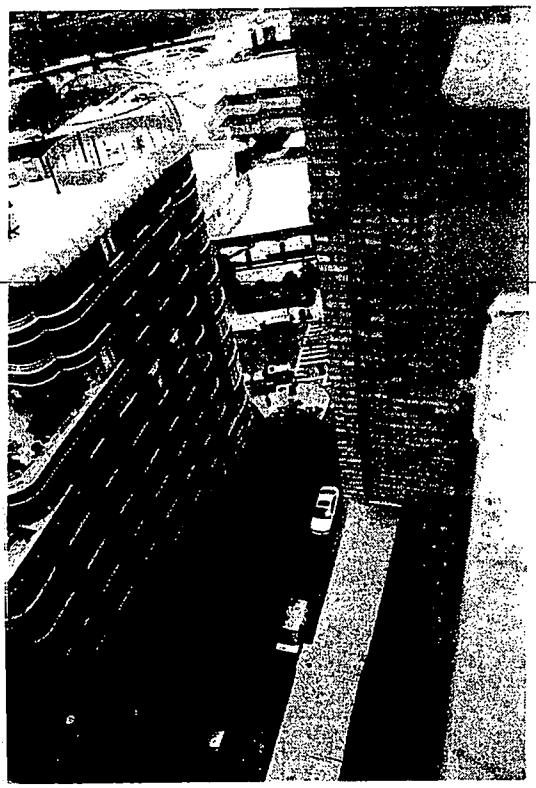


STEEL STARPS AT CENTER
WING EAST CORNER

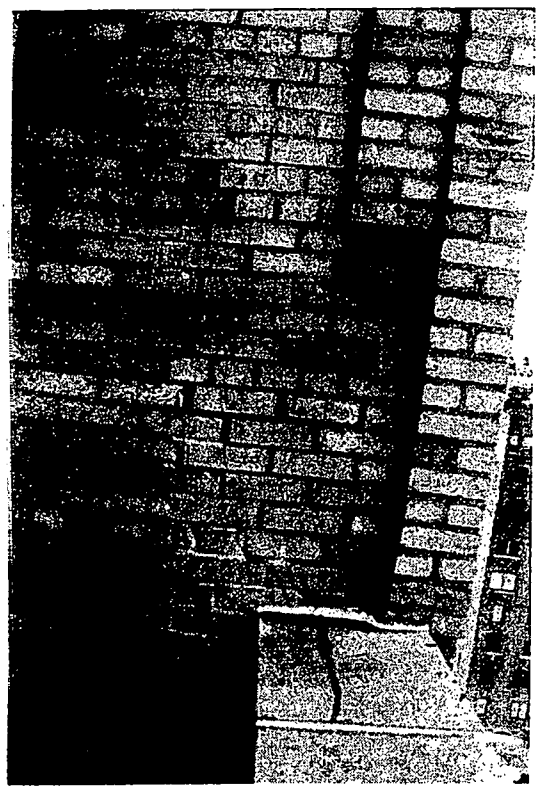


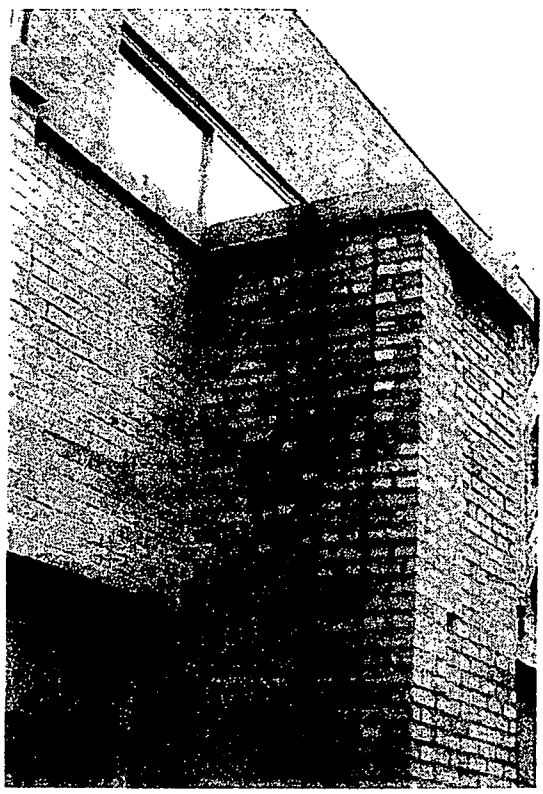
STEEL STRAPS AT
WEST WING EAST CONER

PHOTOS S2-A

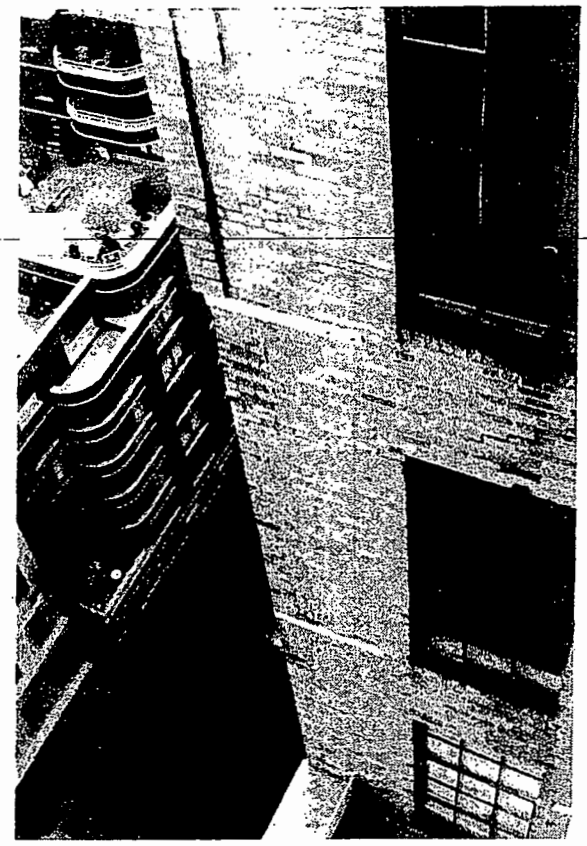


CRACK AND MOVEMENT AT 11TH FLOOR
WEST WING RETURN WALL

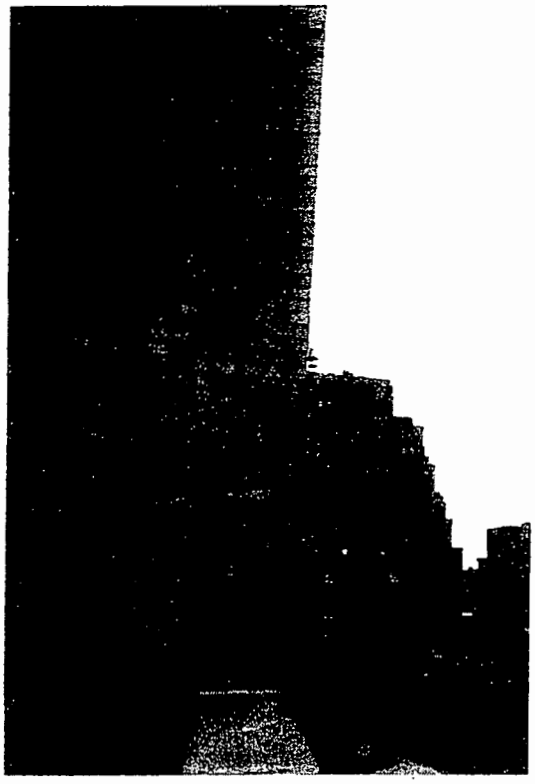




CRACK AT 16 TO PH
ON EAST WING RETURN WALL

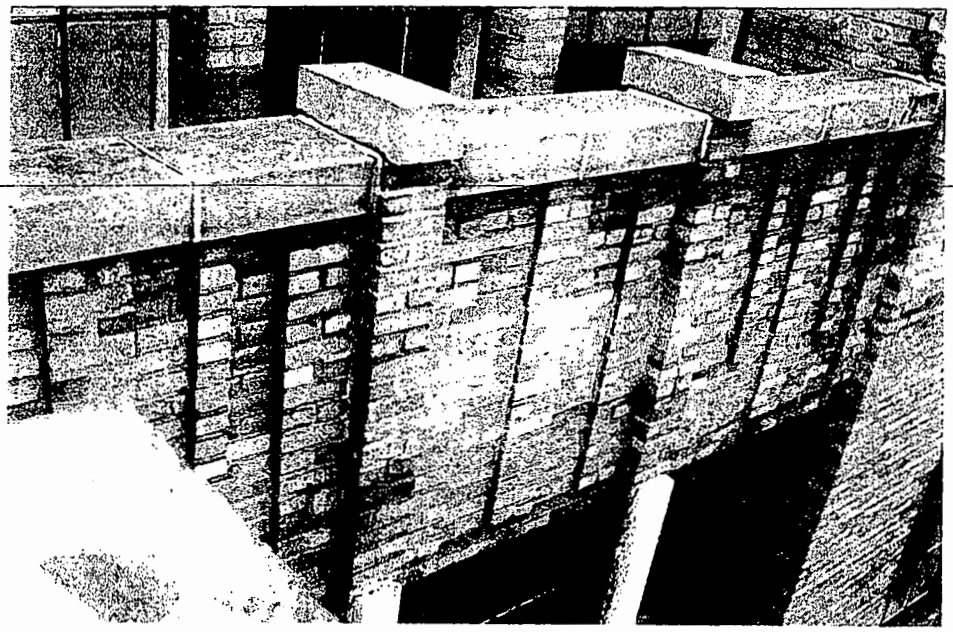


CRACK AT 16TH FLOOR
WEST WING RETURN WALL



CRACK AT 12TH FLOOR
EAST CORNER ON SOUTH FACADE

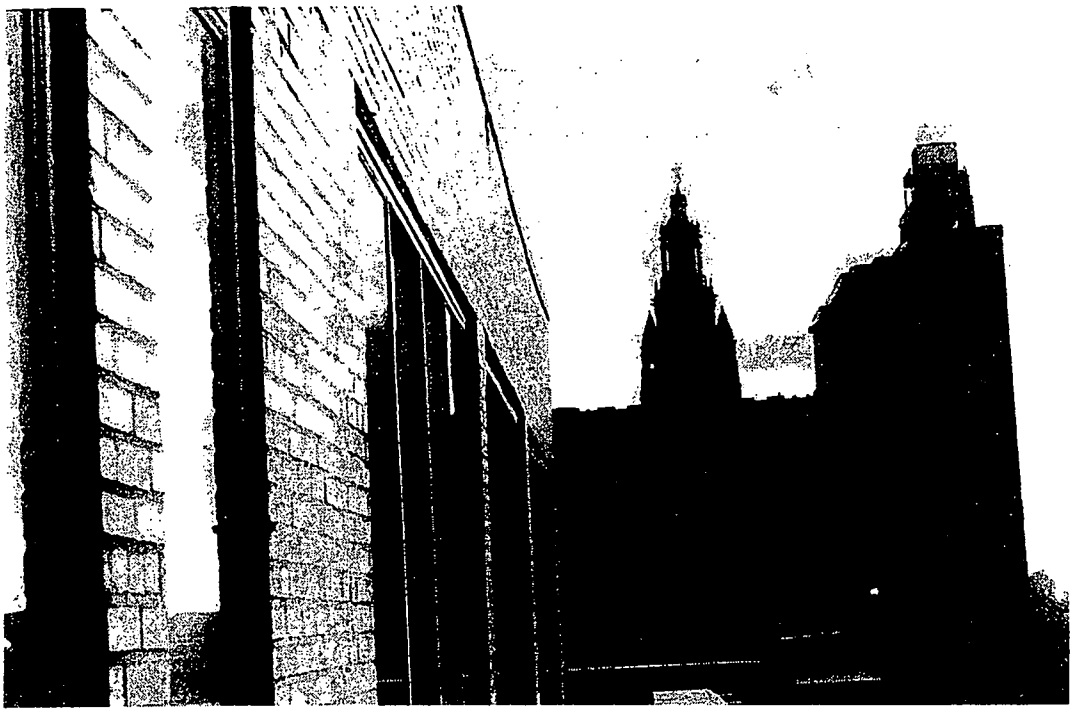
PHOTOS S2-A



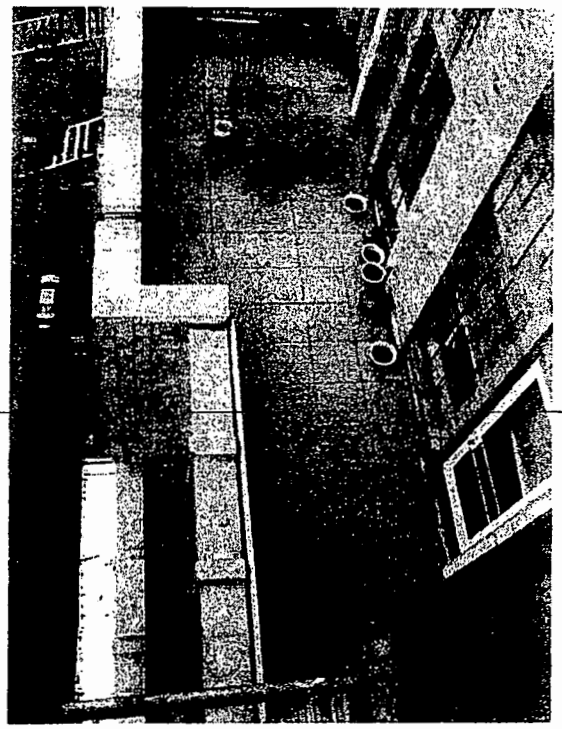
16TH FLOOR EAST PARAPET DISPLACEMENT AND ADJACENT PIER SHIFTED

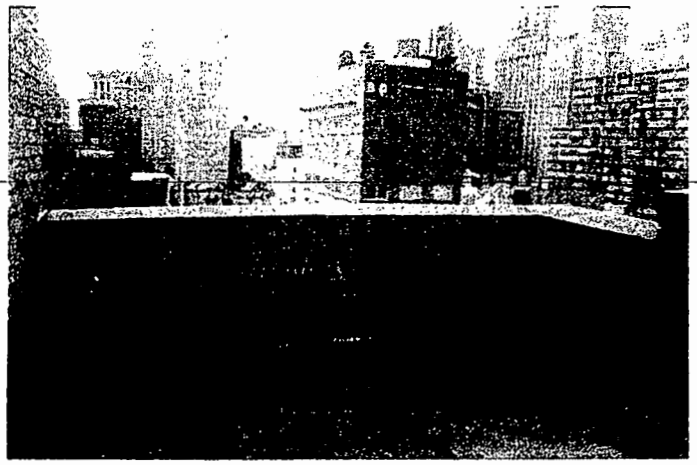
PHOTOS S2-B

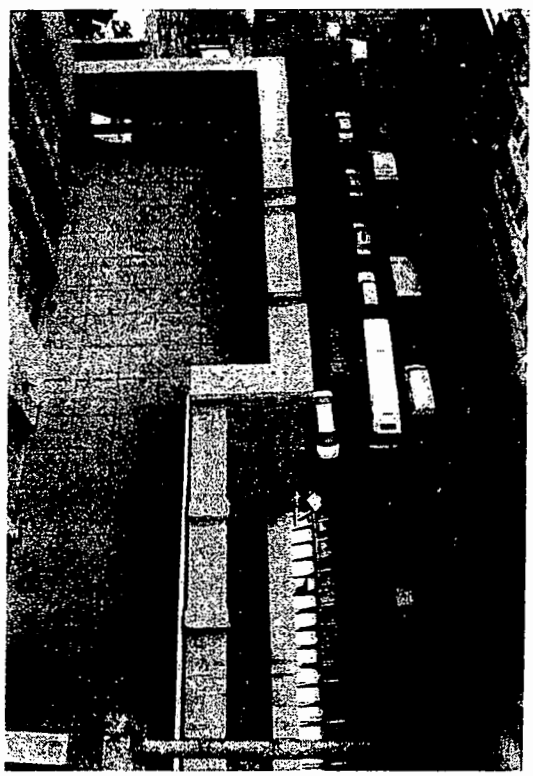
PHOTO S2-C



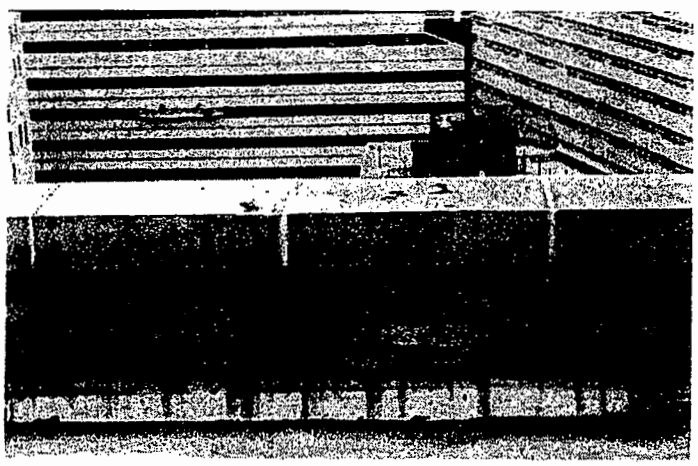
OUTWARD DISPLACEMENT
OF BRICK ABOVE PH

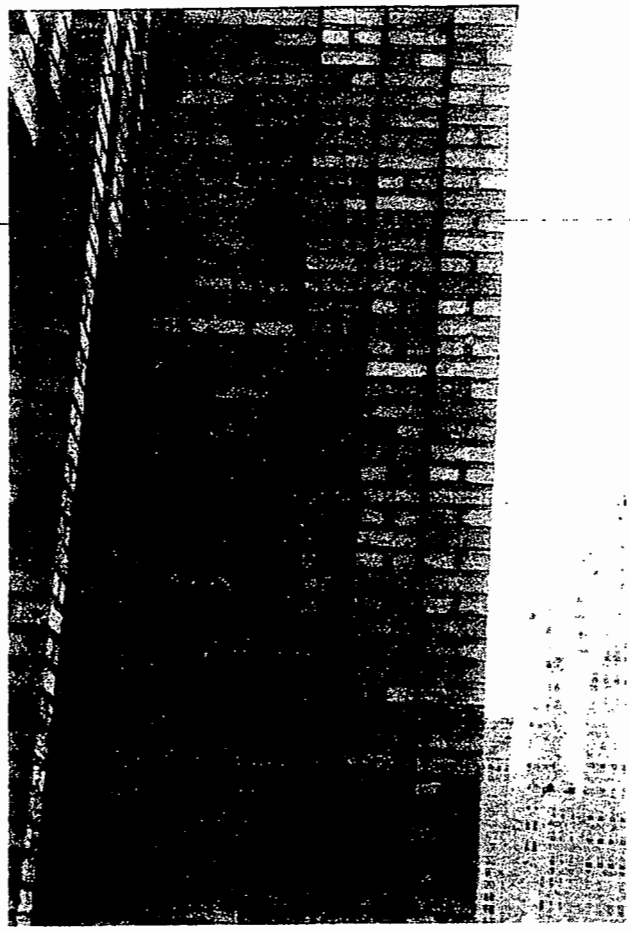




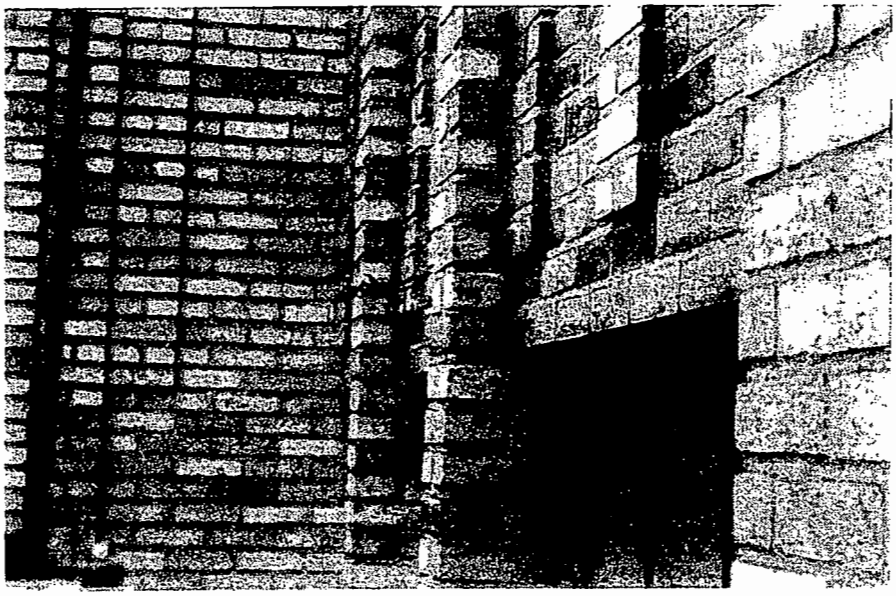


TYPICAL PARAPET AND
COPING CONDITIONS





CRACK AT EAST WING WEST RETURN AT 11-12 FLOOR



CRACK AT WEST WING EAST RETURN 11-12 FLOOR

PHOTOS S2-E

PHOTO S2-F

OPEN MORTAR JOINTS
ON 14TH FLOOR

PHOTO S2-G

STEP CRACK AT PH
PARAPET WEST WALL

PHOTOS S3

VIEW OF TYPICAL SILL CONDITION
ON MOST SILLS

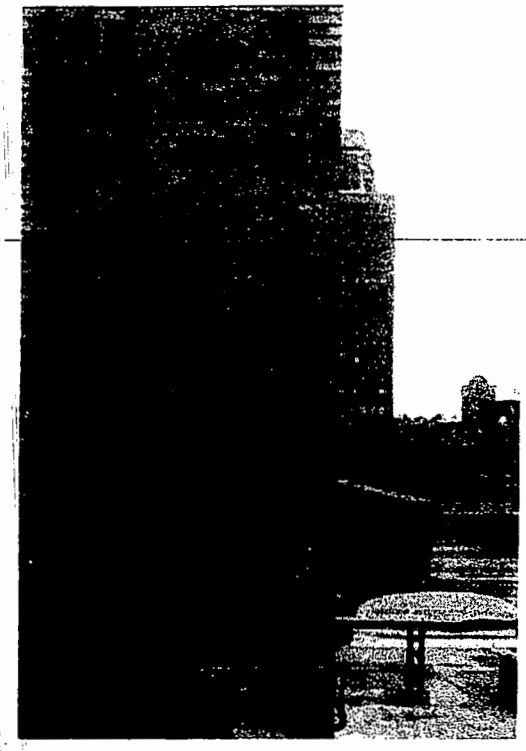


PHOTO PR1-1A

CRACK IN CORNERS
OF EQUIP RM

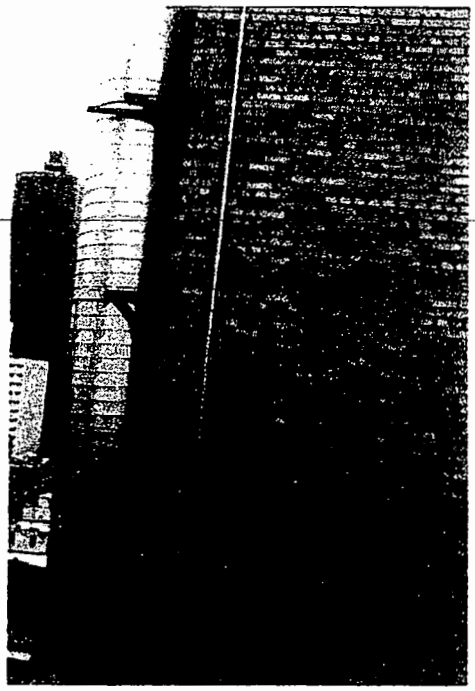


PHOTO PR2
STACK COPING ON
EAST WALL OF MAIN ROOF

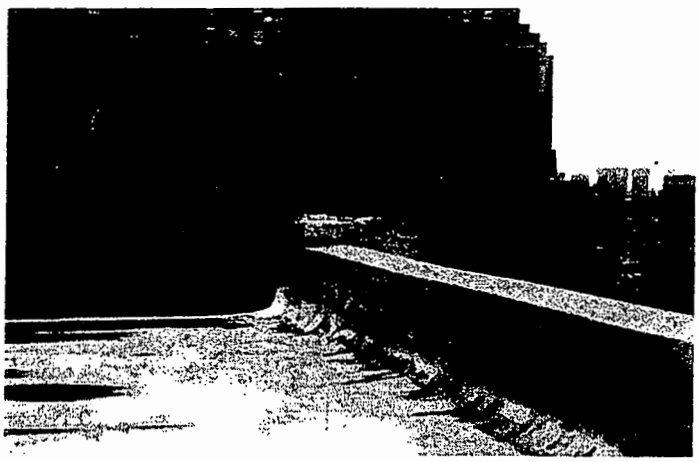
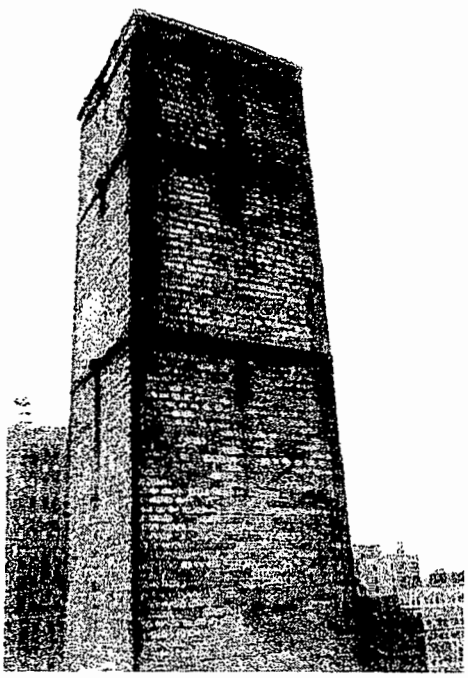


PHOTO PR3

ERODED MORTAR AND CRACKED BRICK
AT MAIN STACK



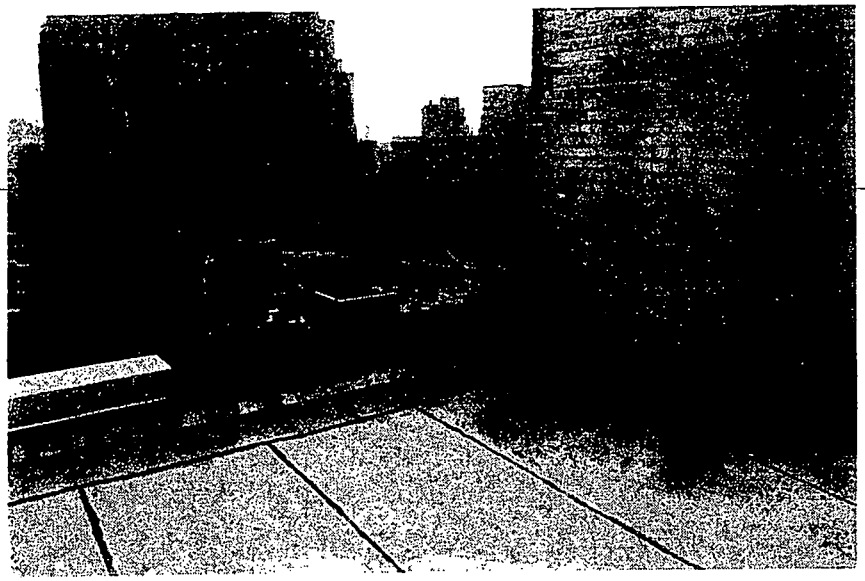


PHOTO PR4

MISSING COPING ON
NORTH PARAPET
AND BULGED PARAPET
ON EXTERIOR SIDE

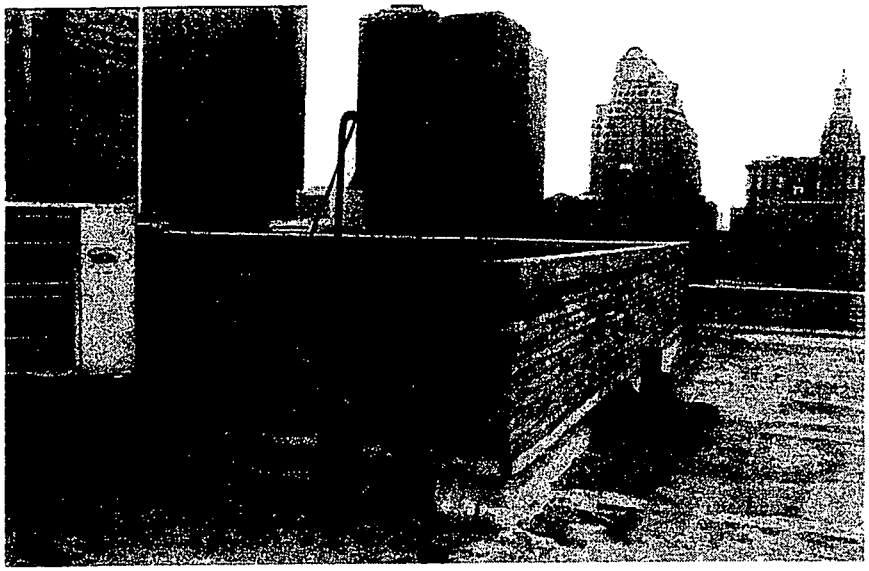


PHOTO PR5

MORTAR AND COPING CONDITION
ON ALL MAIN ROOF AND PH PARAPETS

PHOTO PR6
RUSTED LINTELS AT PH LEVEL
B STAIRWELL DOORS

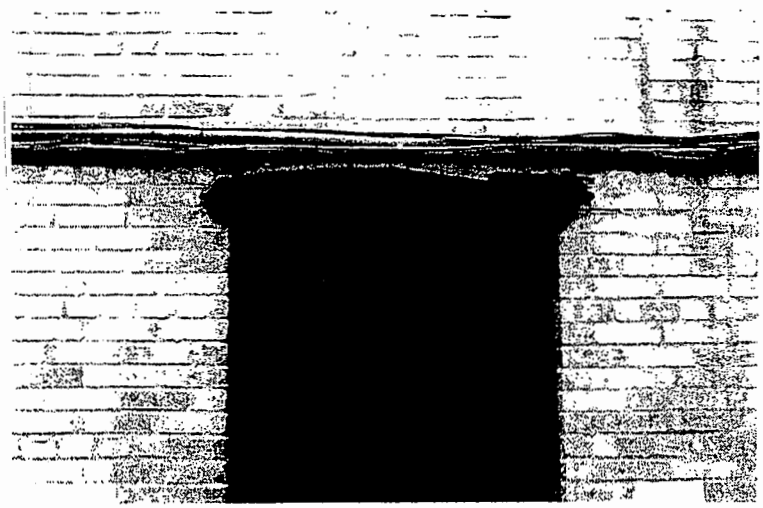


PHOTO PR6
SPALLING ON WALL AT STAIRWELL B

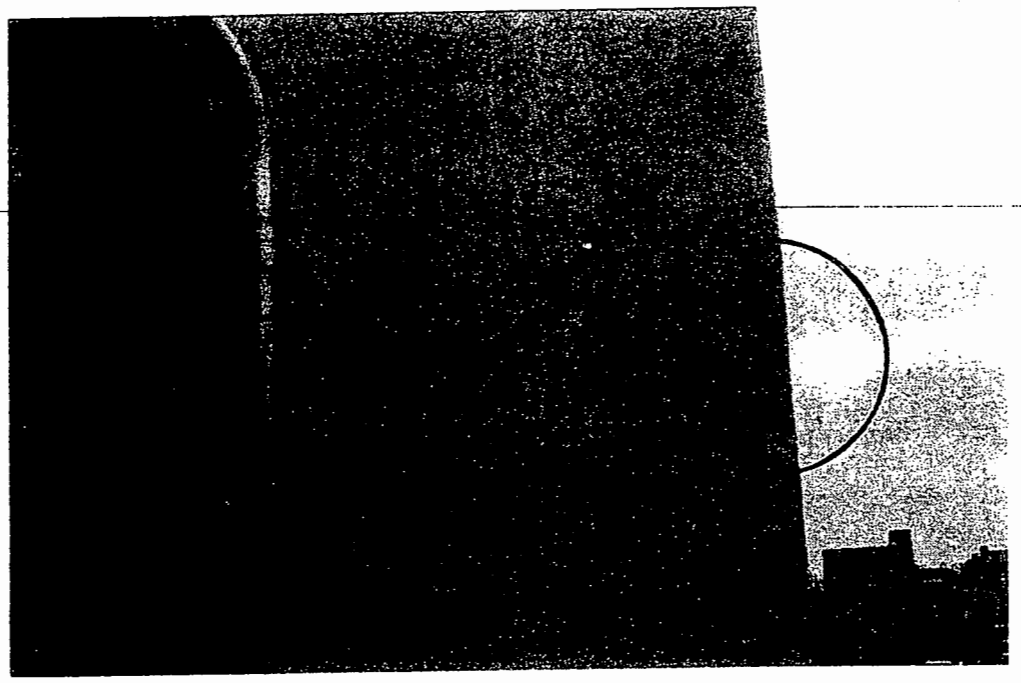
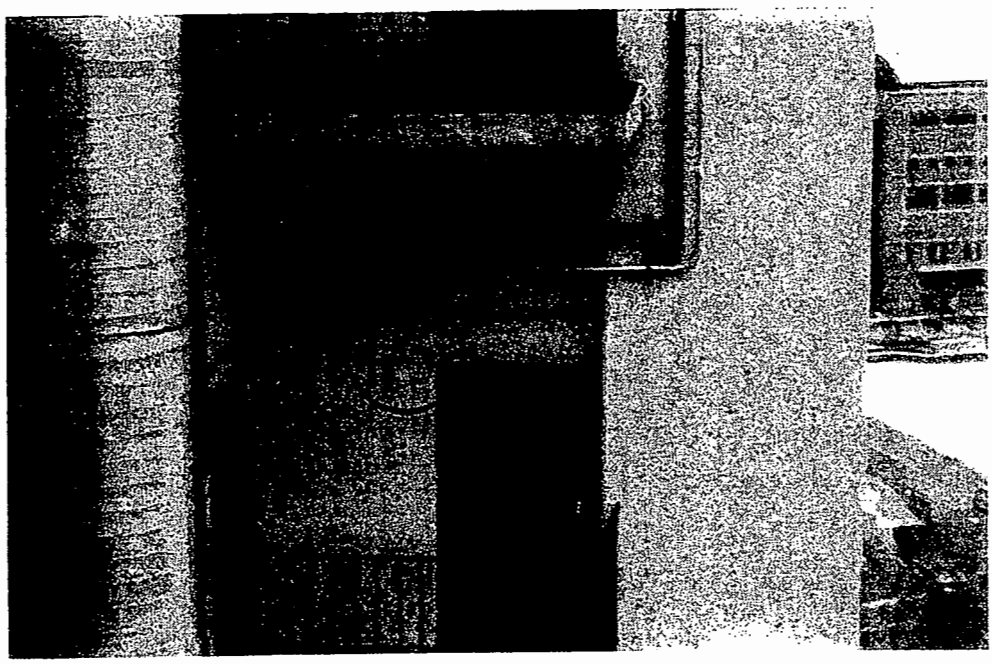


PHOTO PR7
SPALLING OF WALL SURFACE NOTED
ON EAST COURT WALL
AT 16TH FLOOR



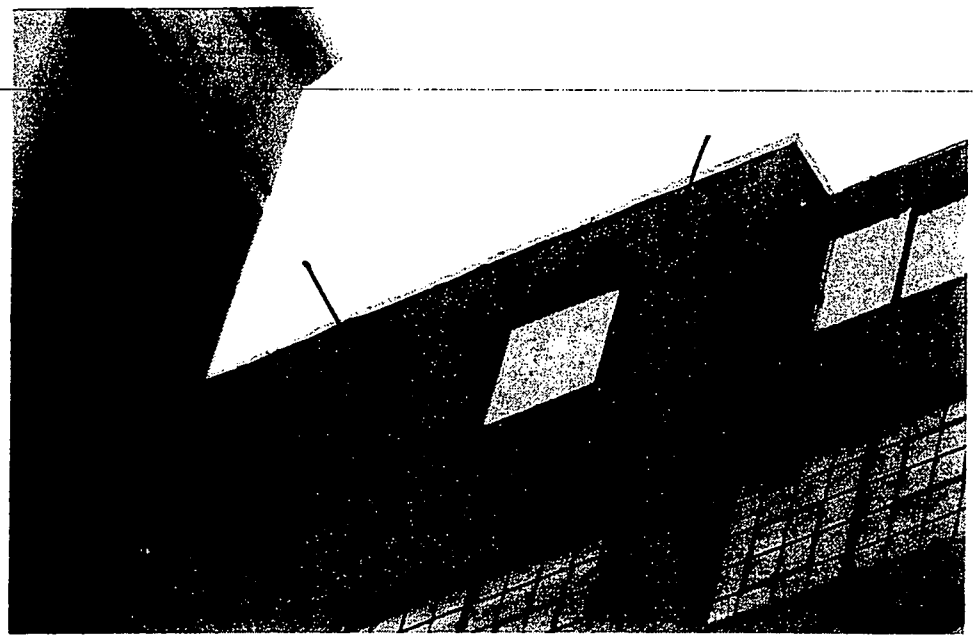
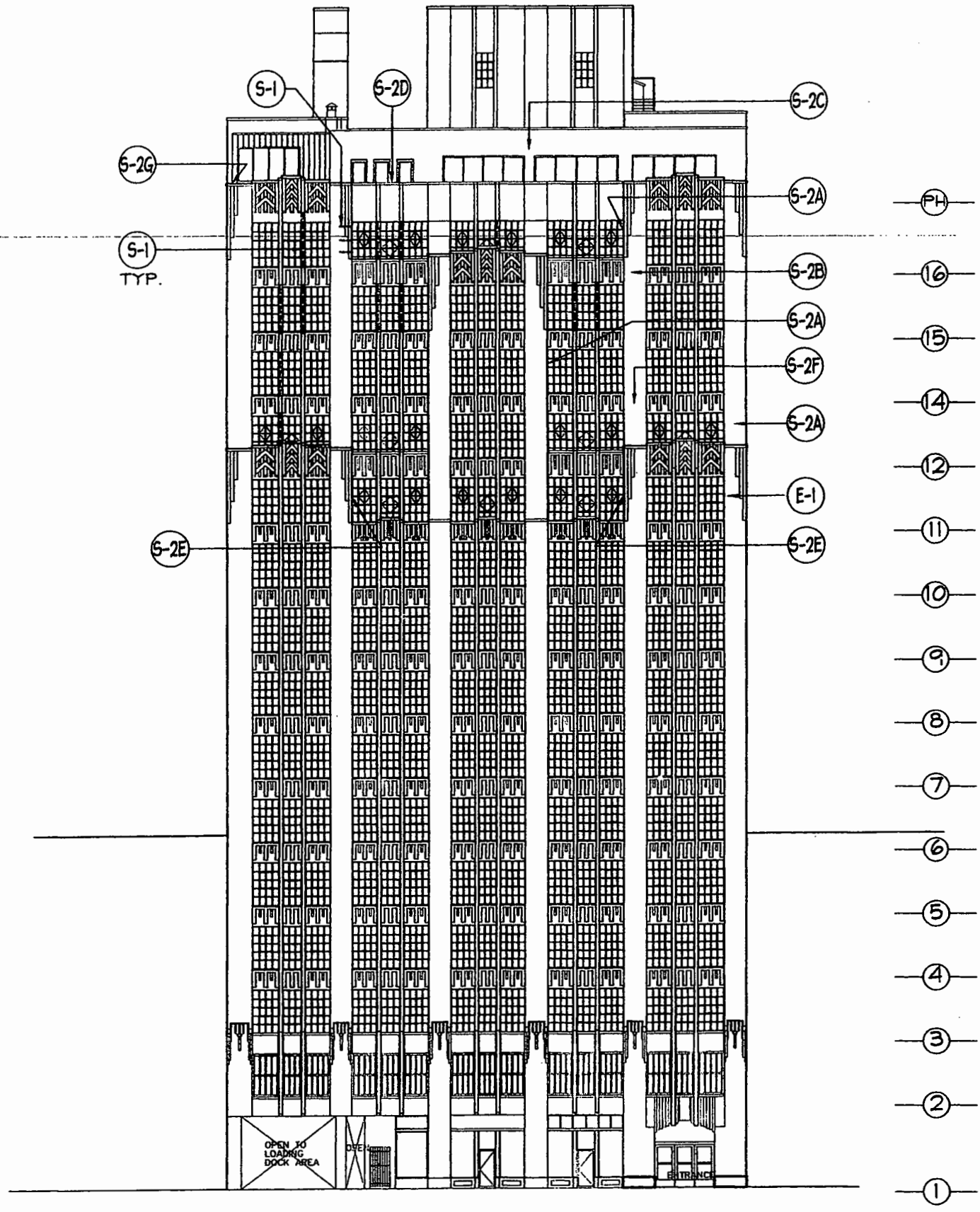


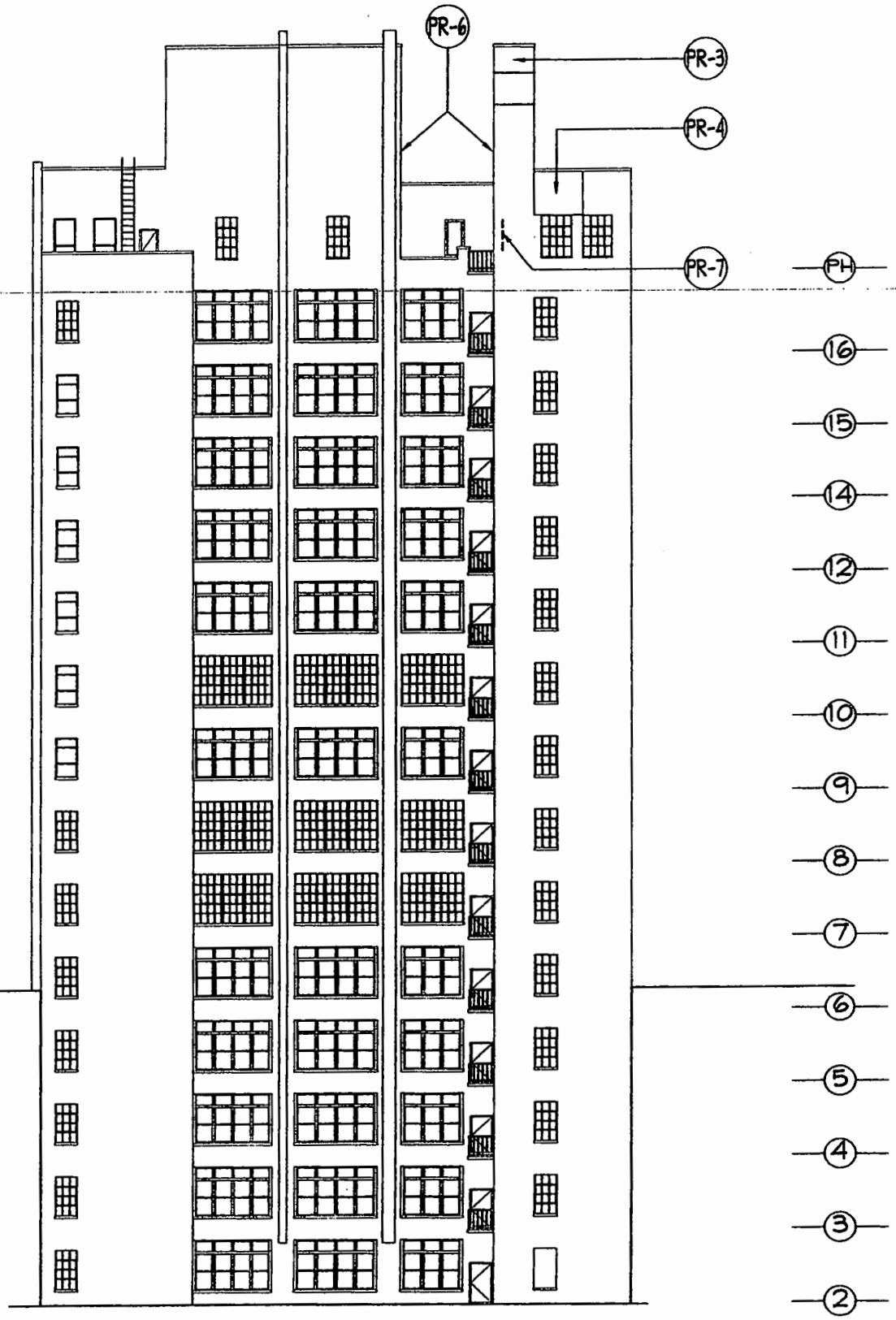
PHOTO PR8
DISPALCEMENT AT THE MAIN ROOF PARAPET ON WEST ELEV



SOUTH ELEVATION

SCALE: NTS

THE VSA GROUP ARCHITECTS • ENGINEERS • CONSULTANTS 441 LEXINGTON AVENUE • SUITE 909 • NEW YORK, NY 10017	157 CHAMBERS STREET CYCLE 6 LOCAL LAW 11/98 REPORT		
	DESIGNED BY: VS	DATE: 12/12/05	JOB #
	DRAWN BY: MA	SCALE: N.T.S.	DWG. # SK-1



NORTH ELEVATION

SCALE: NTS

THE VSA GROUP ARCHITECTS • ENGINEERS • CONSULTANTS 441 LEXINGTON AVENUE • SUITE 508 • NEW YORK, NY 10017	157 CHAMBERS STREET		
	CYCLE 6 LOCAL LAW 11/98 REPORT		
	DESIGNED BY: VS	DATE: 12/12/05	JOB #
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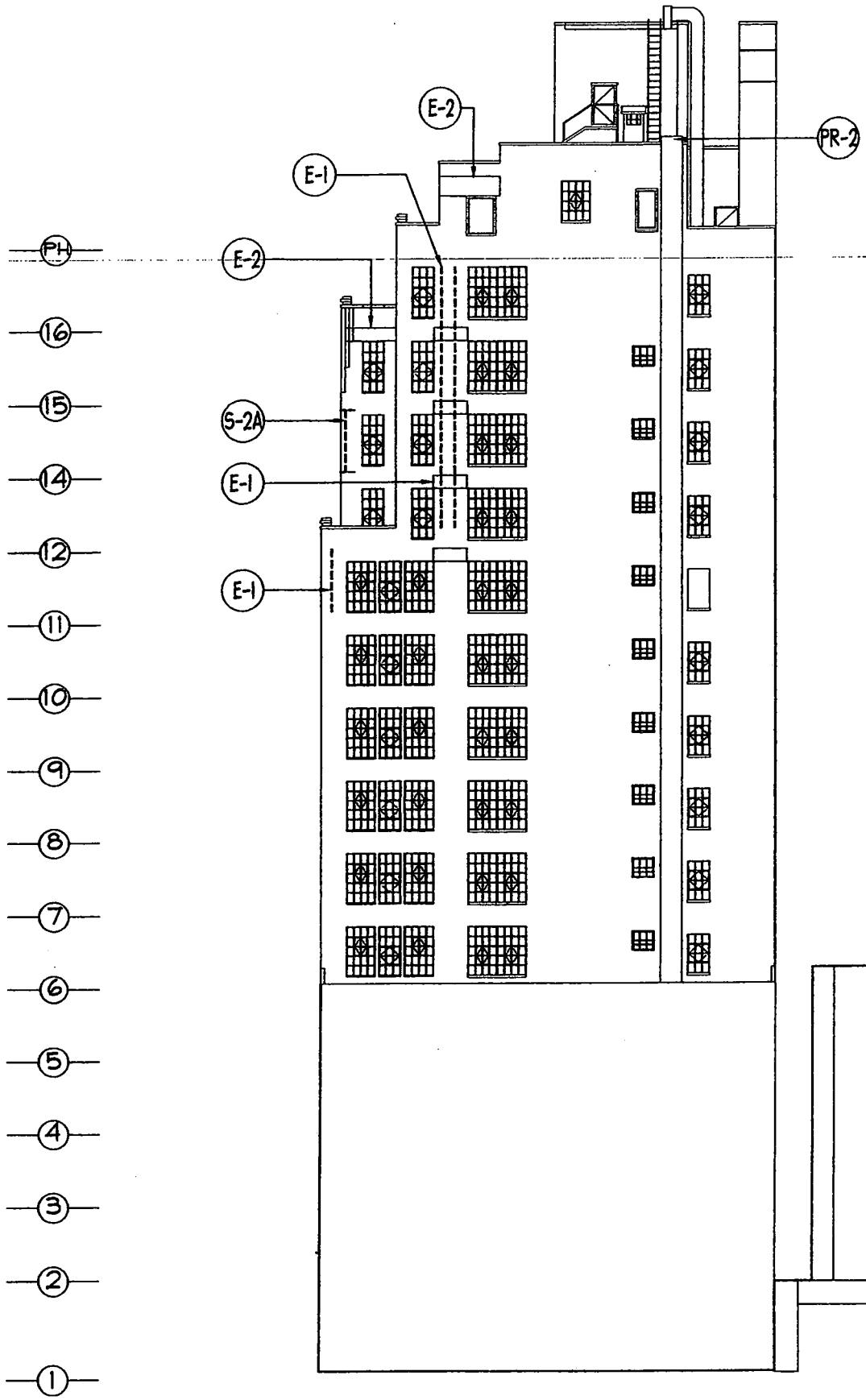

EAST ELEVATION

SCALE: NTS

THE VSA GROUP
ARCHITECTS • ENGINEERS • CONSULTANTS
411 LEXINGTON AVENUE • SUITE 308 • NEW YORK, NY 10017

157 CHAMBERS STREET
CYCLE 6 LOCAL LAW 11/98 REPORT

DESIGNED BY: VS	DATE: 12/12/05	JOB #
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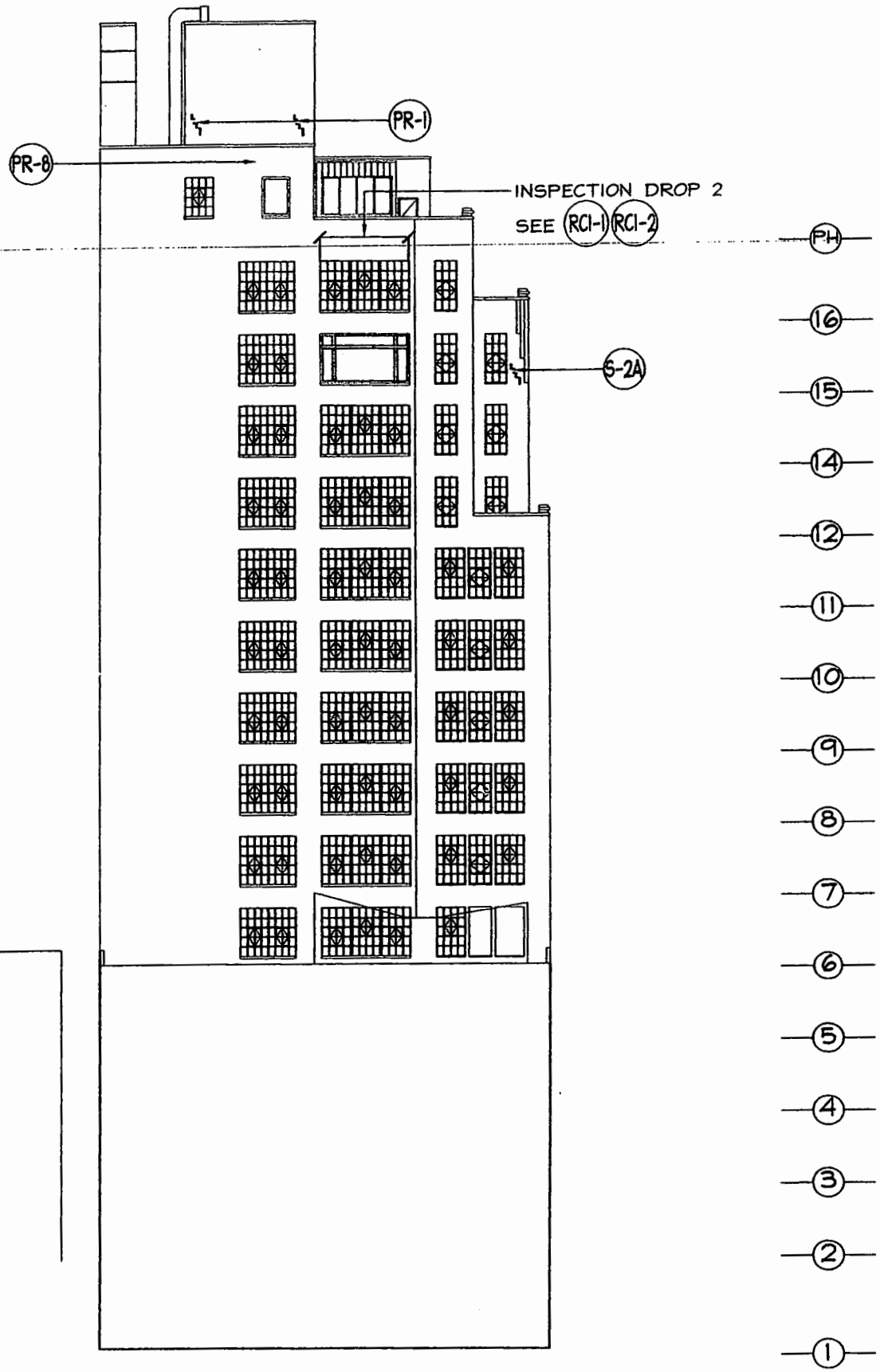

WEST ELEVATION

SCALE: NTS

THE VSA GROUP ARCHITECTS • ENGINEERS • CONSULTANTS 441 LEXINGTON AVENUE • SUITE 500 • NEW YORK, NY 10017	157 CHAMBERS STREET CYCLE 6 LOCAL LAW 11/98 REPORT	
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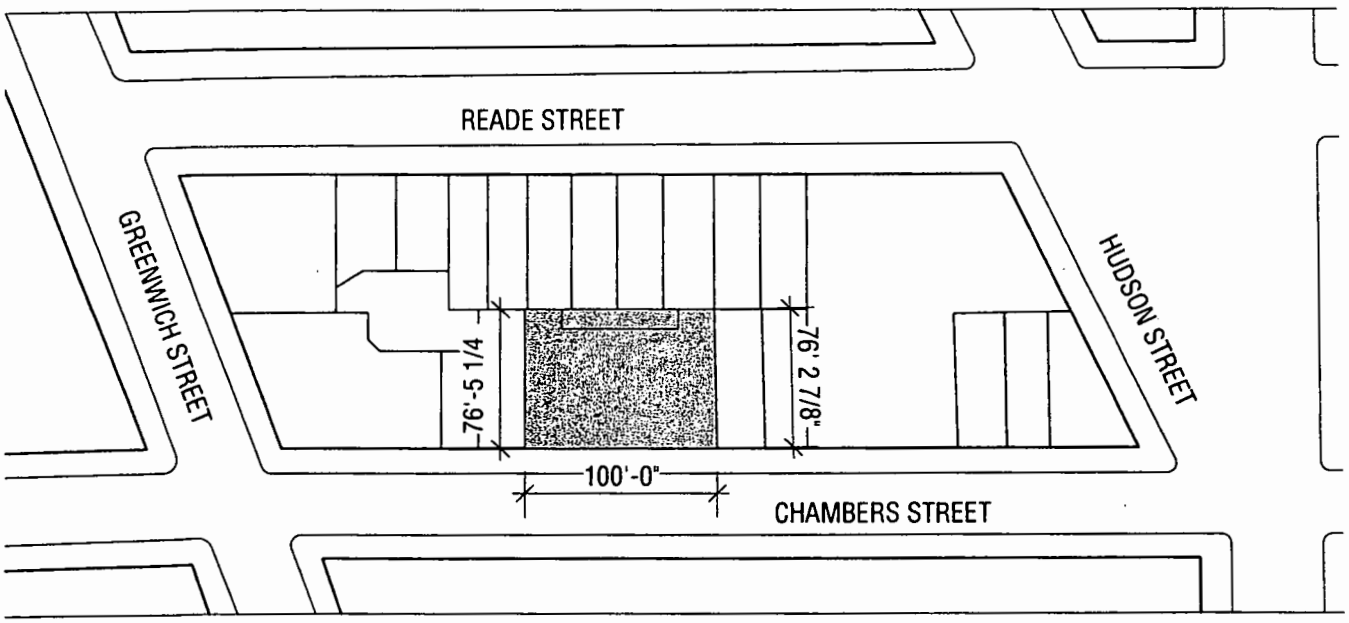
FLOOR PLANS



LOT/AREA OF WORK

N

NOT TO SCALE

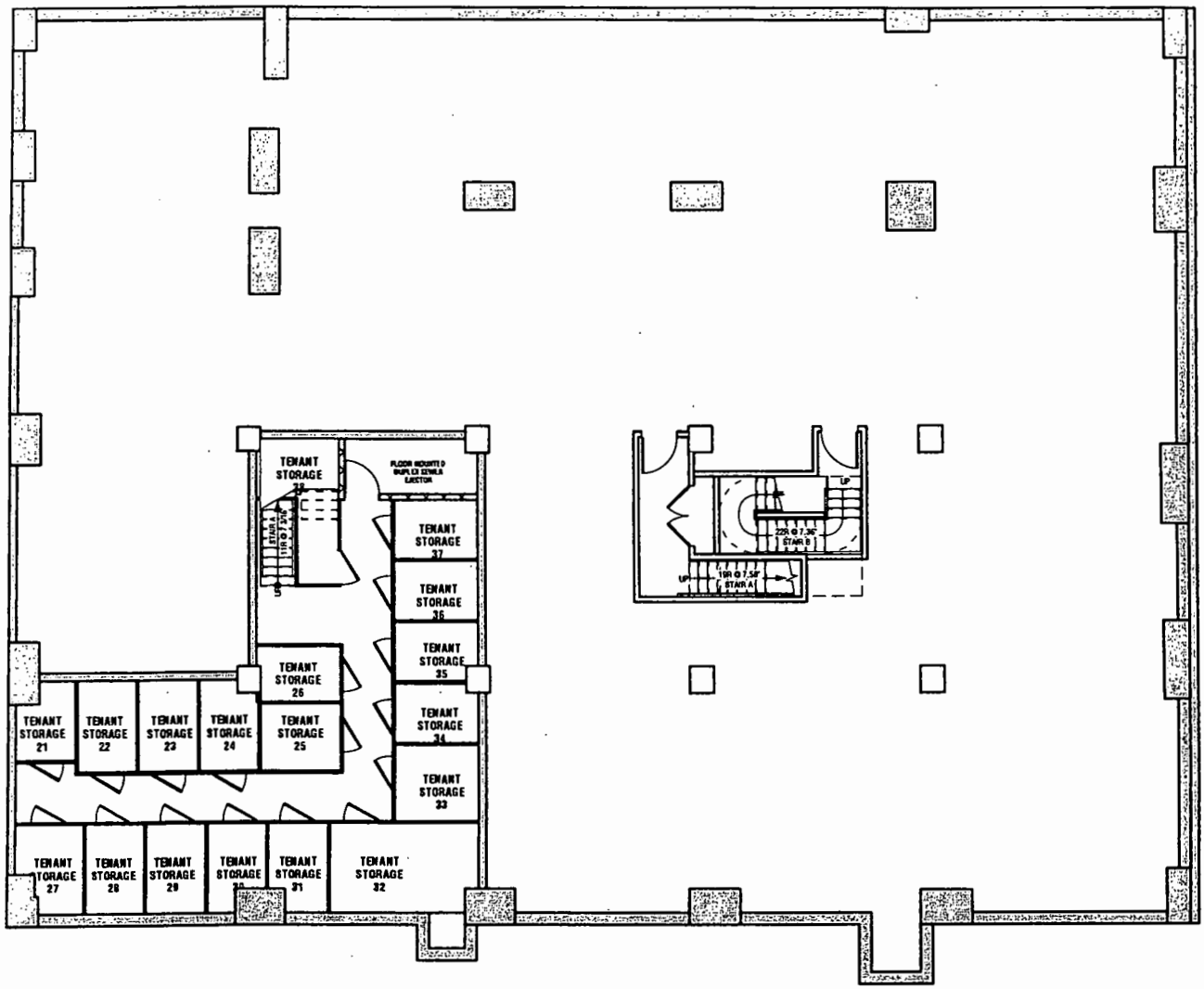
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

SITE PLAN

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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NOT TO SCALE

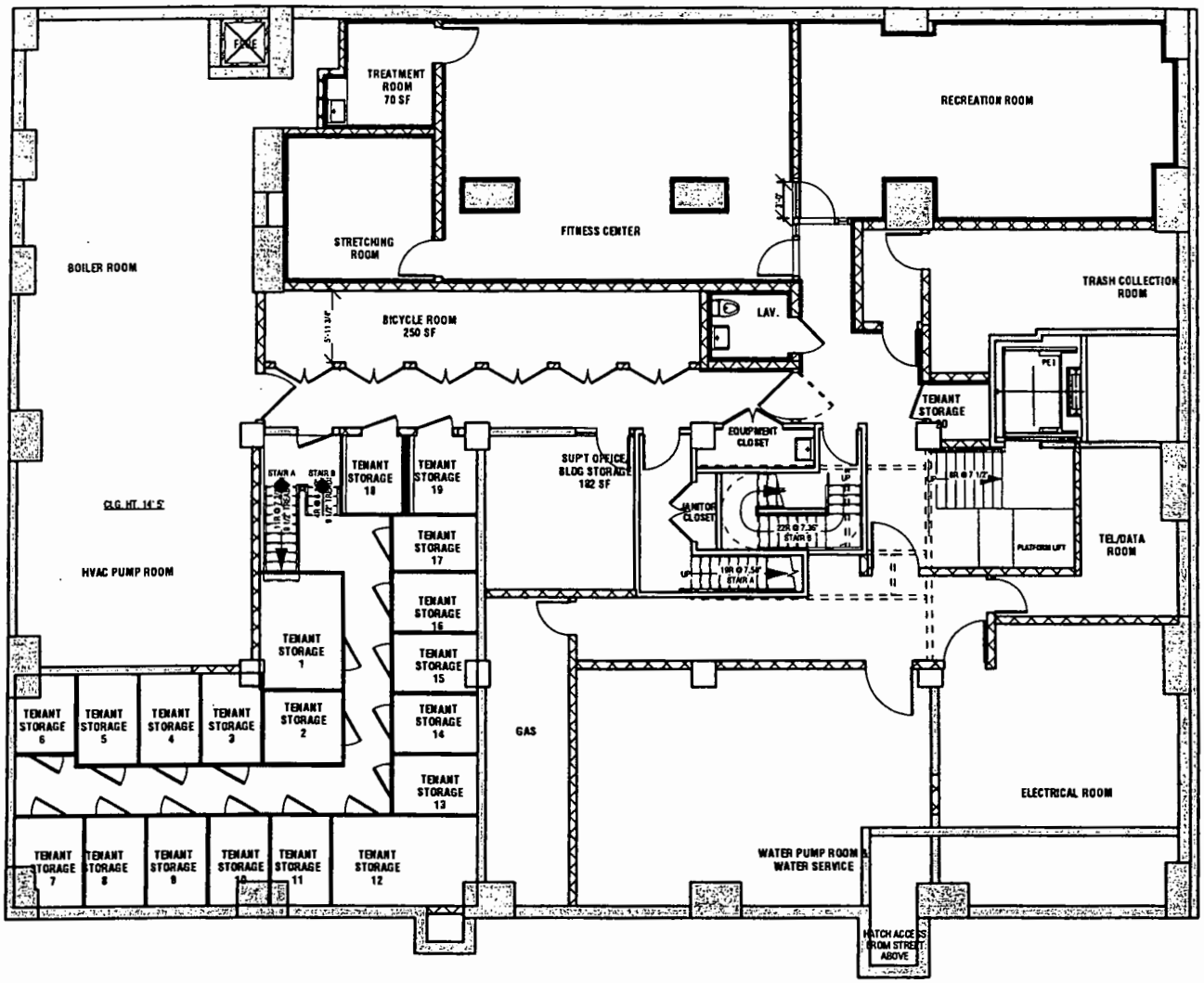
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

LOWER CELLAR PLAN

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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NOT TO SCALE

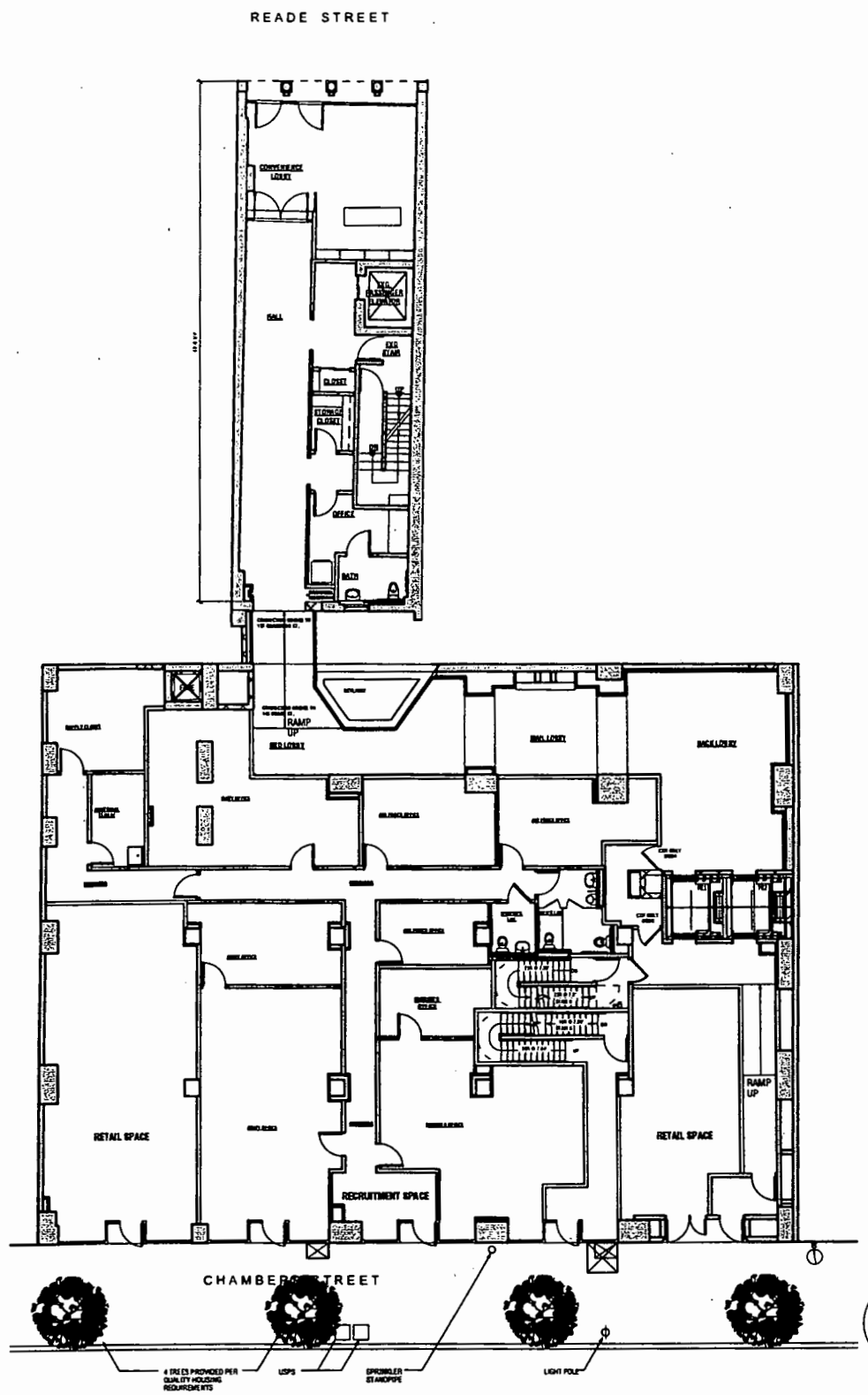
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

CELLAR PLAN

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



NOT TO SCALE

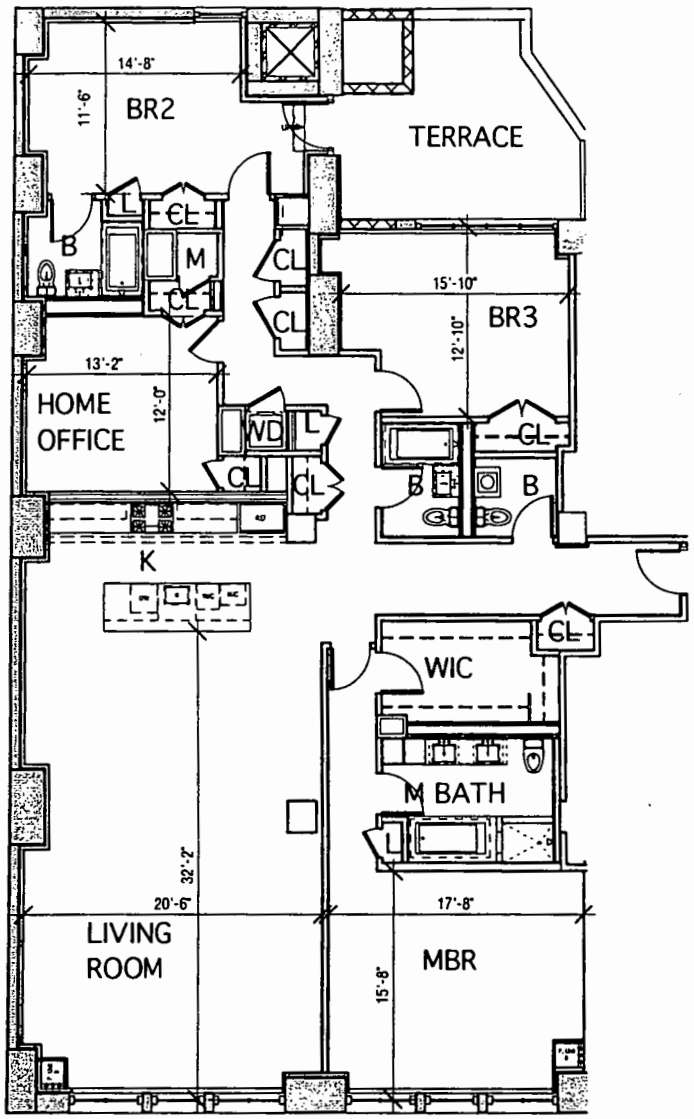
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

FIRST FLOOR PLAN

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
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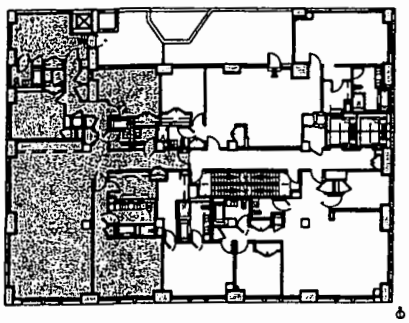


UNIT AREA SUMMARY

AREA	2760 SF
TERRACE	201 SF

N

NOT TO SCALE

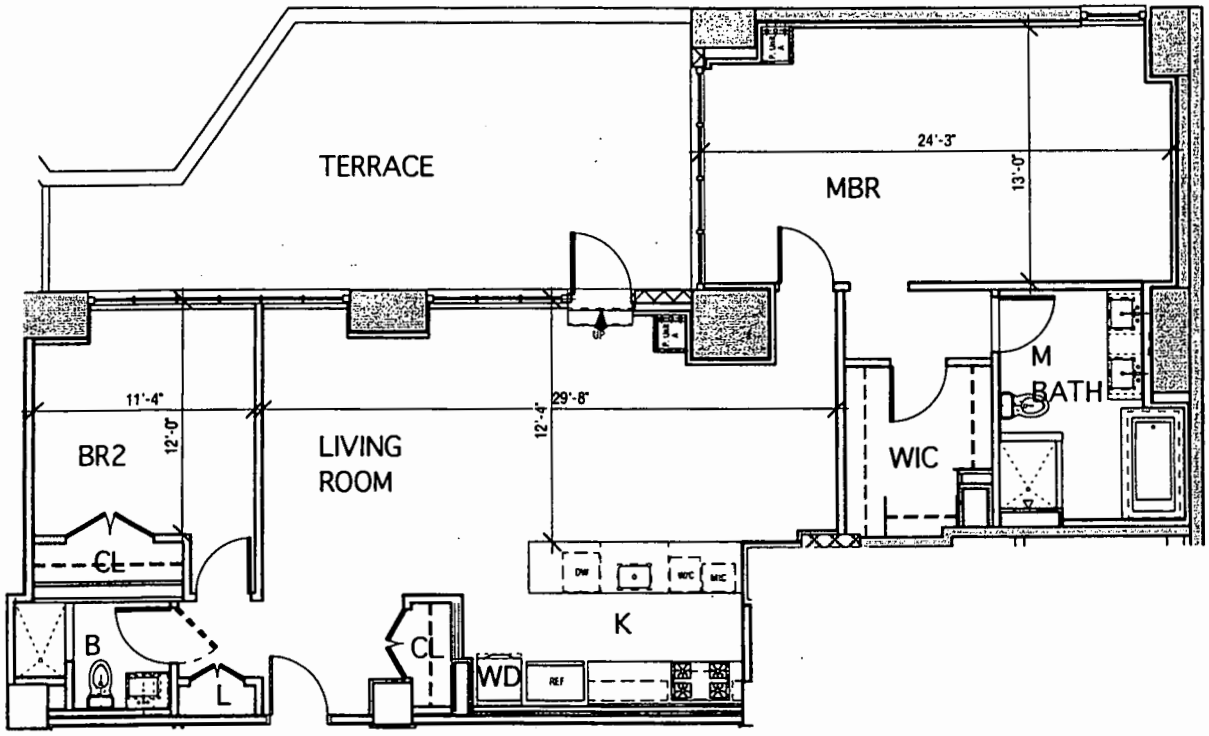
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 2A

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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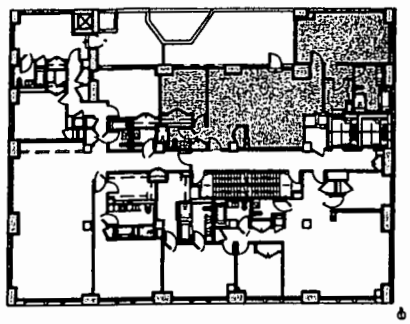

UNIT AREA SUMMARY

AREA	1500 SF
TERRACE	407 SF

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NOT TO SCALE

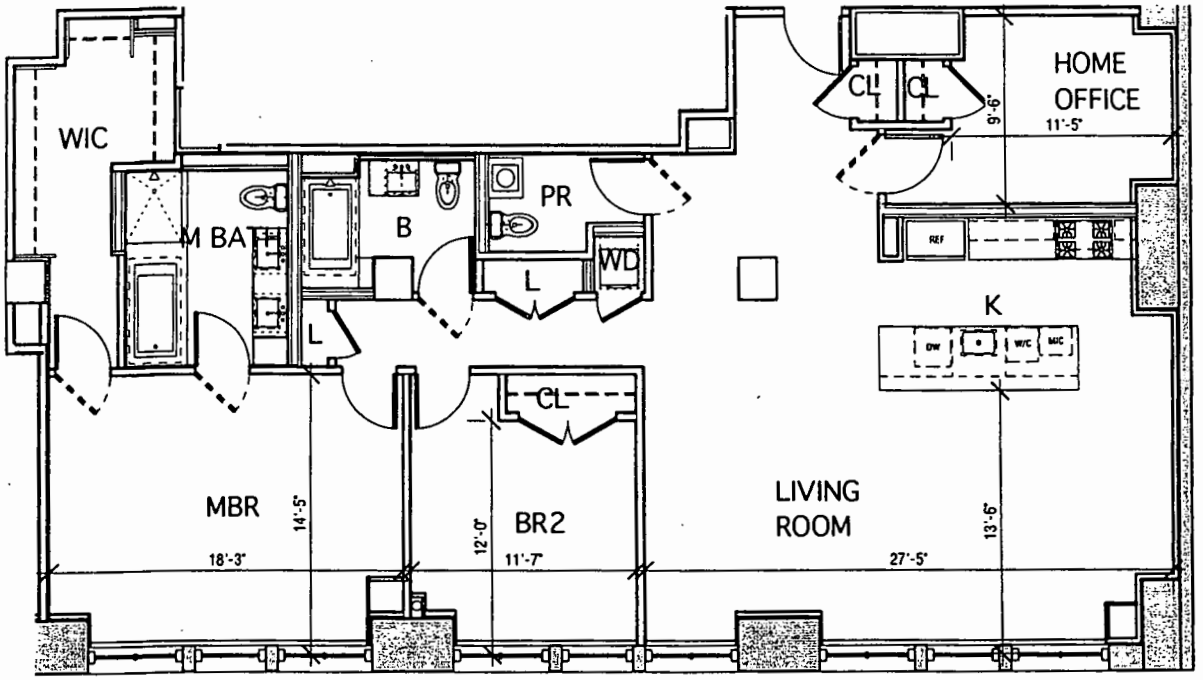
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 2B

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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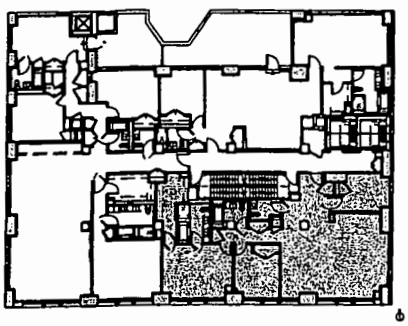


UNIT AREA SUMMARY

AREA 1860 SF

N NOT TO SCALE

02.16.07

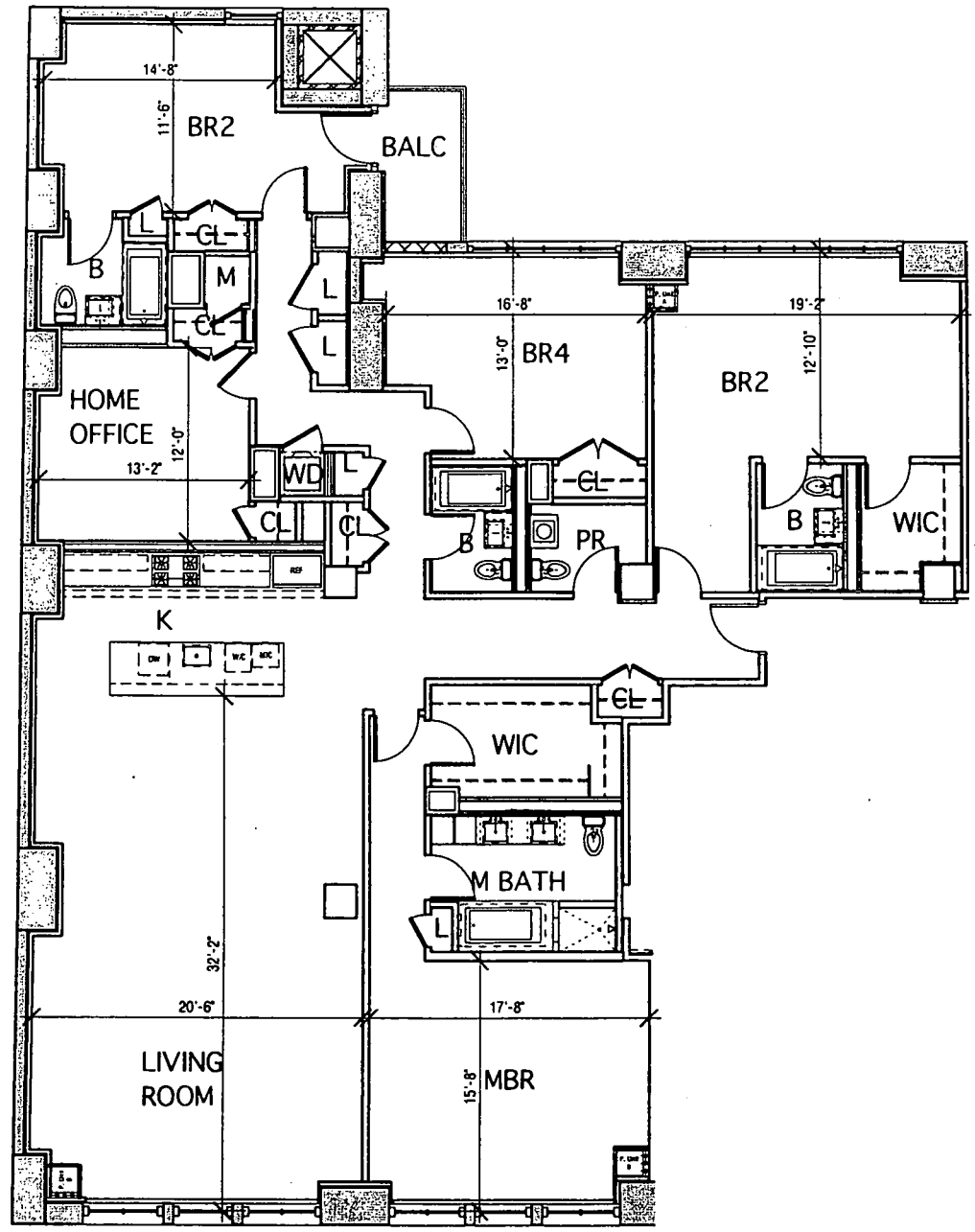
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 2D

143 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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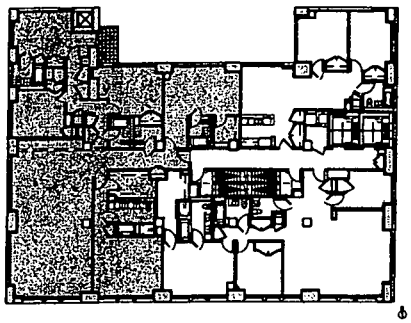


UNIT AREA SUMMARY

AREA	3220 SF
BALCONY	53 SF

N

NOT TO SCALE

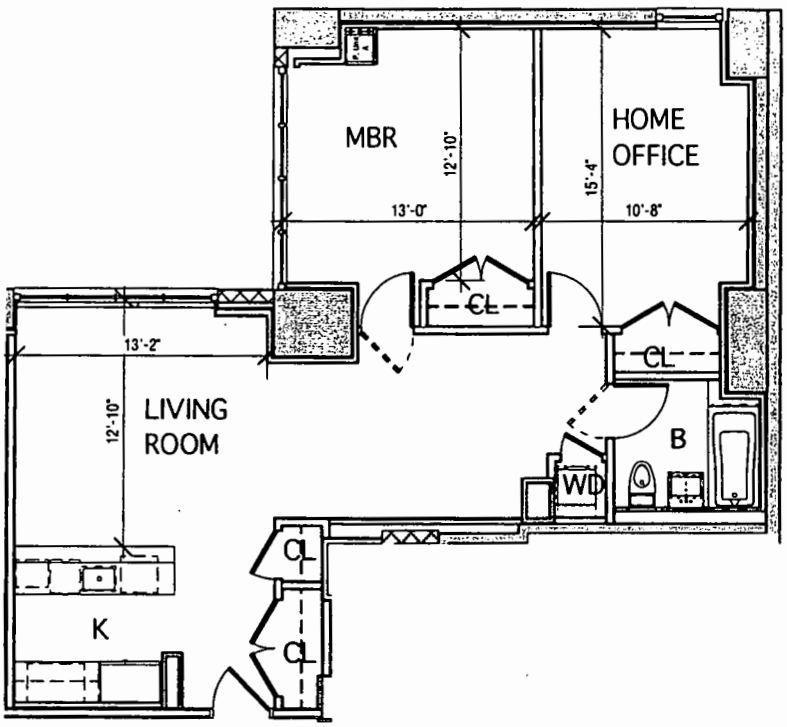
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 3A

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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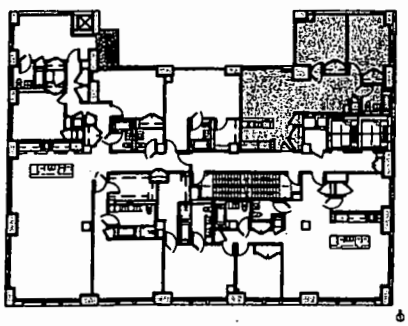


UNIT AREA SUMMARY

AREA 1042 SF

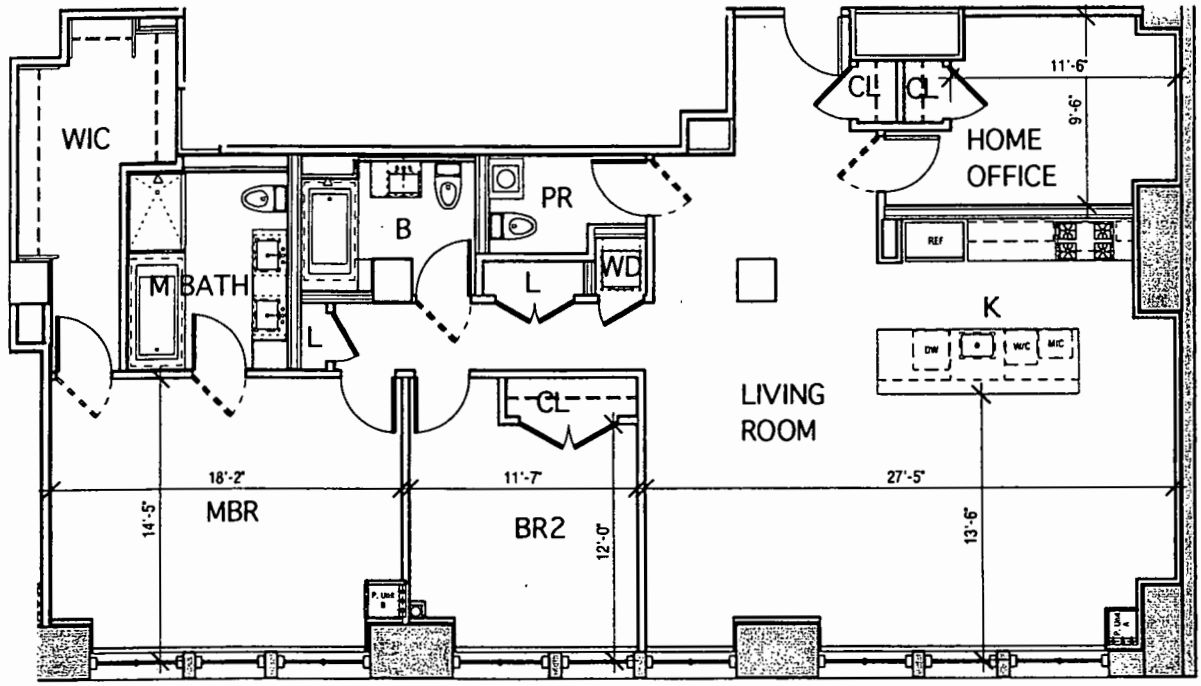
N NOT TO SCALE

02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 3B-
SUPER'S APARTMENT
143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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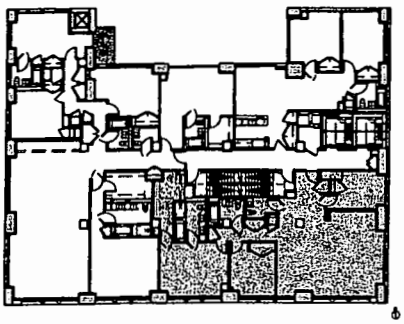


UNIT AREA SUMMARY

AREA 1860 SF

N NOT TO SCALE

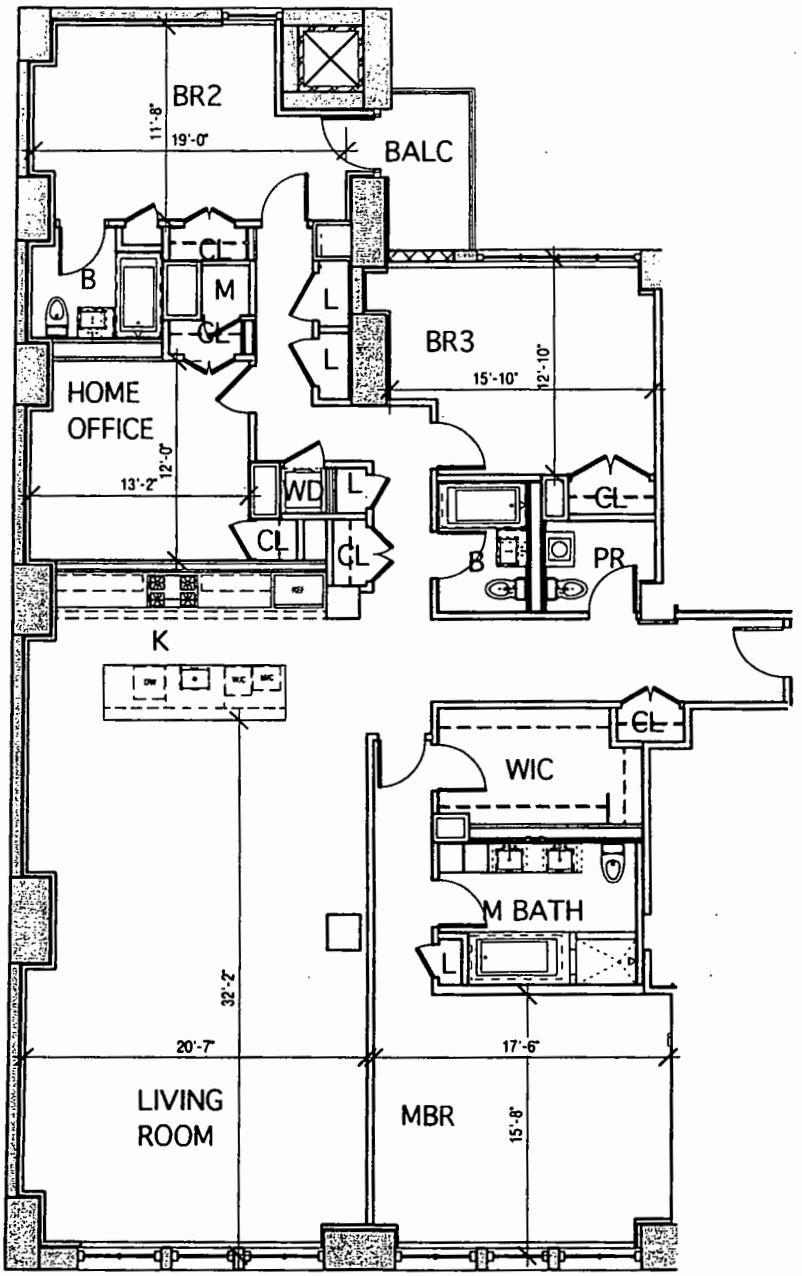
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 3C

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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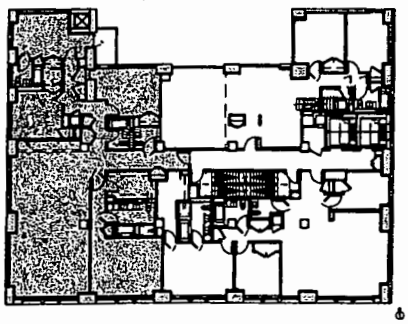


UNIT AREA SUMMARY

AREA	2764 SF
BALCONY	53 SF

N NOT TO SCALE

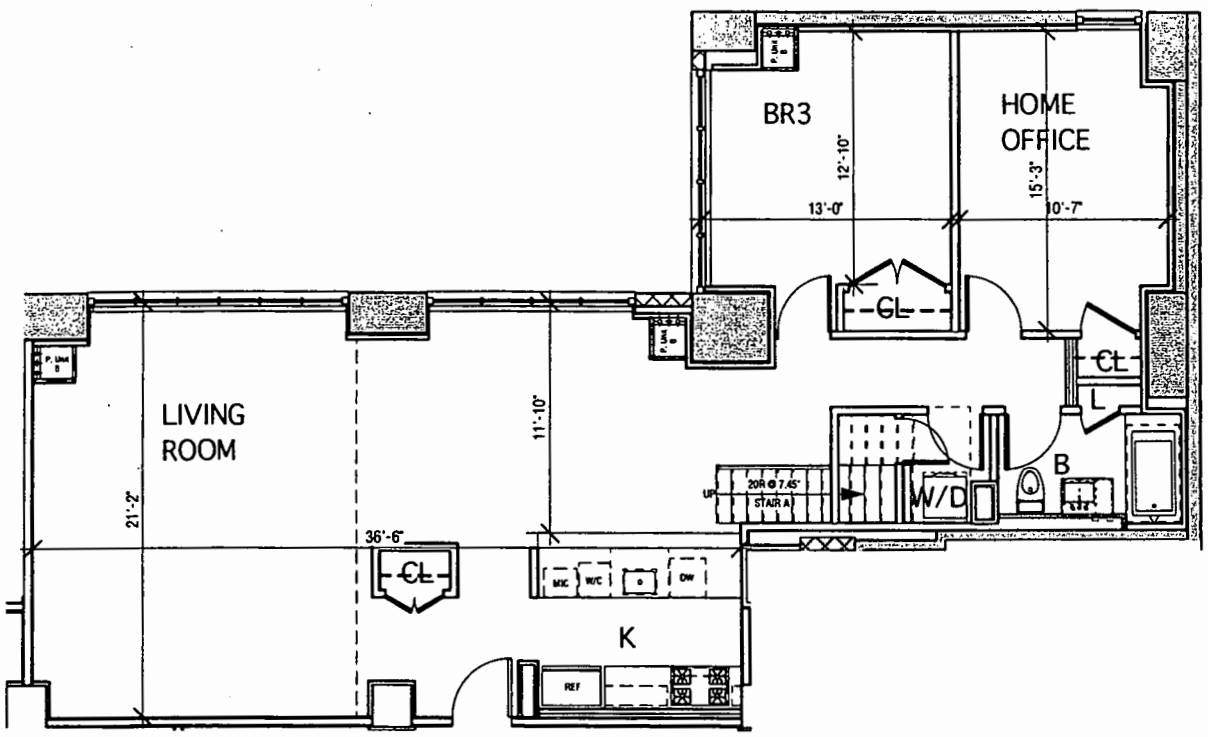
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 4A

143 READE STREET
NEW YORK, NEW YORK

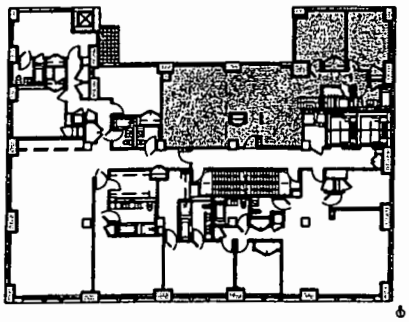
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

AREA 2596 SF

KEY PLAN
NOT TO SCALE



PAGE 1 OF 2

N

NOT TO SCALE

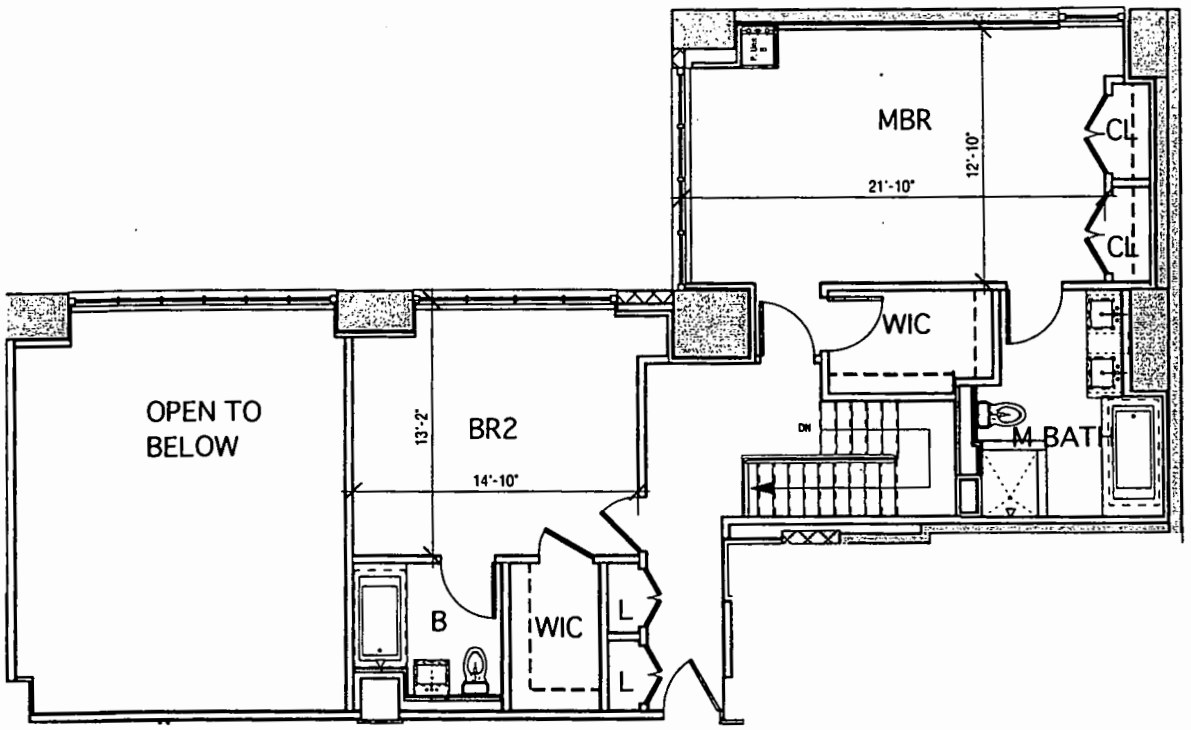
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 4B, 4TH FLOOR

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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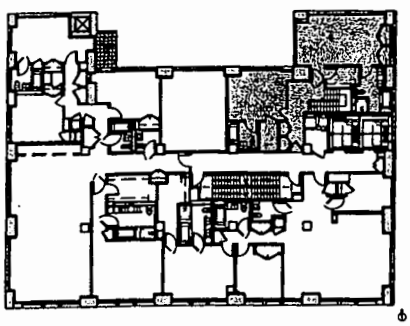


UNIT AREA SUMMARY

SEE PREVIOUS PAGE

N NOT TO SCALE

PAGE 2 OF 2

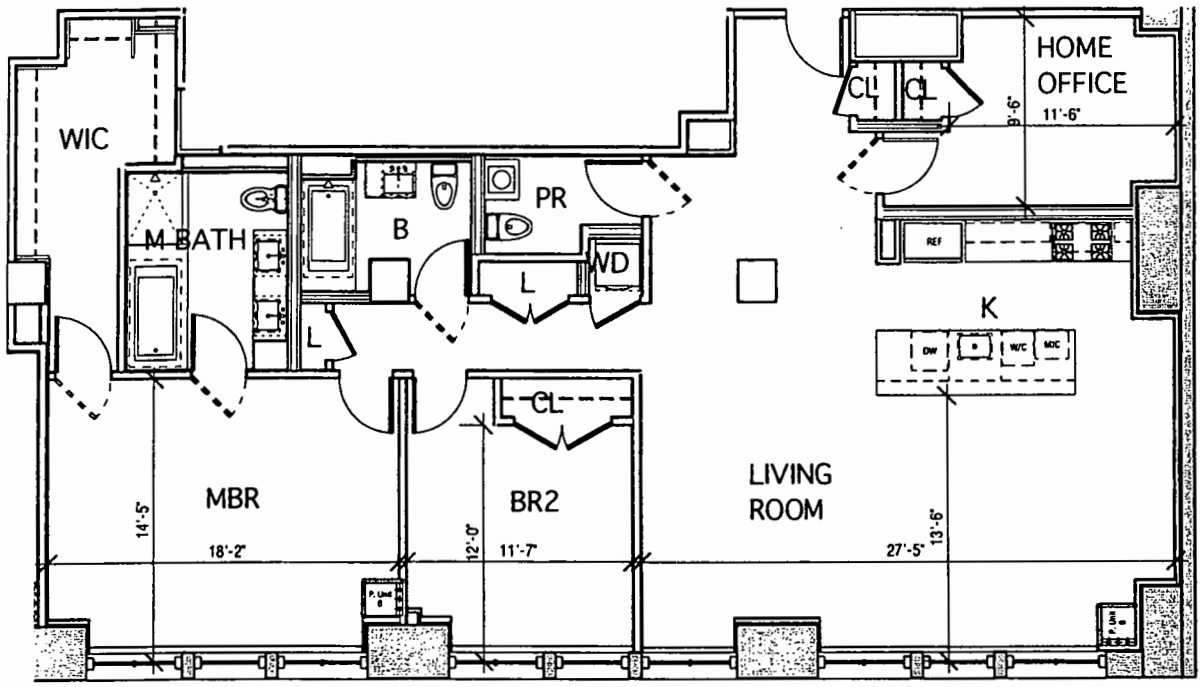
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 4B, 5TH FLOOR

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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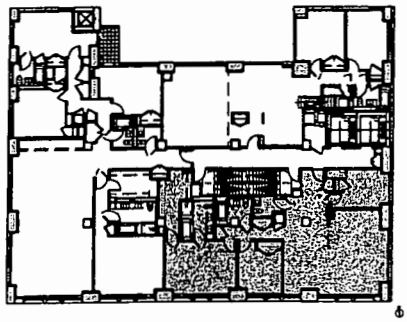


UNIT AREA SUMMARY

AREA 1860 SF

N NOT TO SCALE

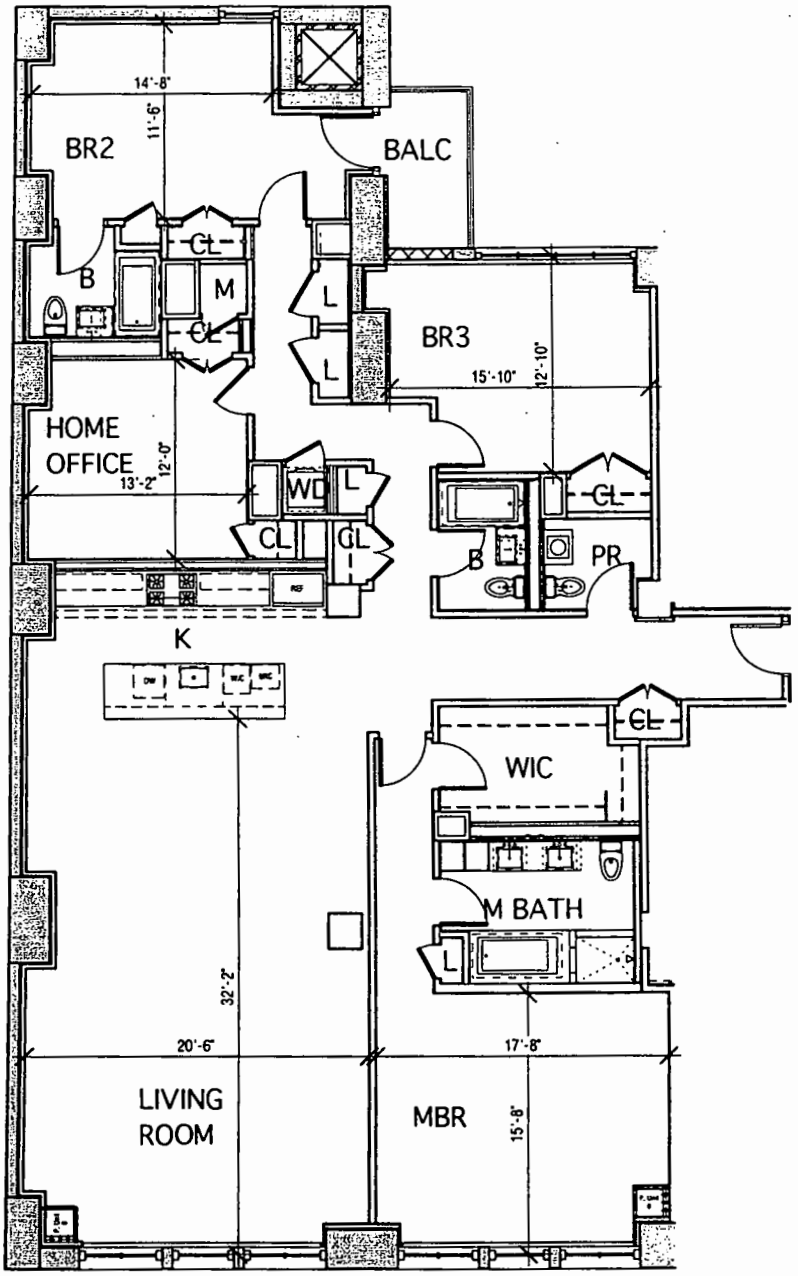
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 4C

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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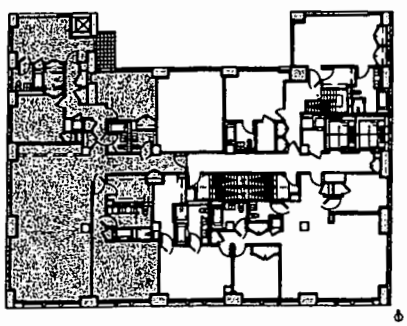


UNIT AREA SUMMARY

AREA	2764 SF
BALCONY	53 SF

N

NOT TO SCALE

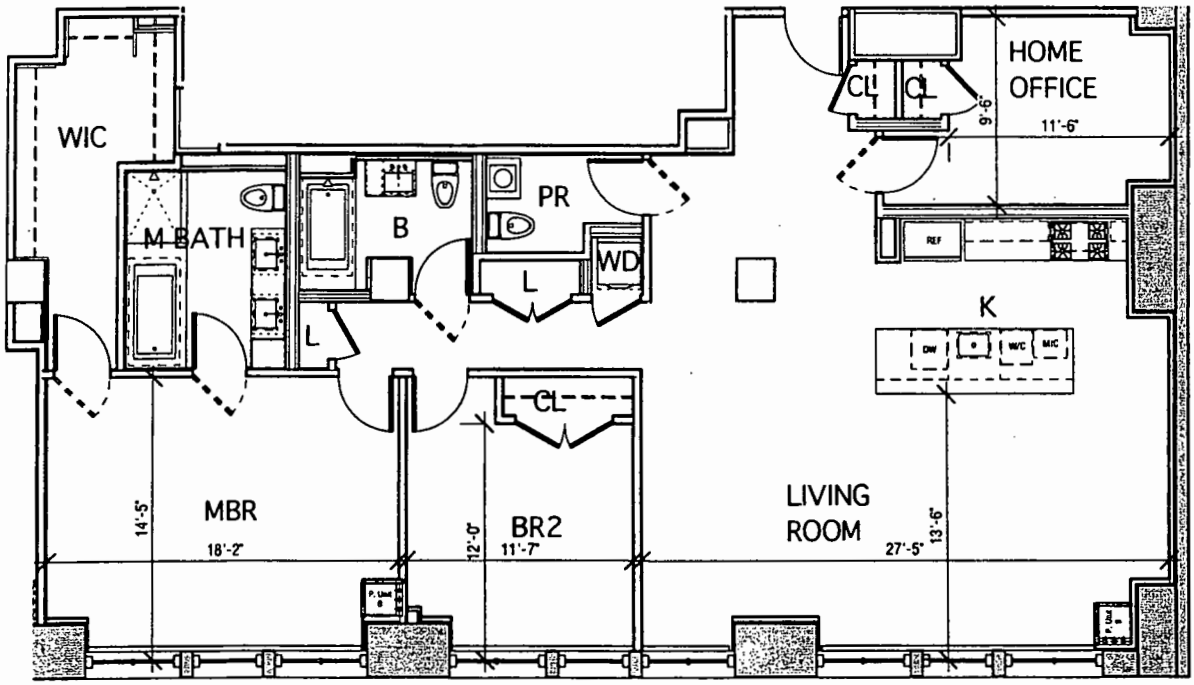
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 5A

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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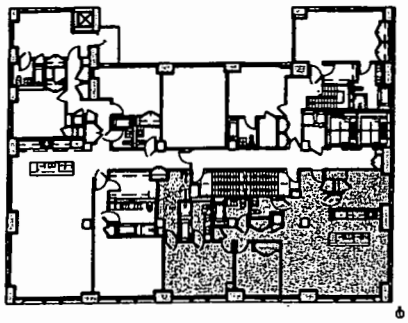


UNIT AREA SUMMARY

AREA 1860 SF

N NOT TO SCALE

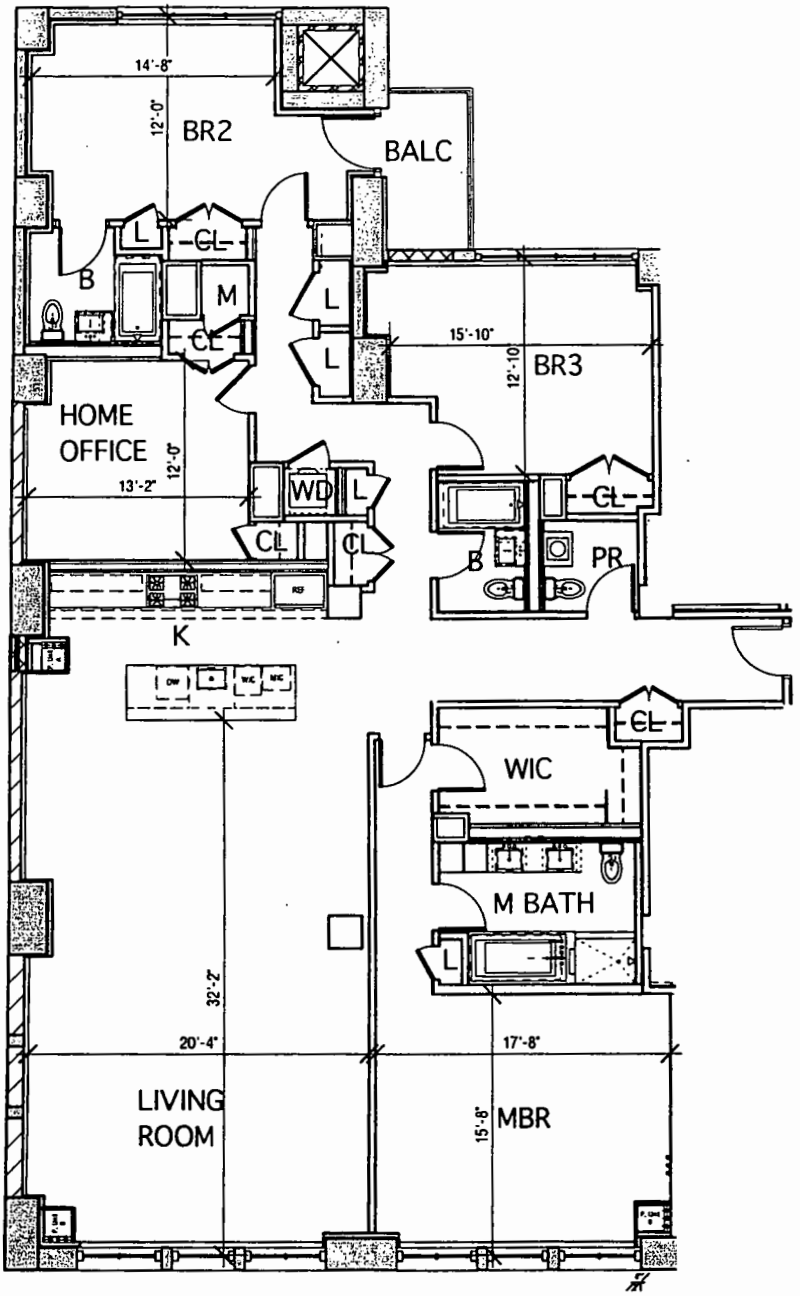
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 5C

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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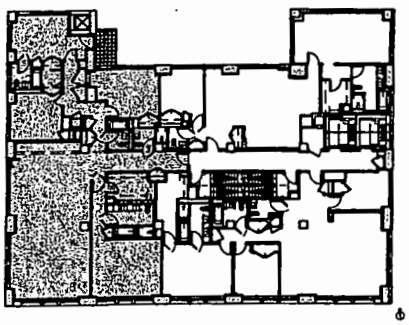


UNIT AREA SUMMARY

AREA	2760 SF
BALCONY	53 SF

N

NOT TO SCALE

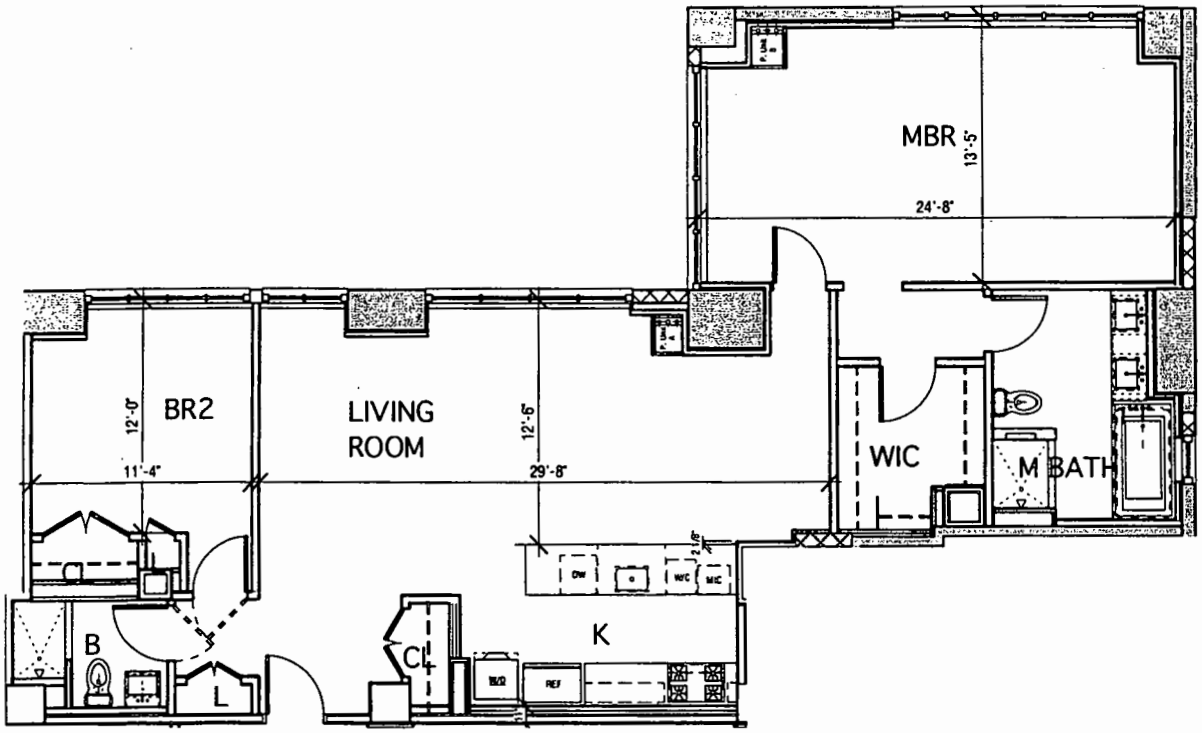
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 6A

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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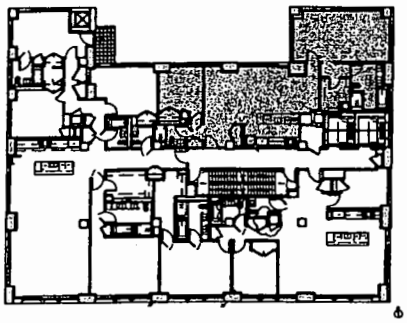


UNIT AREA SUMMARY

AREA 1500 SF

N NOT TO SCALE

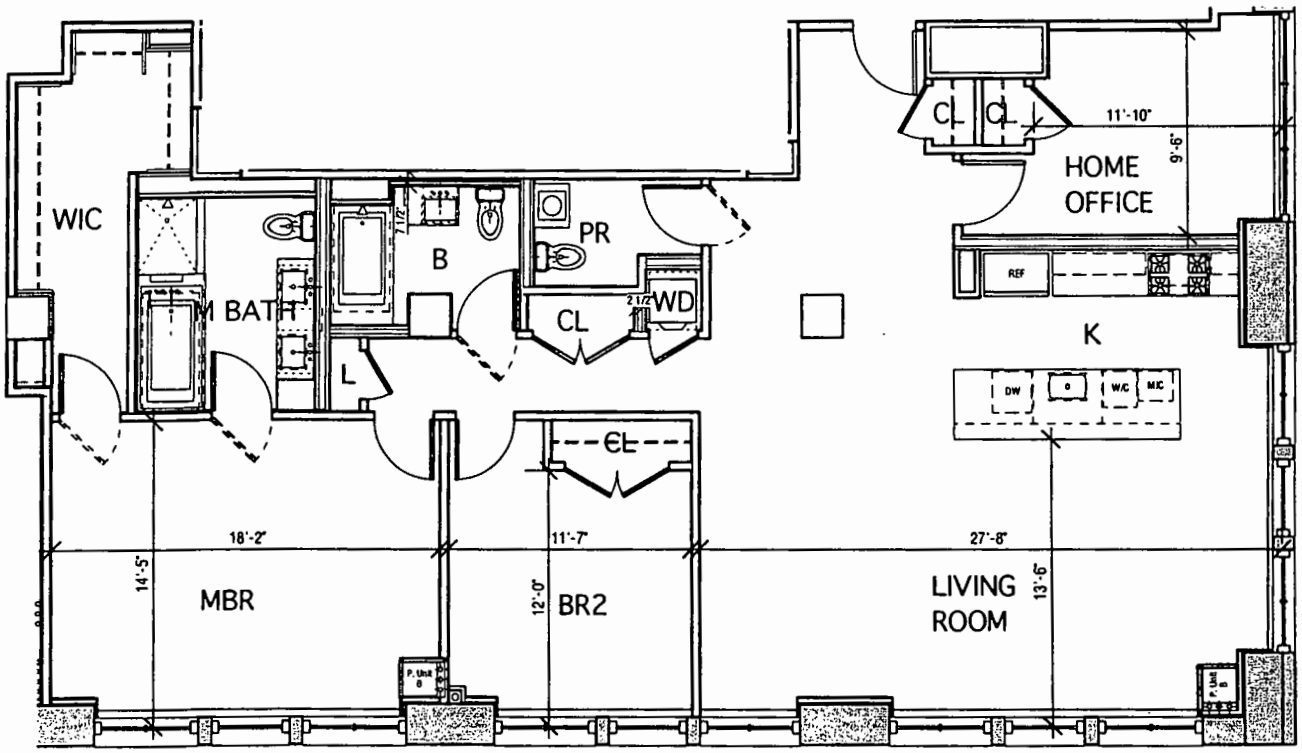
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 6B

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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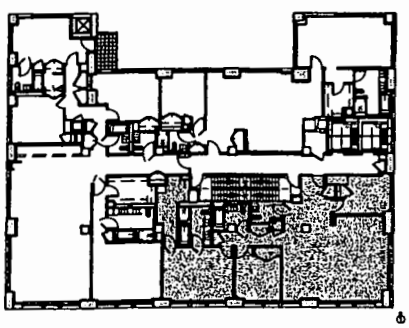


UNIT AREA SUMMARY

AREA 1860 SF

N

NOT TO SCALE

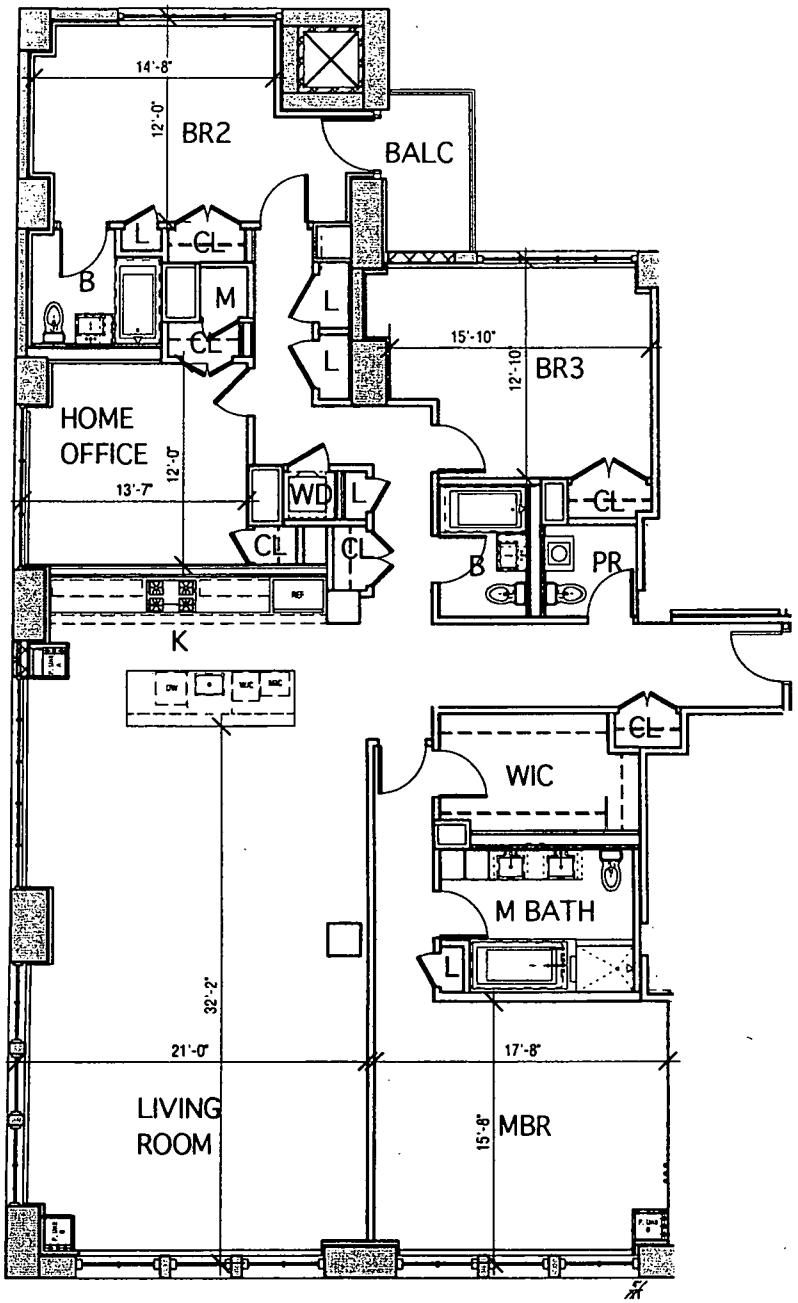
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 6C

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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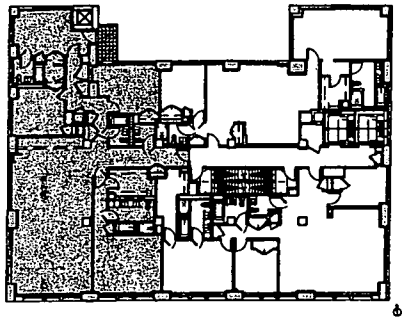


UNIT AREA SUMMARY

AREA	2760 SF
BALCONY	53 SF

N

NOT TO SCALE

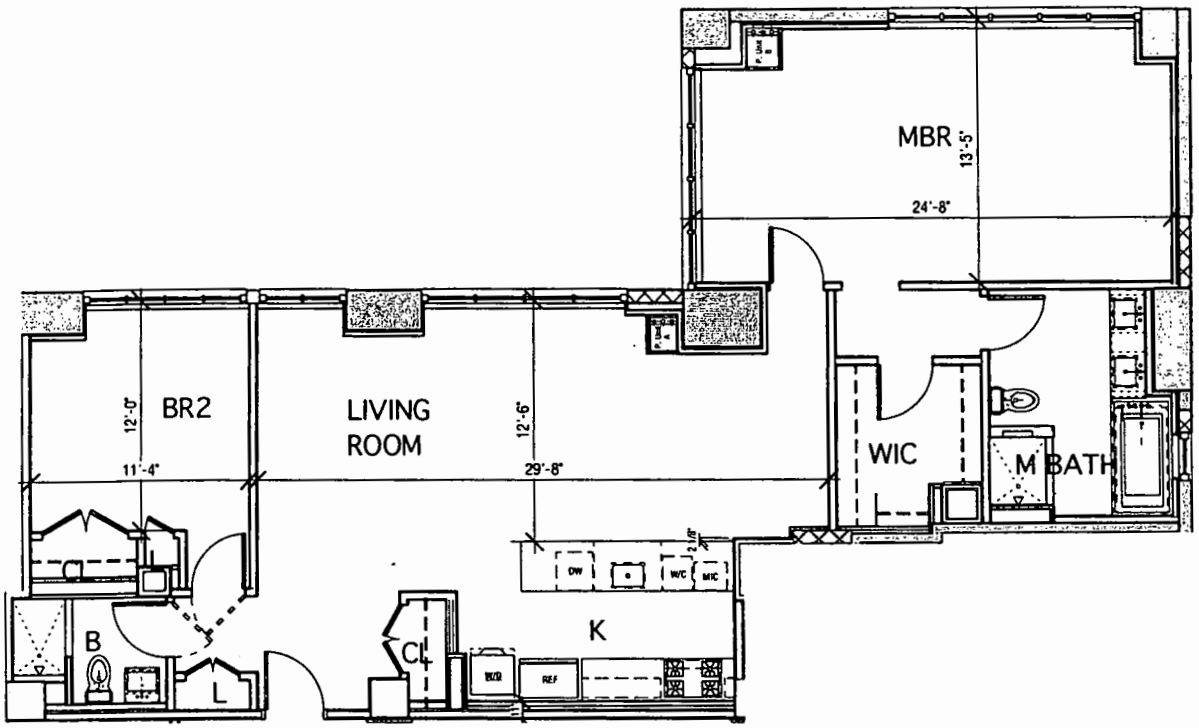
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

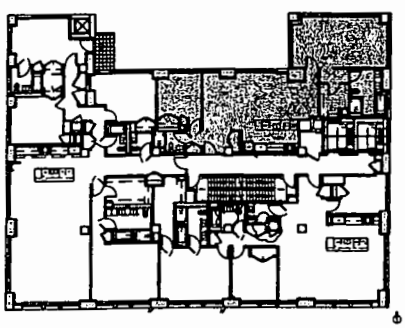
UNIT 7A

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



UNIT AREA SUMMARY

AREA 1500 SF

N NOT TO SCALE

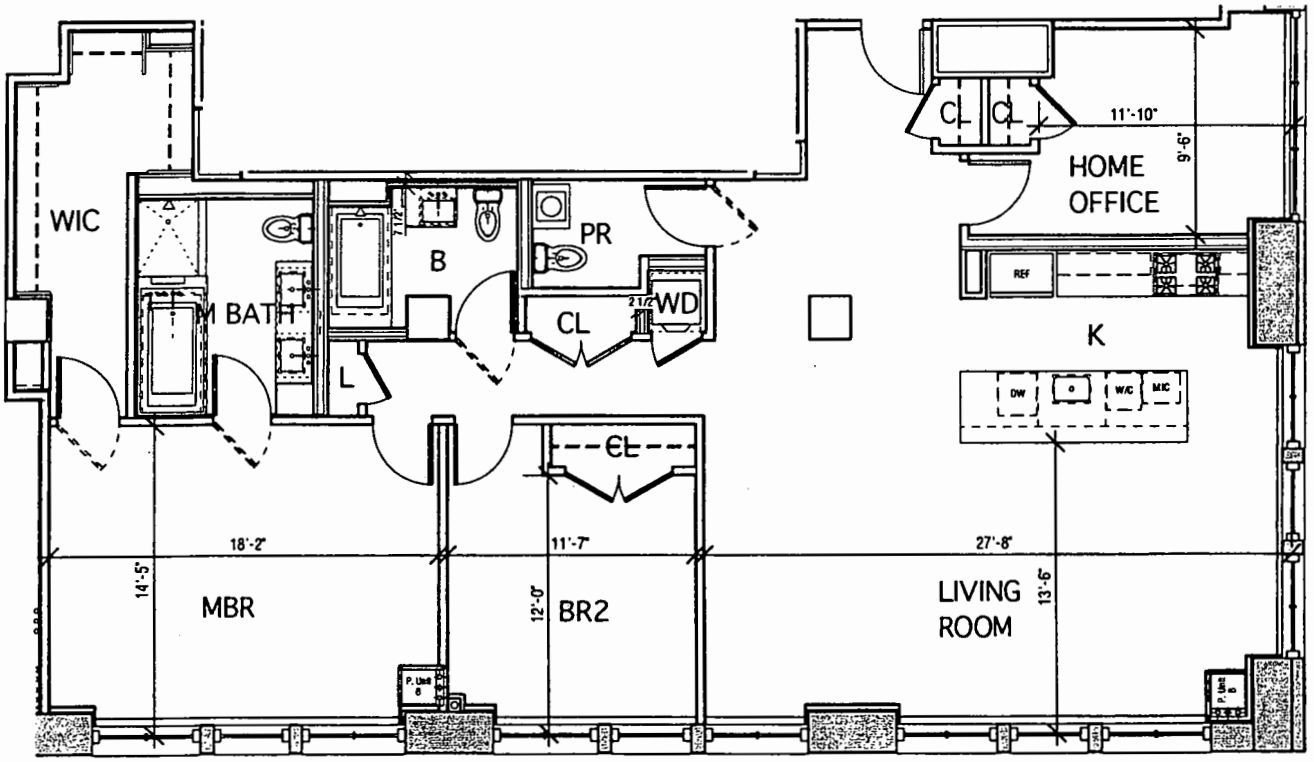
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 7B

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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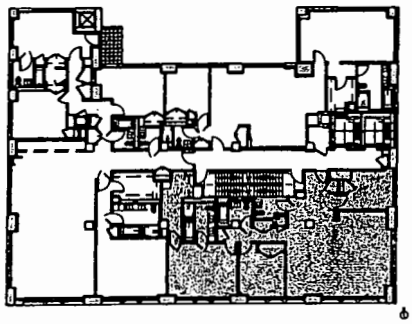
NOT TO SCALE



UNIT AREA SUMMARY

AREA 1860 SF

N

NOT TO SCALE

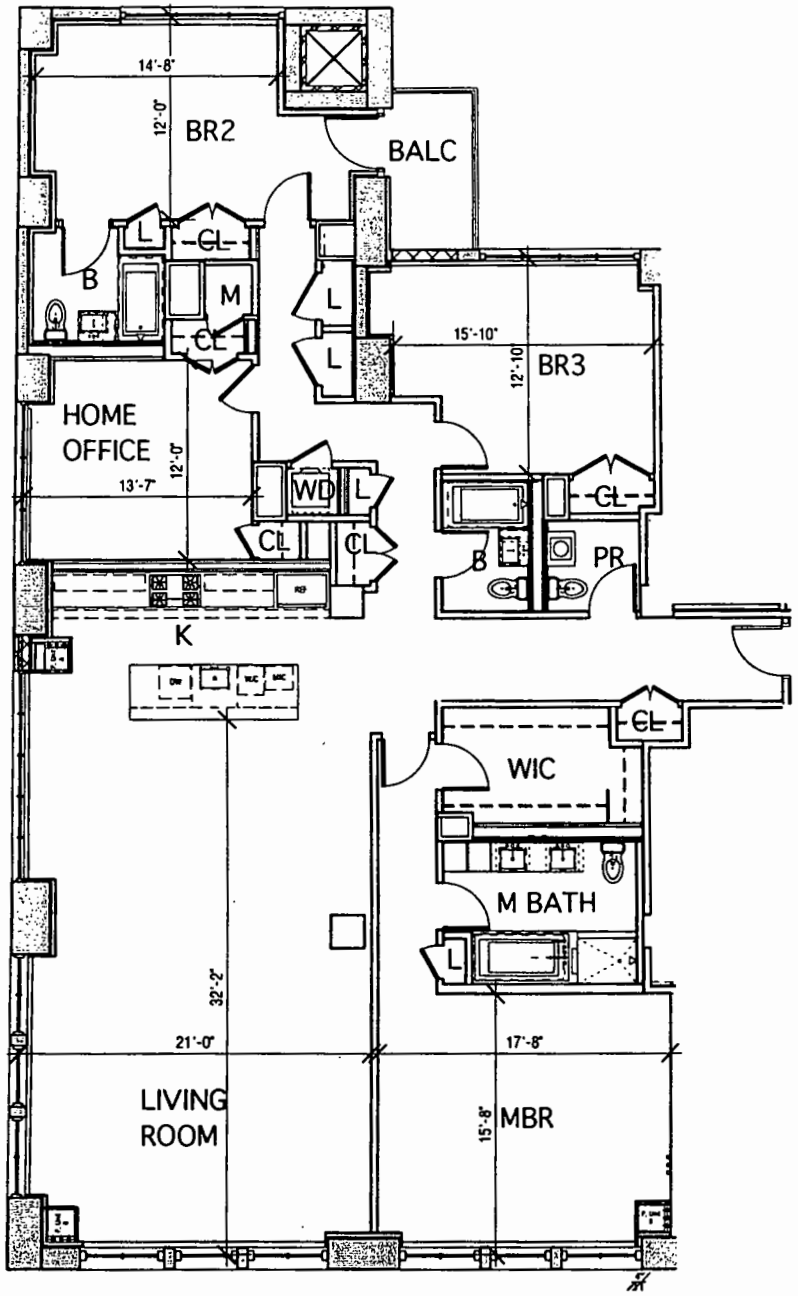
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 7C

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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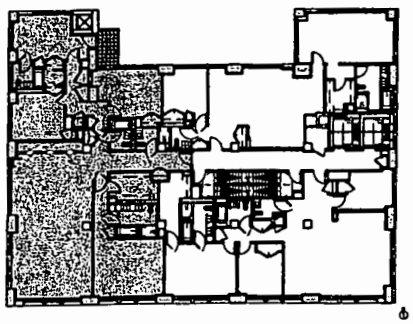


UNIT AREA SUMMARY

AREA	2760 SF
BALCONY	53 SF

N

NOT TO SCALE

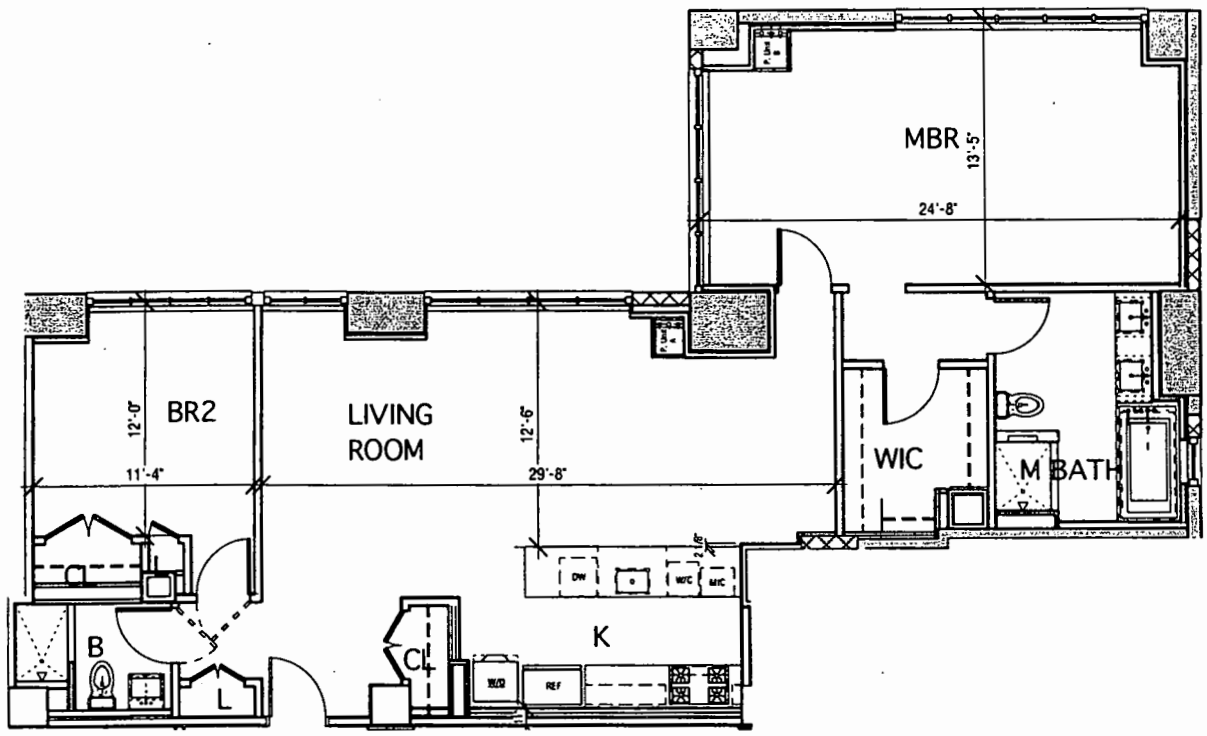
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 8A

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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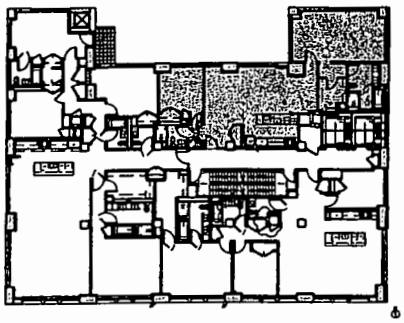


UNIT AREA SUMMARY

AREA 1500 SF

N

NOT TO SCALE

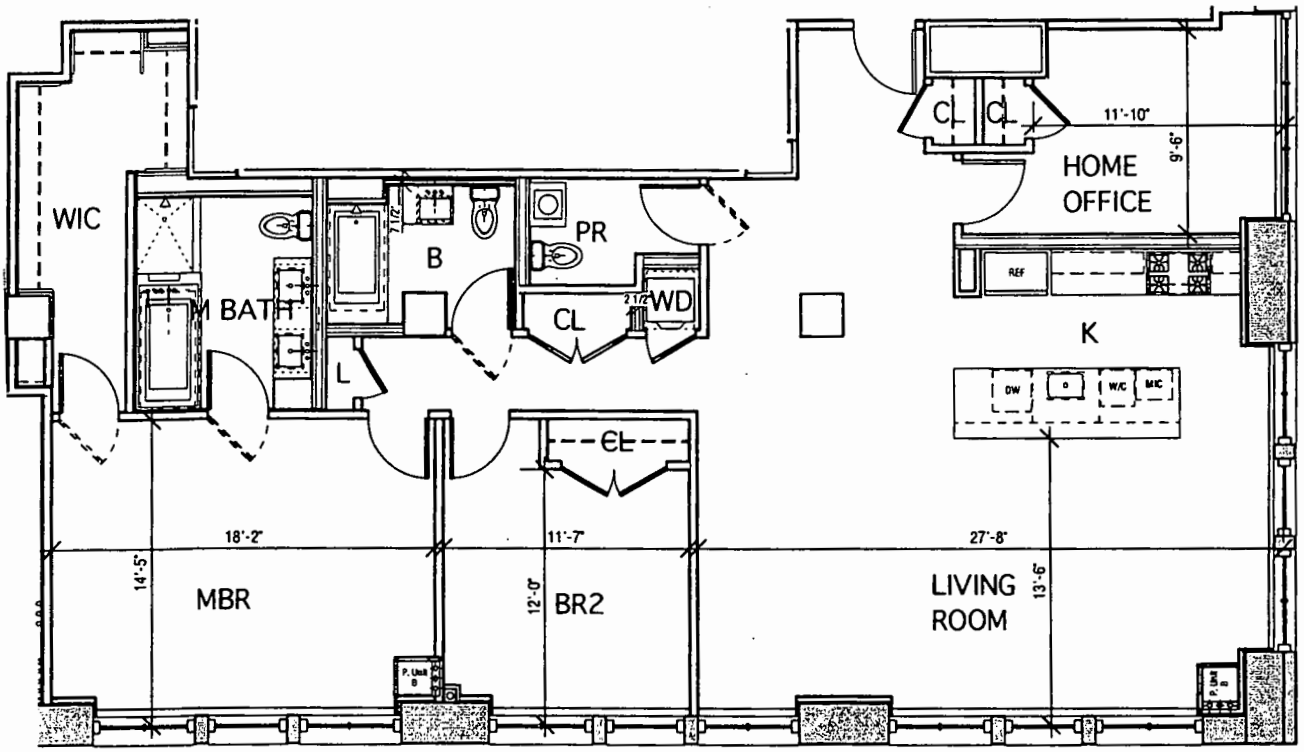
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 8B

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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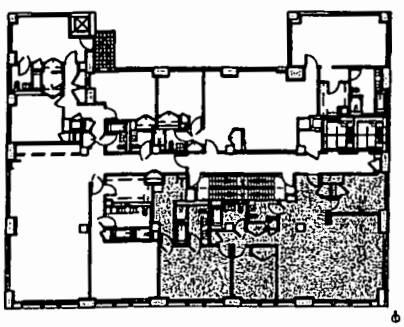


UNIT AREA SUMMARY

AREA 1860 SF

N

NOT TO SCALE

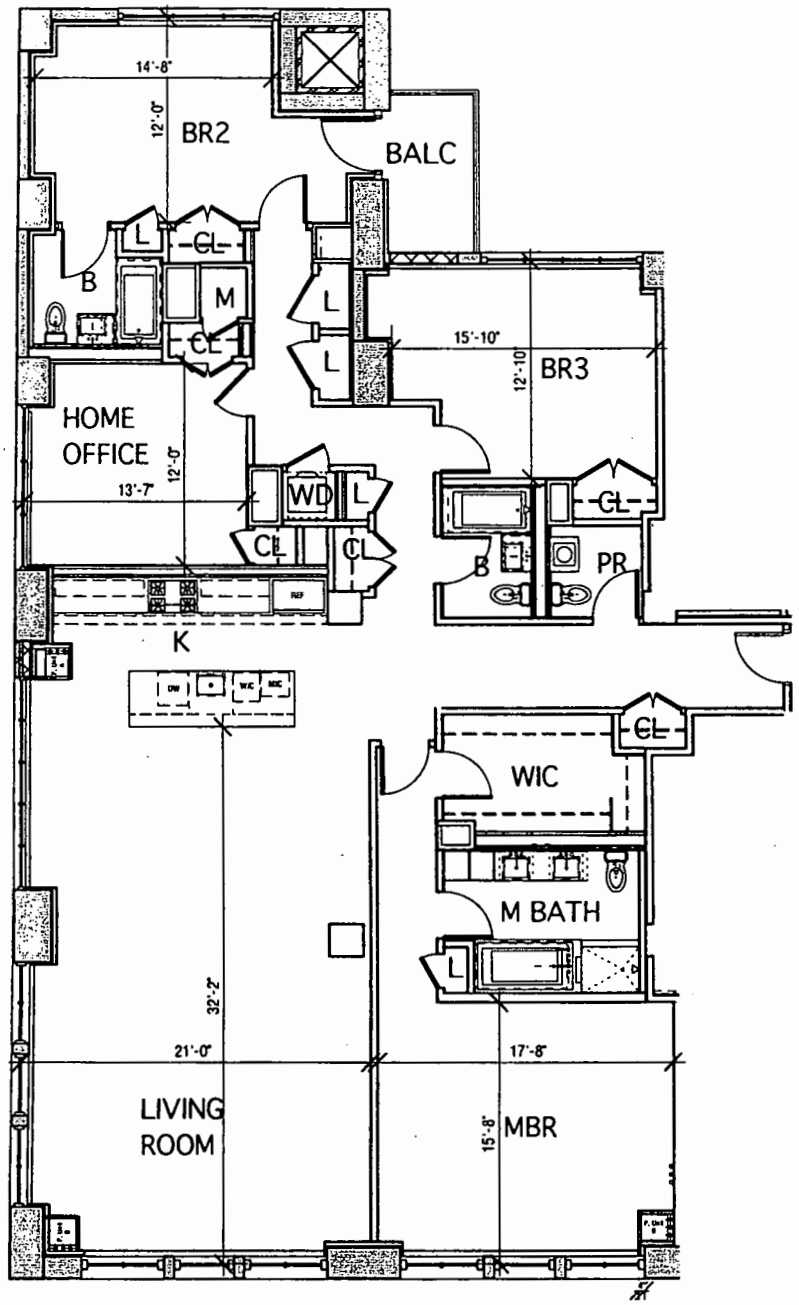
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 8C

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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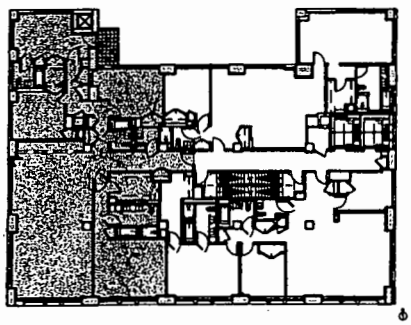


UNIT AREA SUMMARY

AREA	2760 SF
BALCONY	53 SF

N

NOT TO SCALE

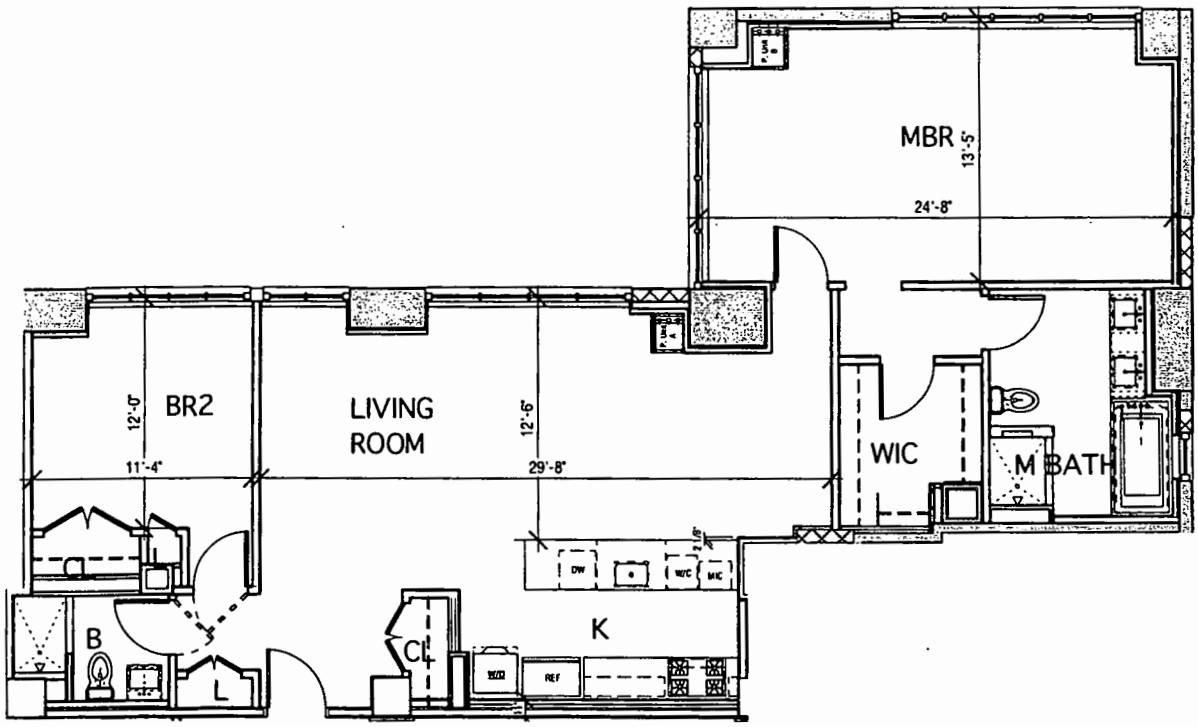
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 9A

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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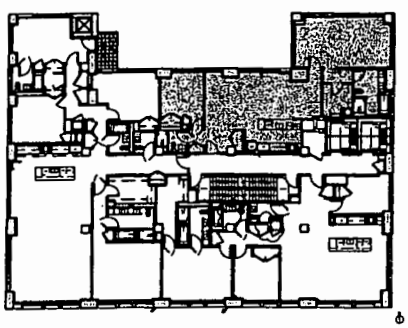


UNIT AREA SUMMARY

AREA 1500 SF

N

NOT TO SCALE

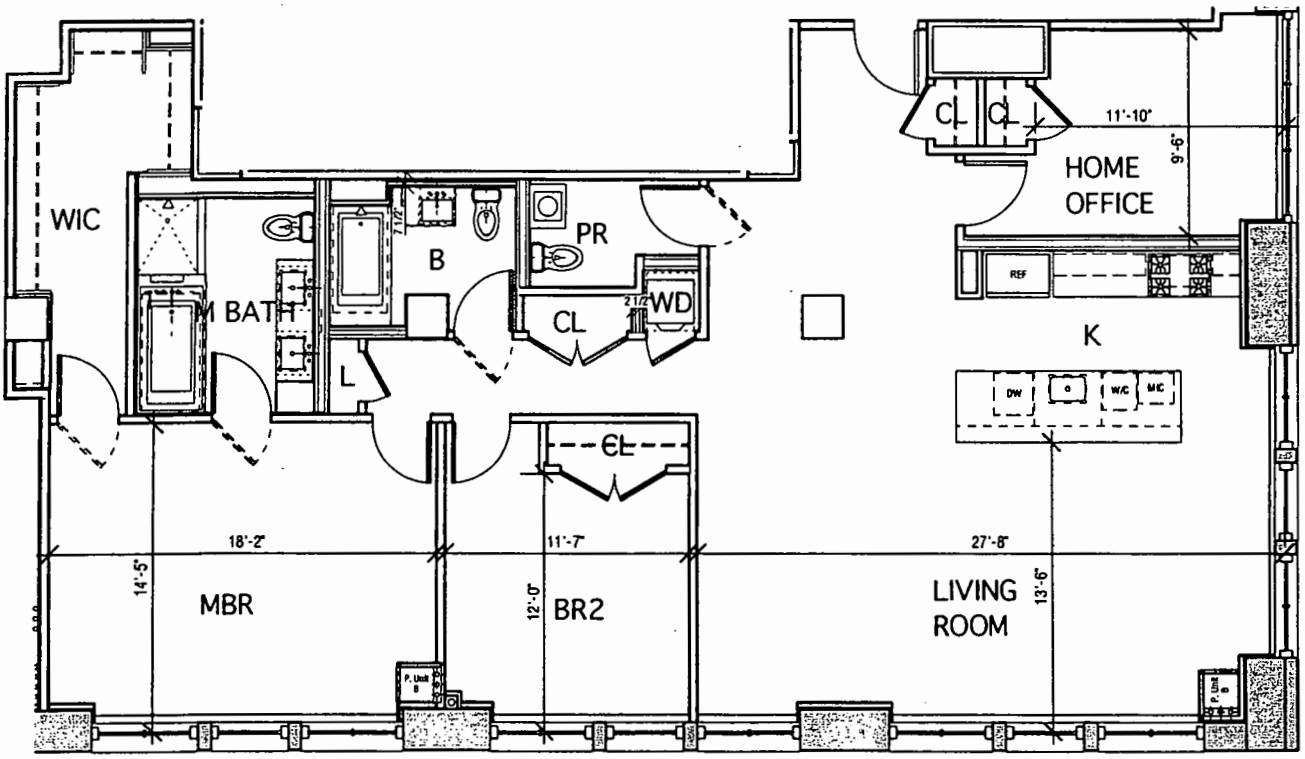
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 9B

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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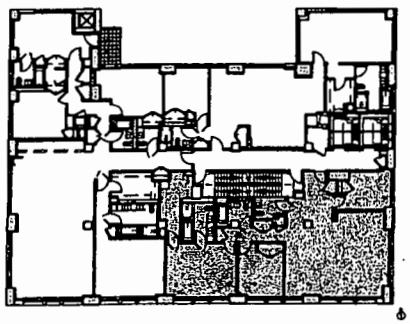


UNIT AREA SUMMARY

AREA 1860 SF

N

NOT TO SCALE

02.16.07

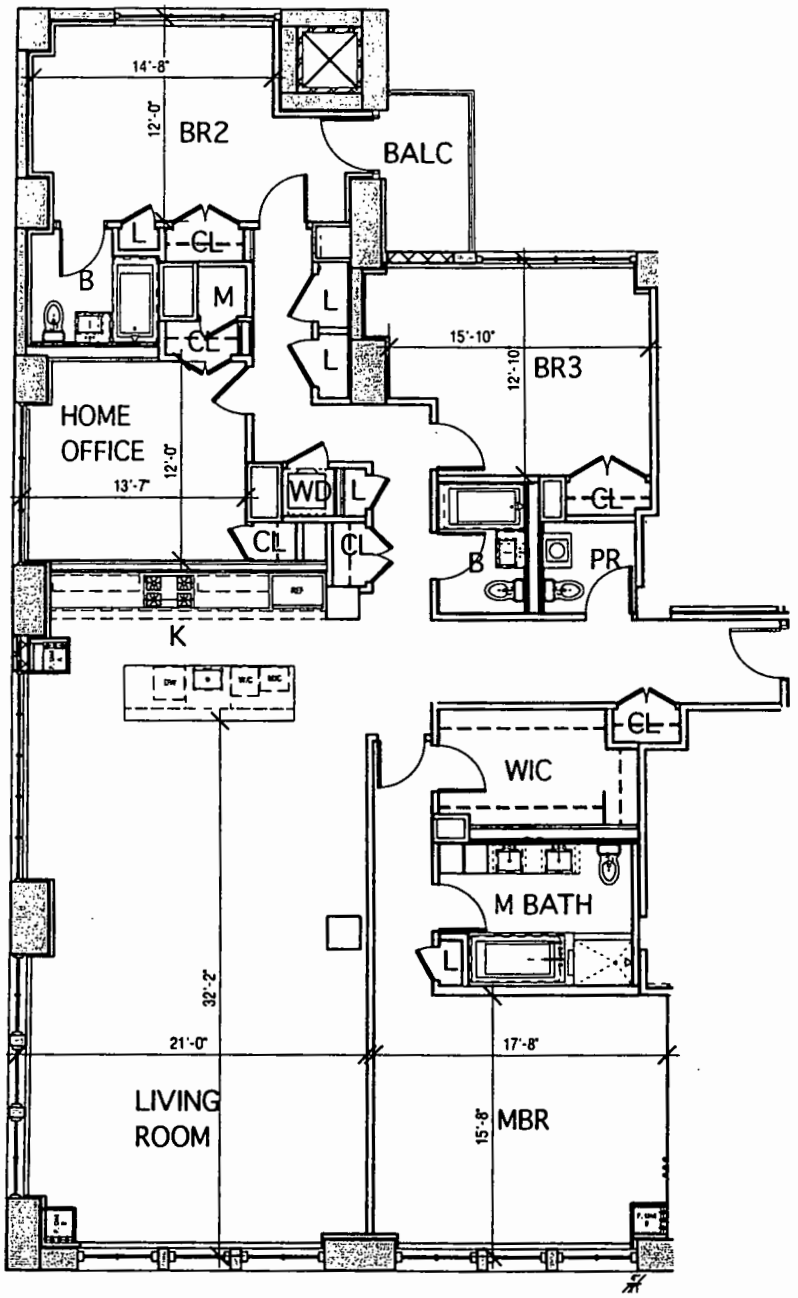
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 9C

143 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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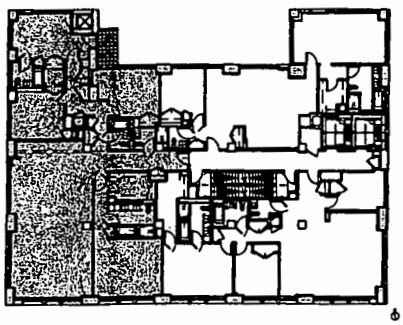


UNIT AREA SUMMARY

AREA	2760 SF
BALCONY	53 SF

N

NOT TO SCALE

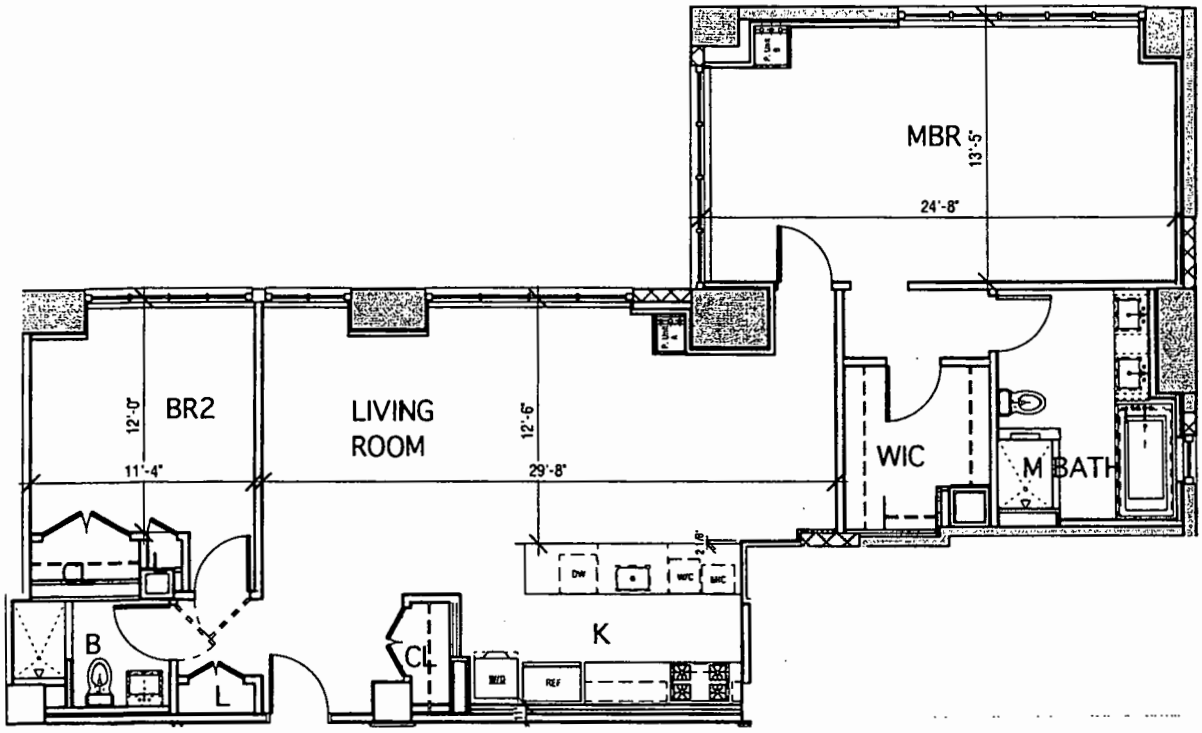
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 10A

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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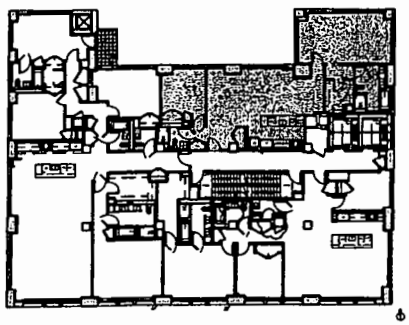


UNIT AREA SUMMARY

AREA 1500 SF

N

NOT TO SCALE

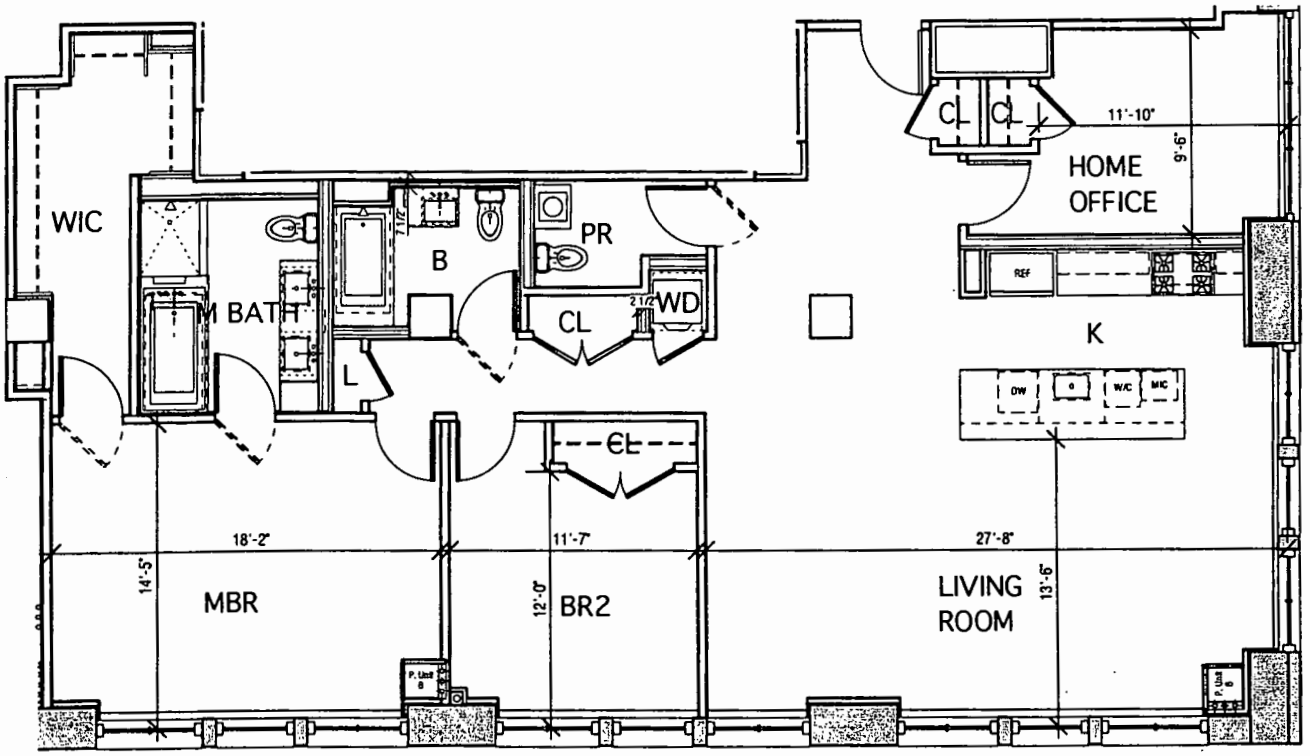
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 10B

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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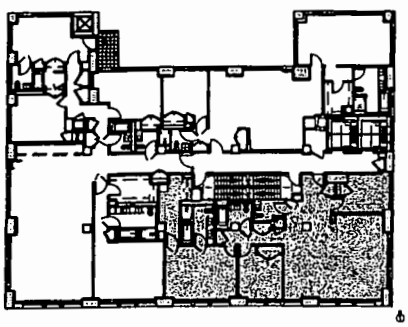


UNIT AREA SUMMARY

AREA 1860 SF

N

NOT TO SCALE

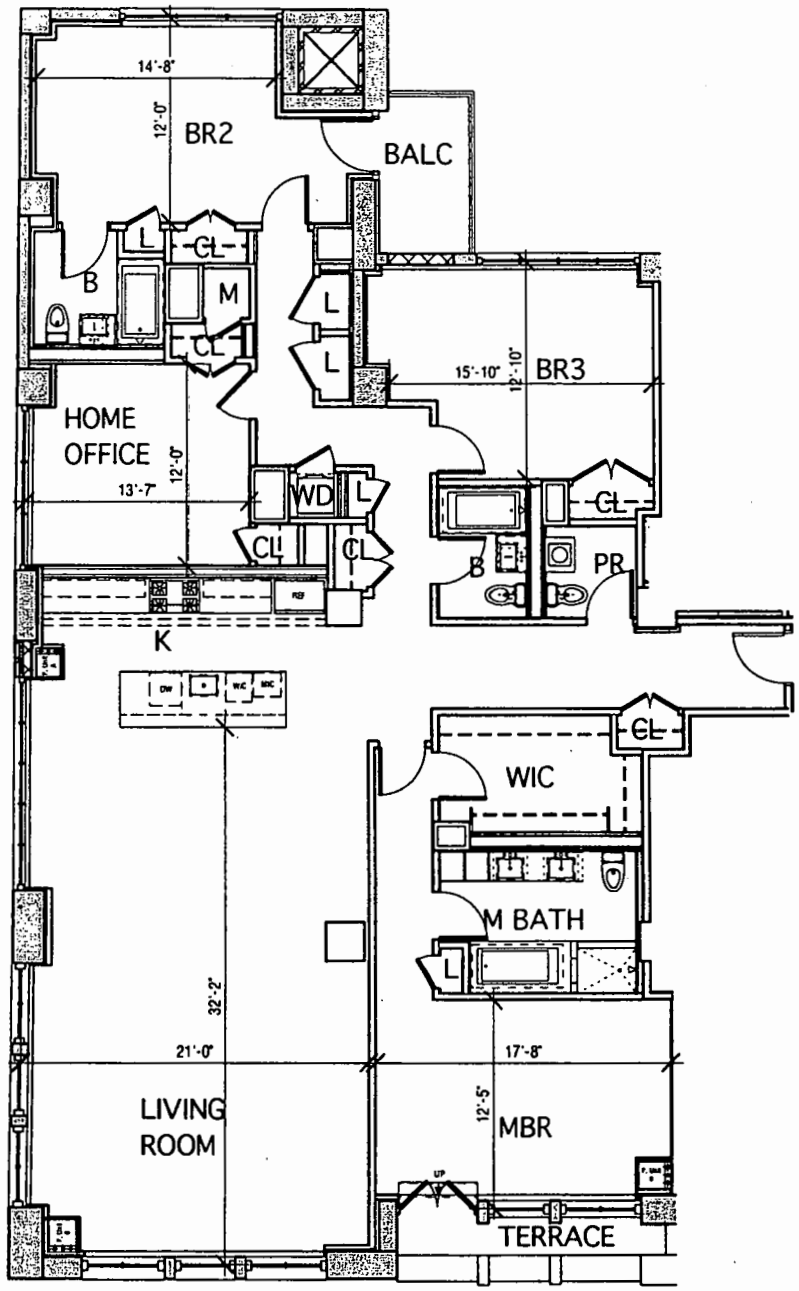
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 10C

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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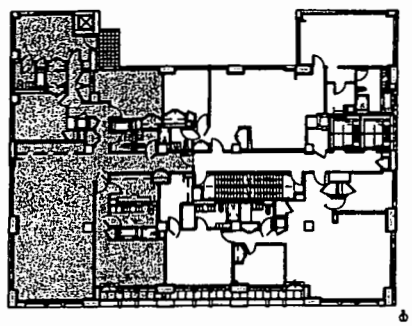


UNIT AREA SUMMARY

AREA	2704 SF
BALCONY	53 SF
TERRACE	56 SF

N

NOT TO SCALE

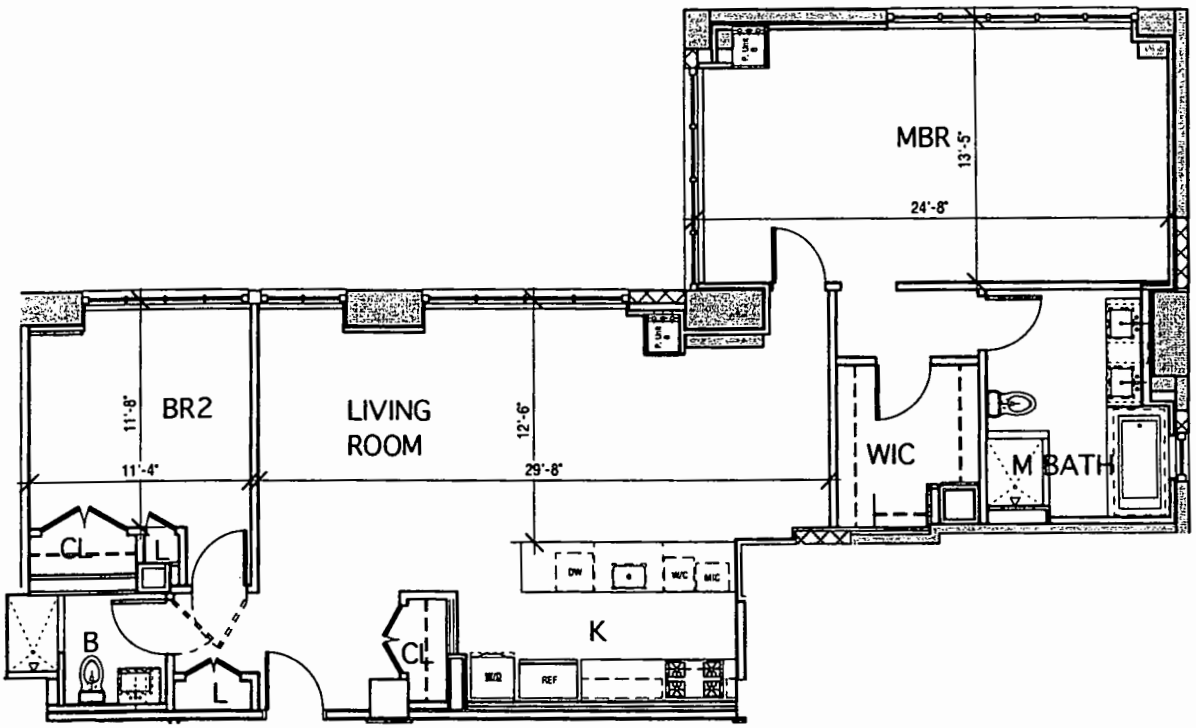
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 11A

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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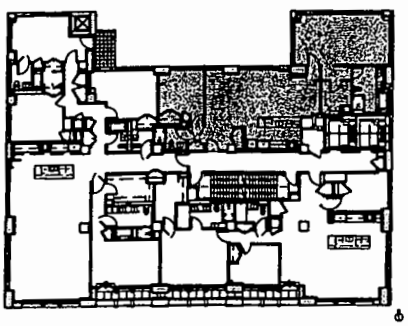


UNIT AREA SUMMARY

AREA 1500 SF

N NOT TO SCALE

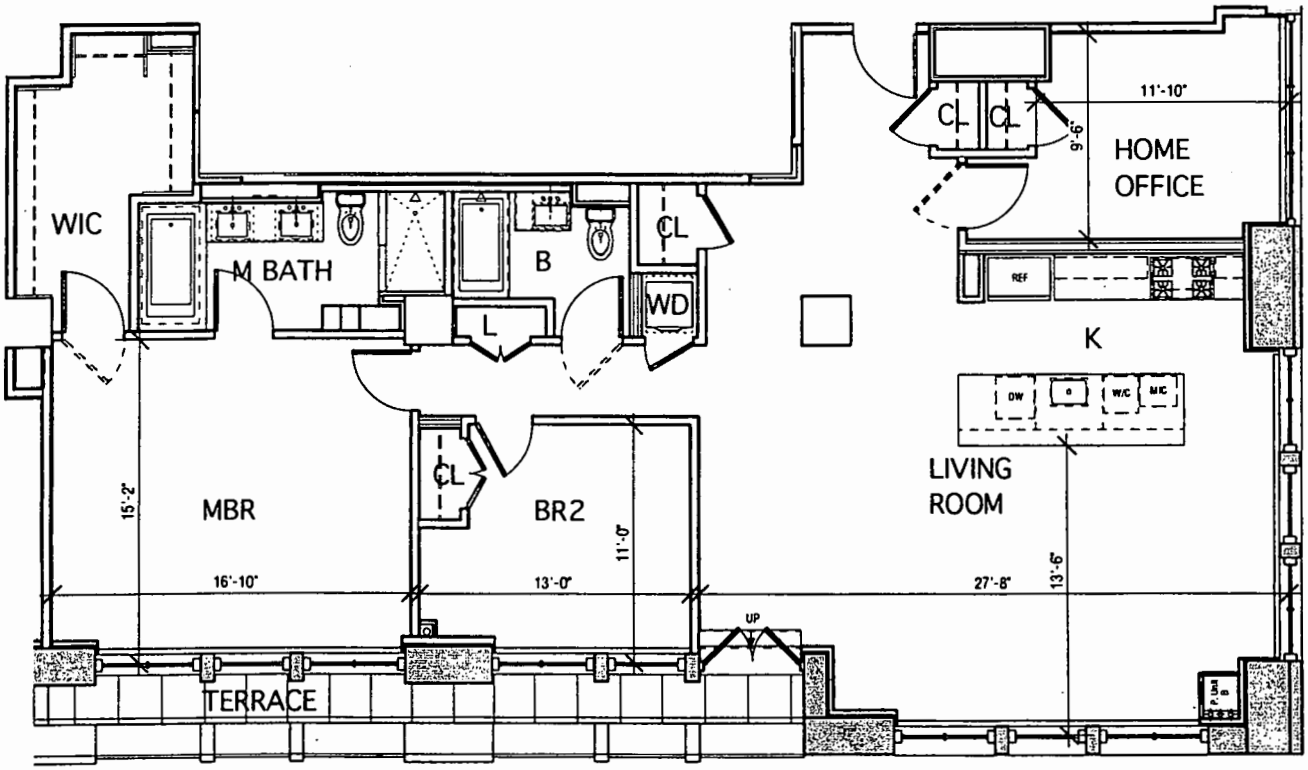
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. FLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 11B

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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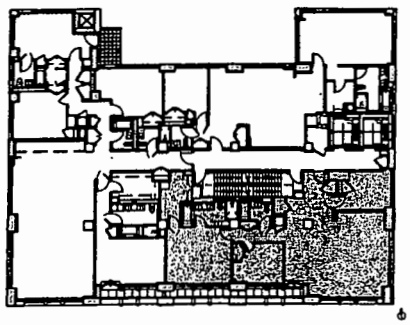


UNIT AREA SUMMARY

AREA	1727 SF
TERRACE	122 SF

N

NOT TO SCALE

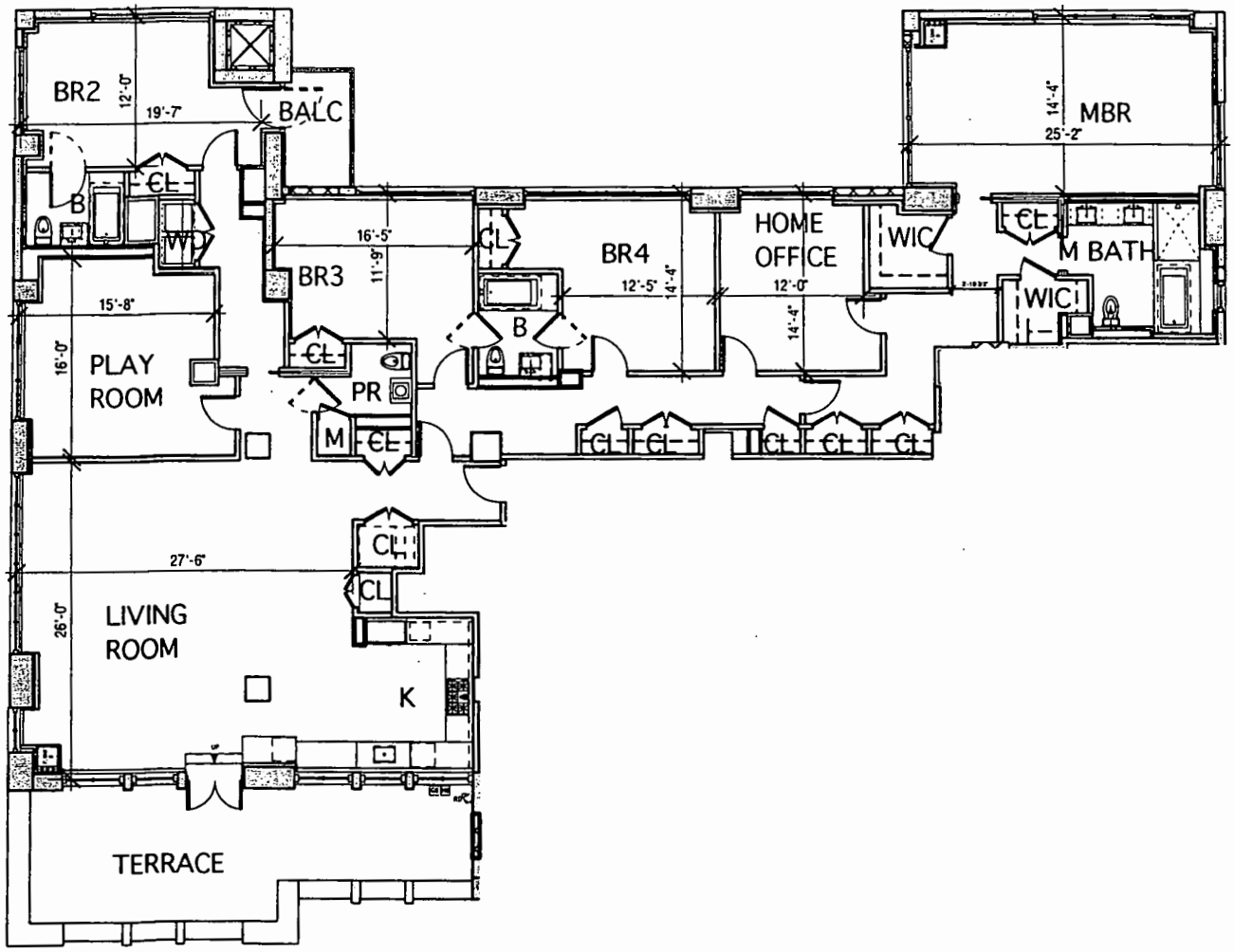
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 11C

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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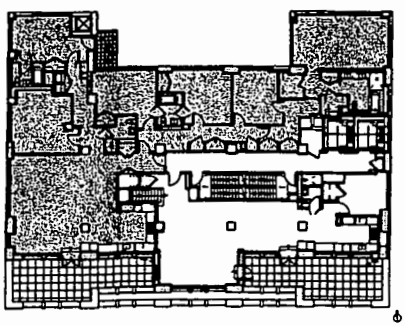


UNIT AREA SUMMARY

AREA	3675 SF
BALCONY	53 SF
TERRACE	428 SF

N

NOT TO SCALE

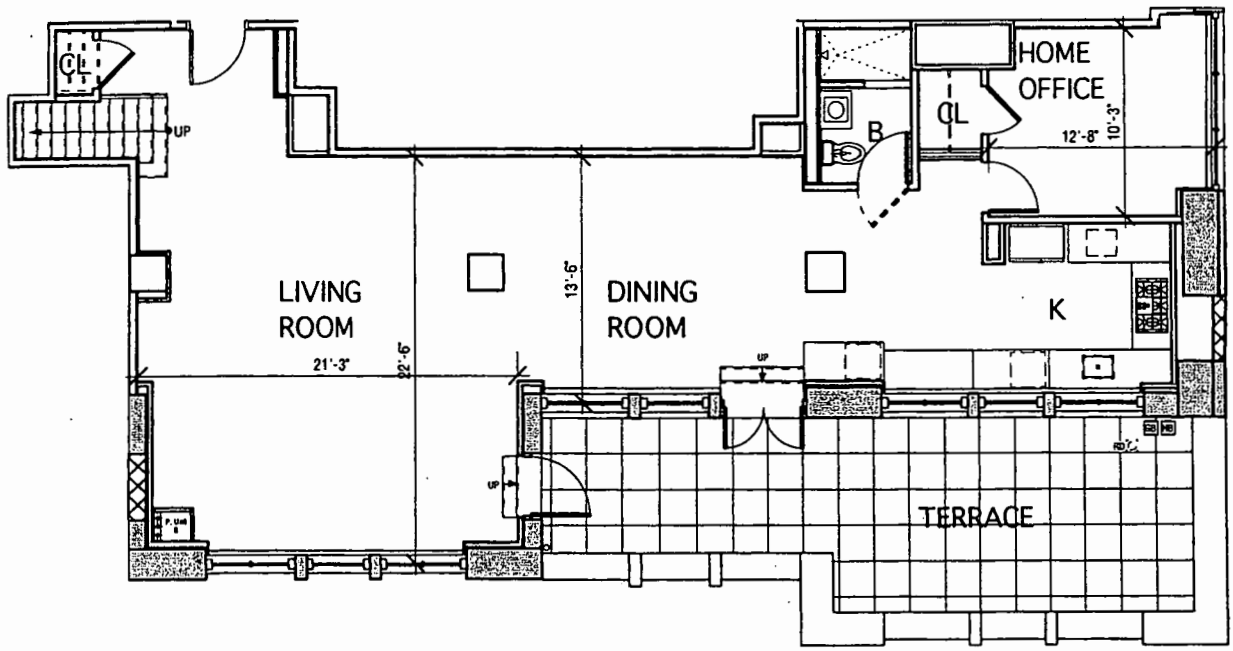
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 12A

143 READE STREET
NEW YORK, NEW YORK

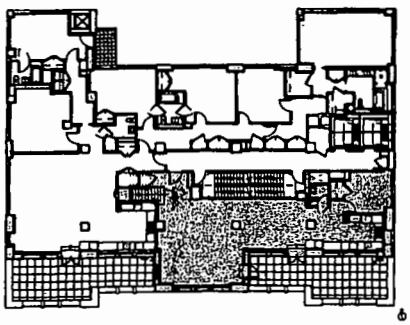
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

AREA	2822 SF
TERRACE	428 SF

KEY PLAN
NOT TO SCALE



PAGE 1 OF 2

N

NOT TO SCALE

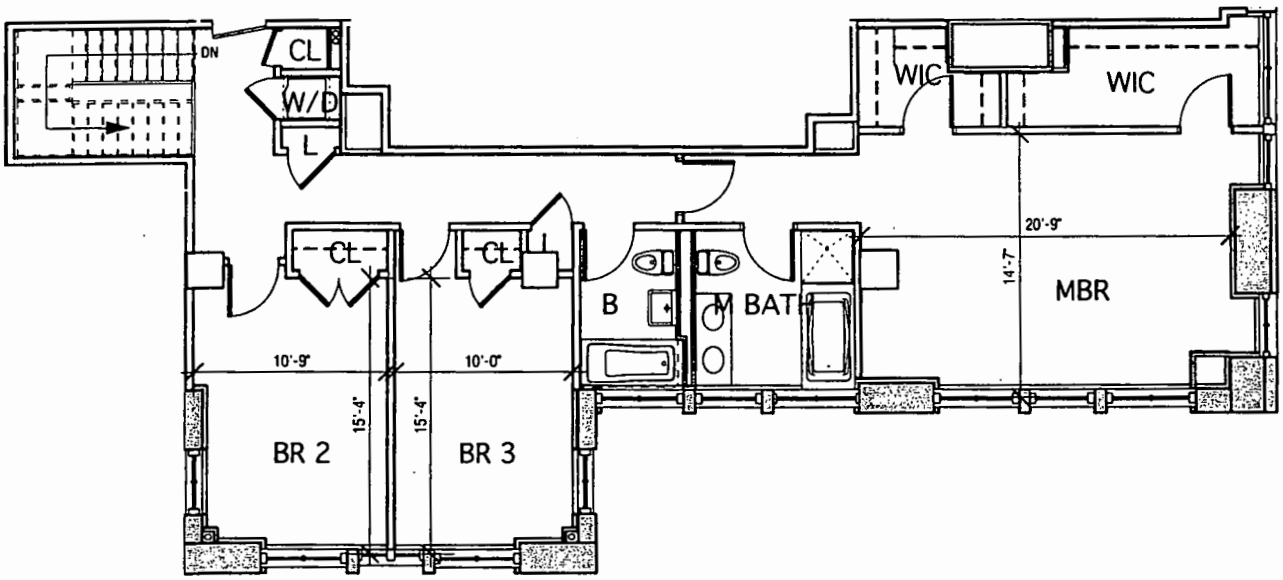
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 12C, 12TH FLOOR

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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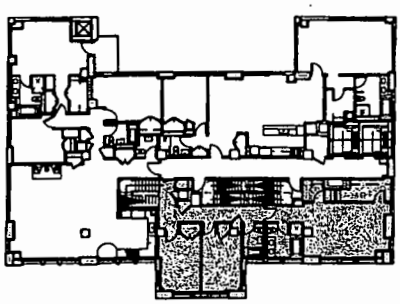


UNIT AREA SUMMARY
SEE PREVIOUS PAGE

PAGE 2 OF 2

N

NOT TO SCALE

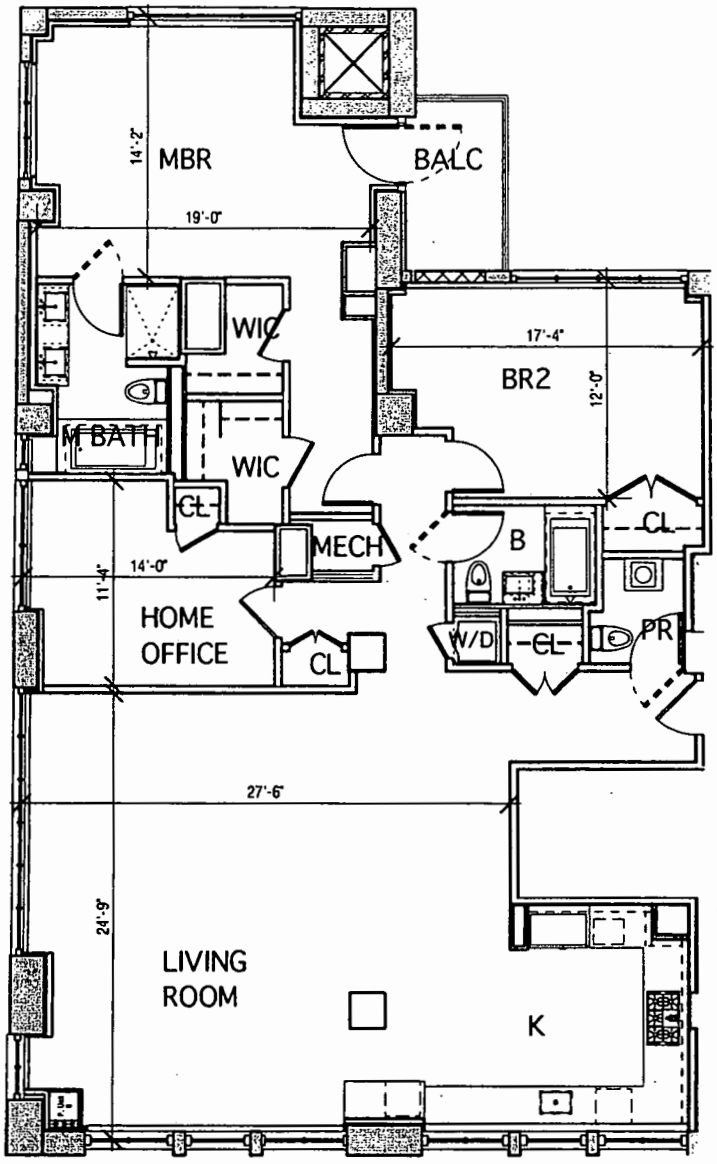
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 12C, 14TH FLOOR

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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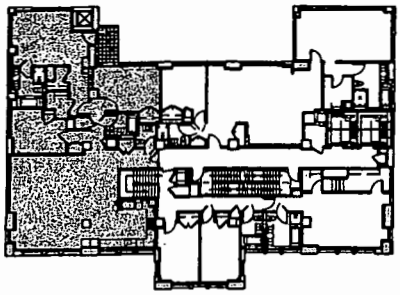


UNIT AREA SUMMARY

AREA	2098 SF
BALCONY	53 SF

N

NOT TO SCALE

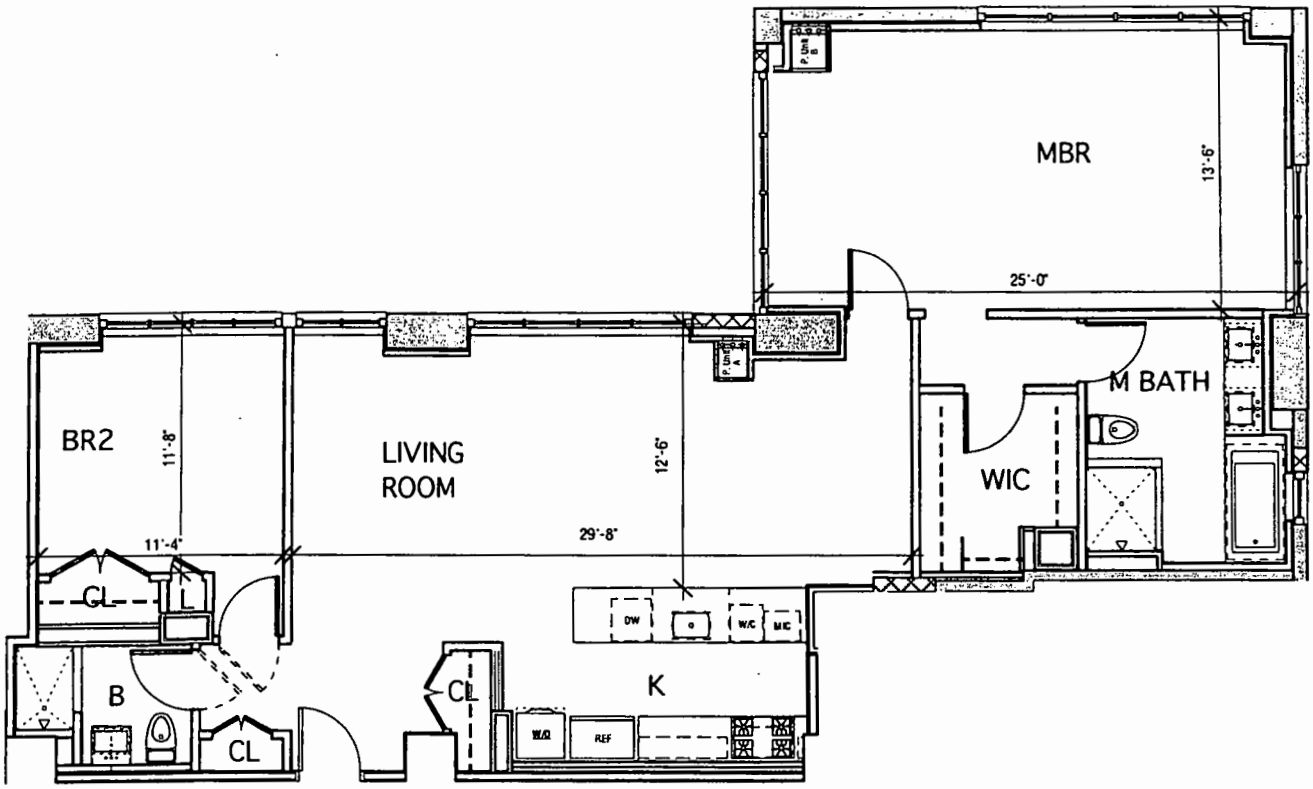
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 14A

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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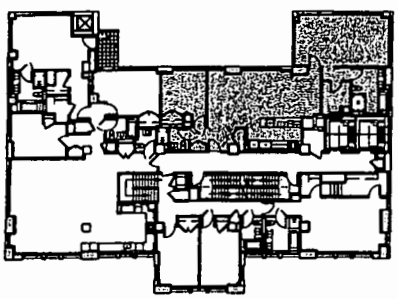


UNIT AREA SUMMARY

AREA 1497 SF

N

NOT TO SCALE

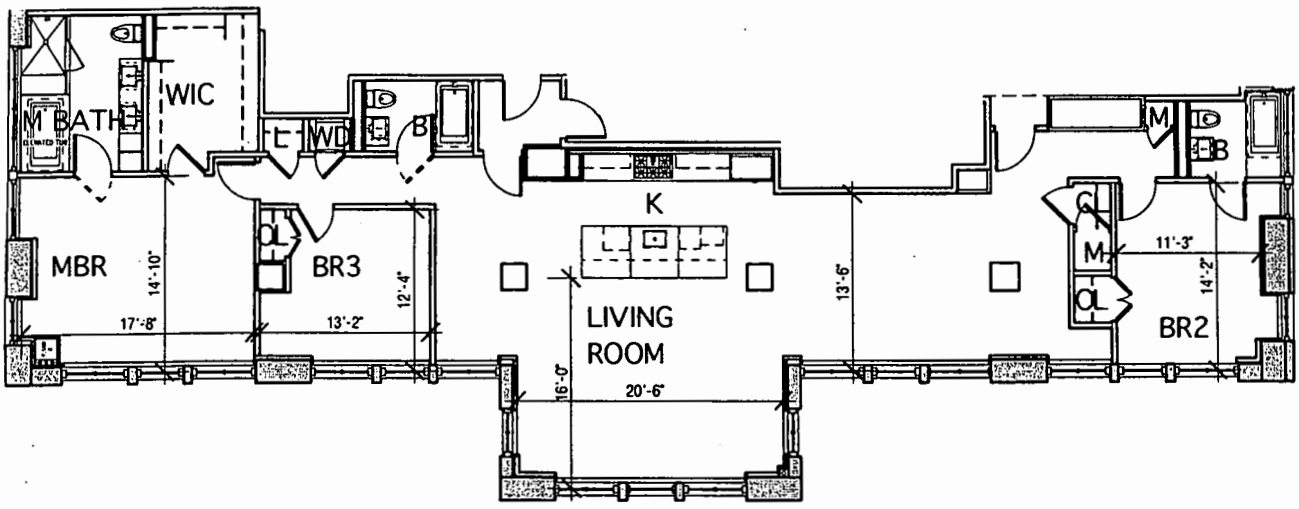
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 14B

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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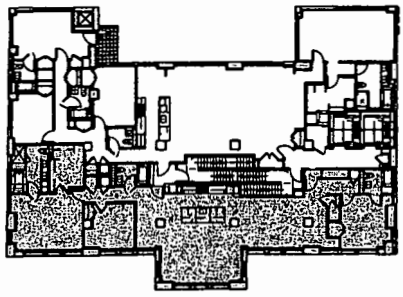


UNIT AREA SUMMARY

AREA 2320 SF

N

NOT TO SCALE

02.16.07

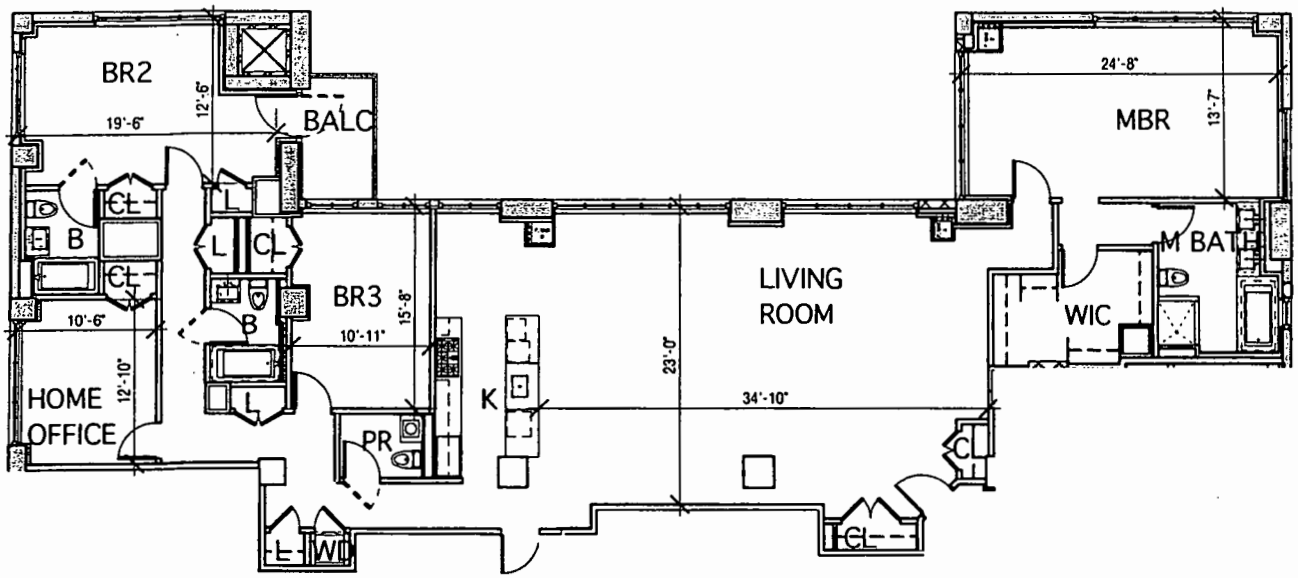
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 15A

143 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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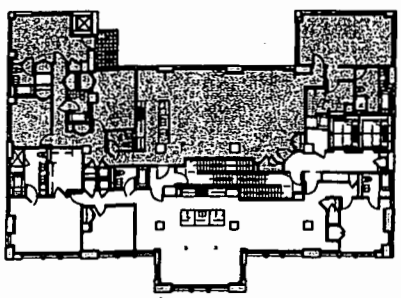


UNIT AREA SUMMARY

AREA	2827 SF
BALCONY	53 SF

N

NOT TO SCALE

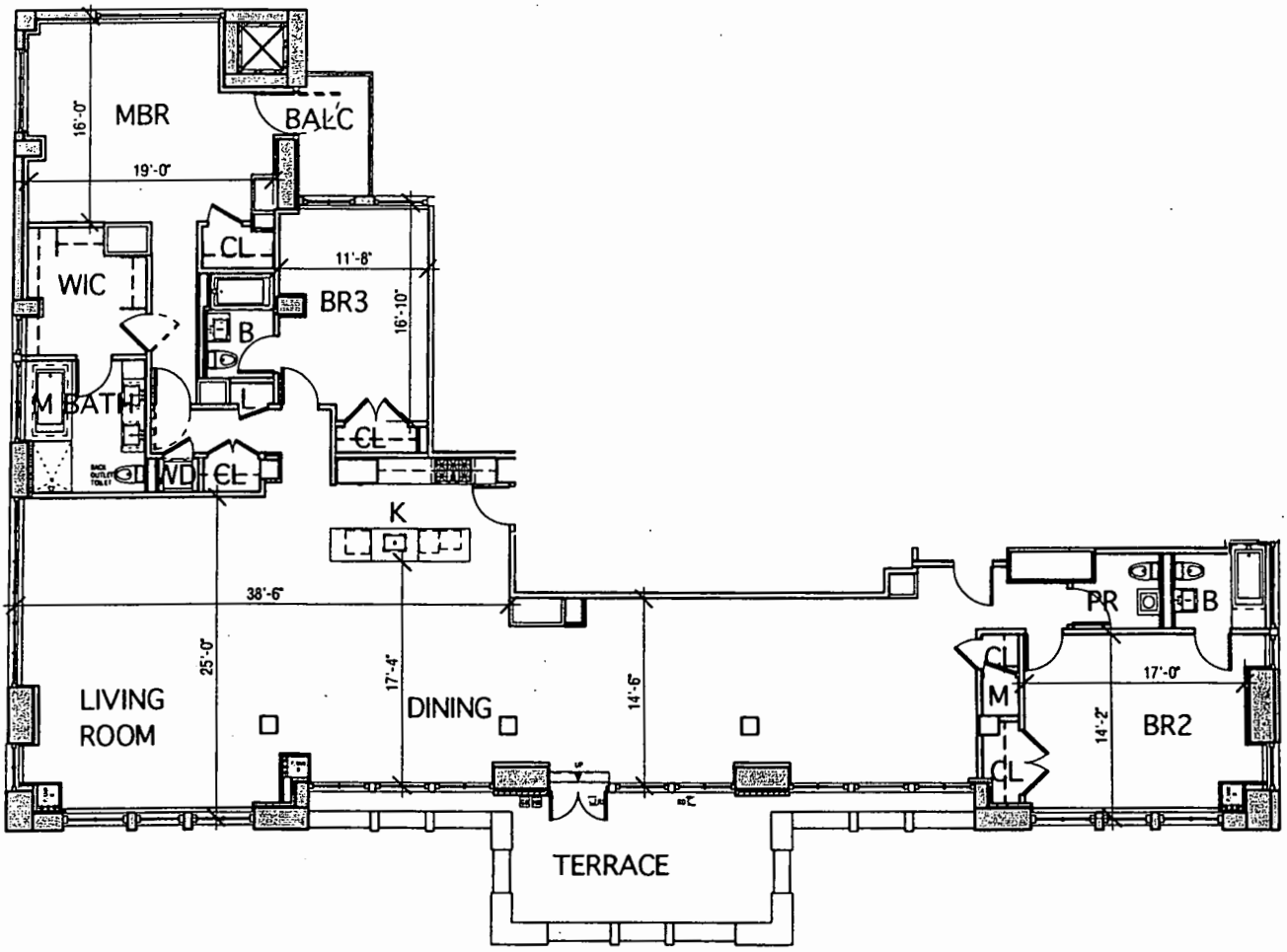
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT 15B

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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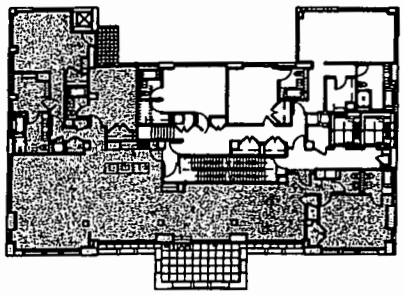

UNIT AREA SUMMARY

AREA	3168 SF
BALCONY	53 SF
TERRACE	374 SF

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NOT TO SCALE

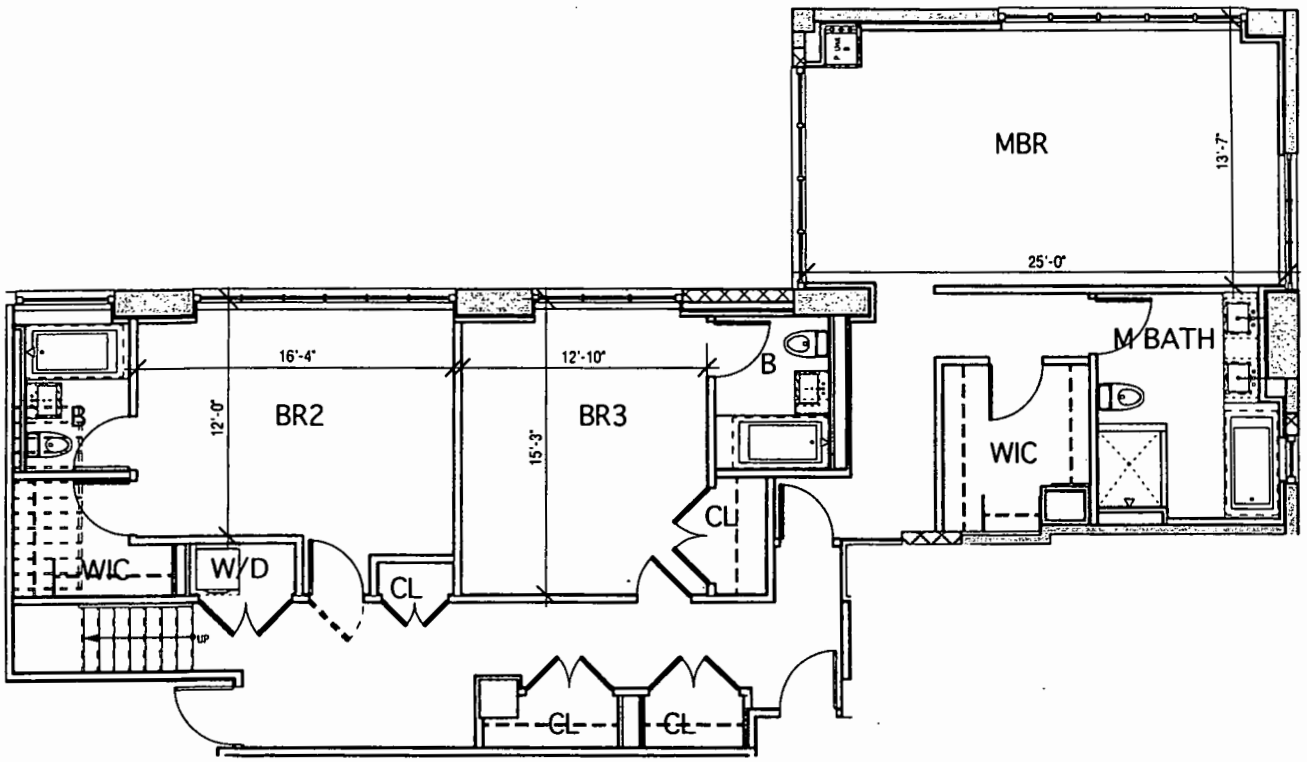
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

TOWER 16 SOUTH

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

AREA	2935 SF
TERRACE	377 SF

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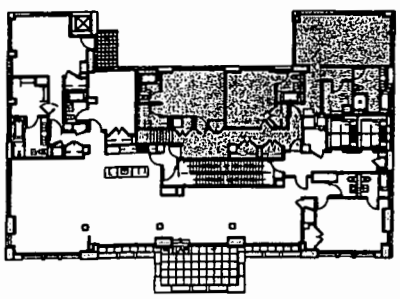

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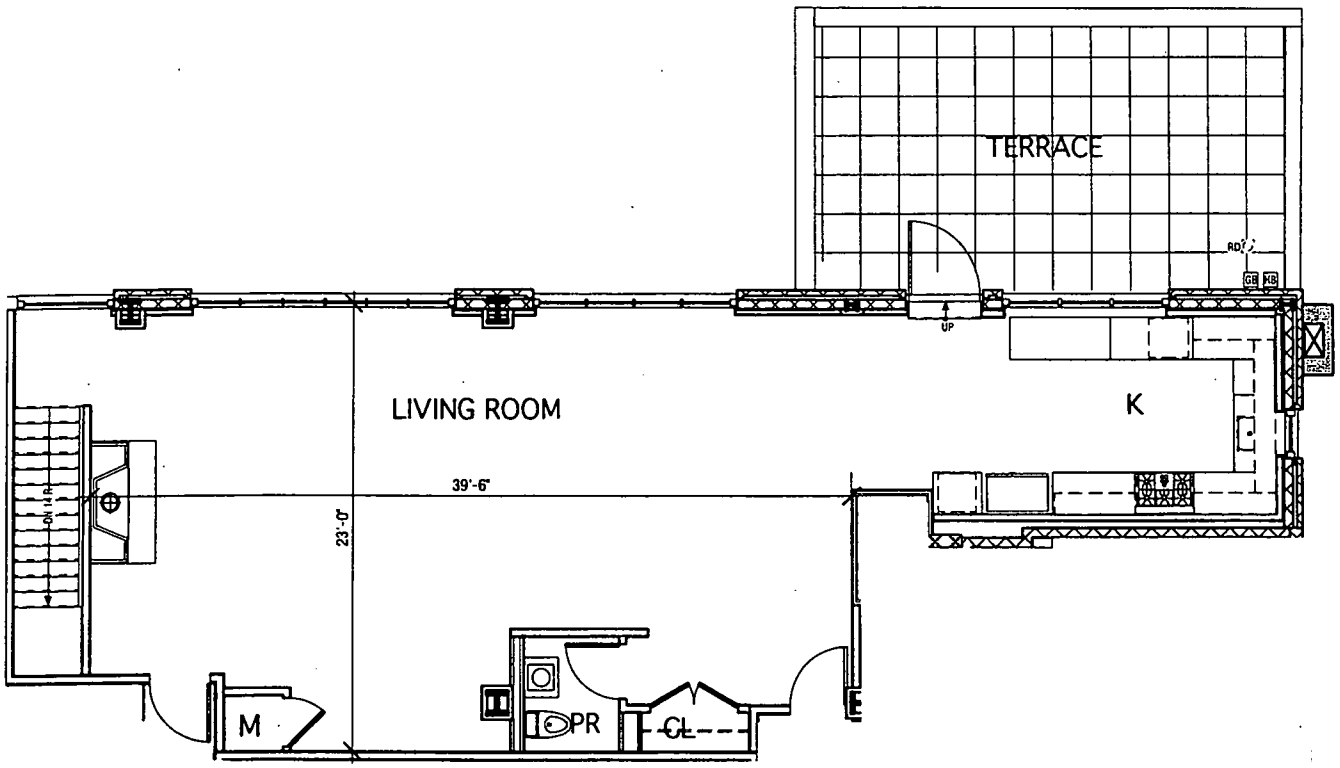
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

TOWER 17 NORTH, 16TH FLOOR

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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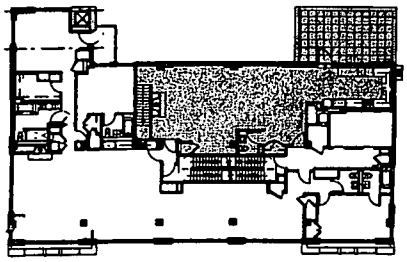

UNIT AREA SUMMARY
SEE PREVIOUS PAGE

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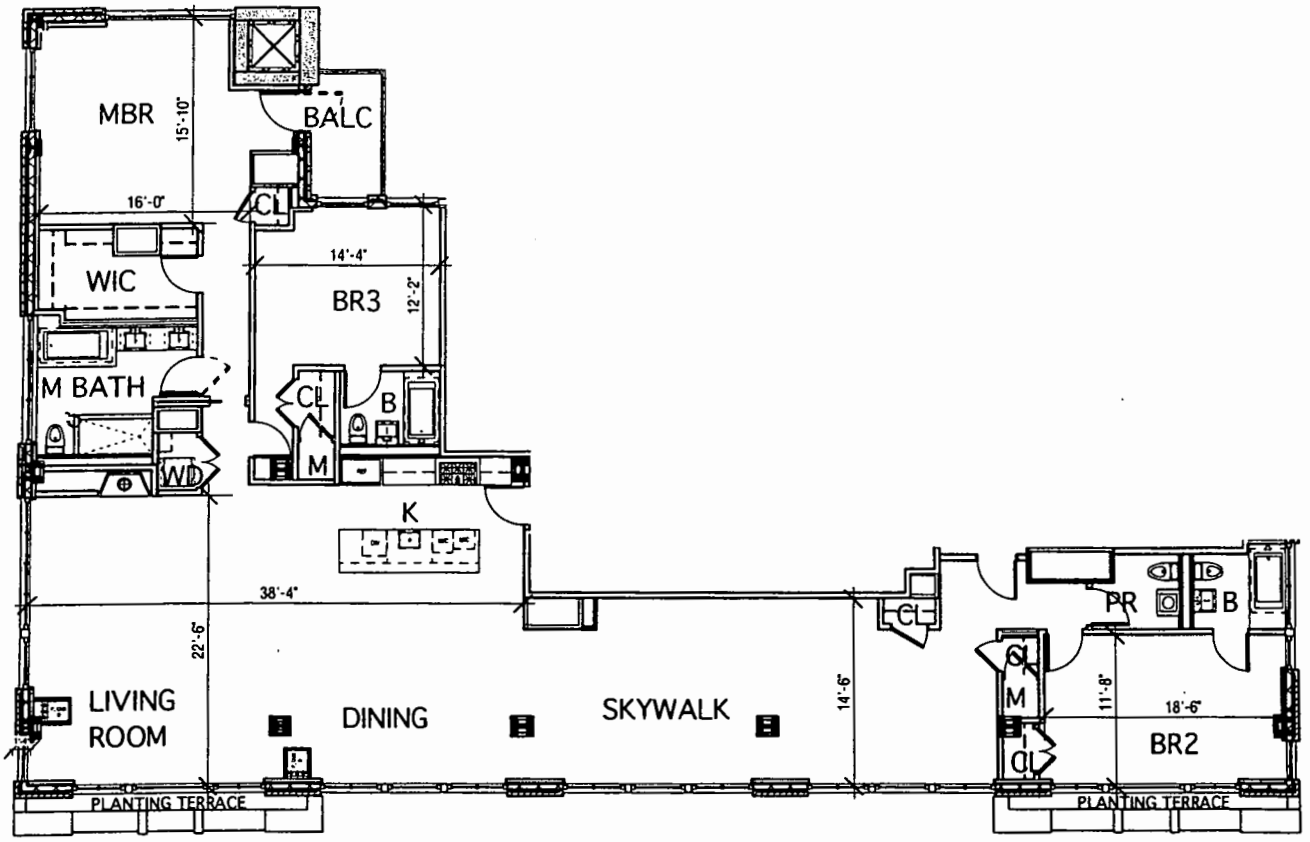
02.16.07

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

TOWER 17 NORTH, 17TH FLOOR

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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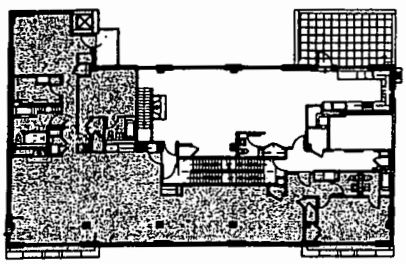

UNIT AREA SUMMARY

AREA	3033 SF
BALCONY	53 SF
2 PLANTING TERRACES	60 SF EA.

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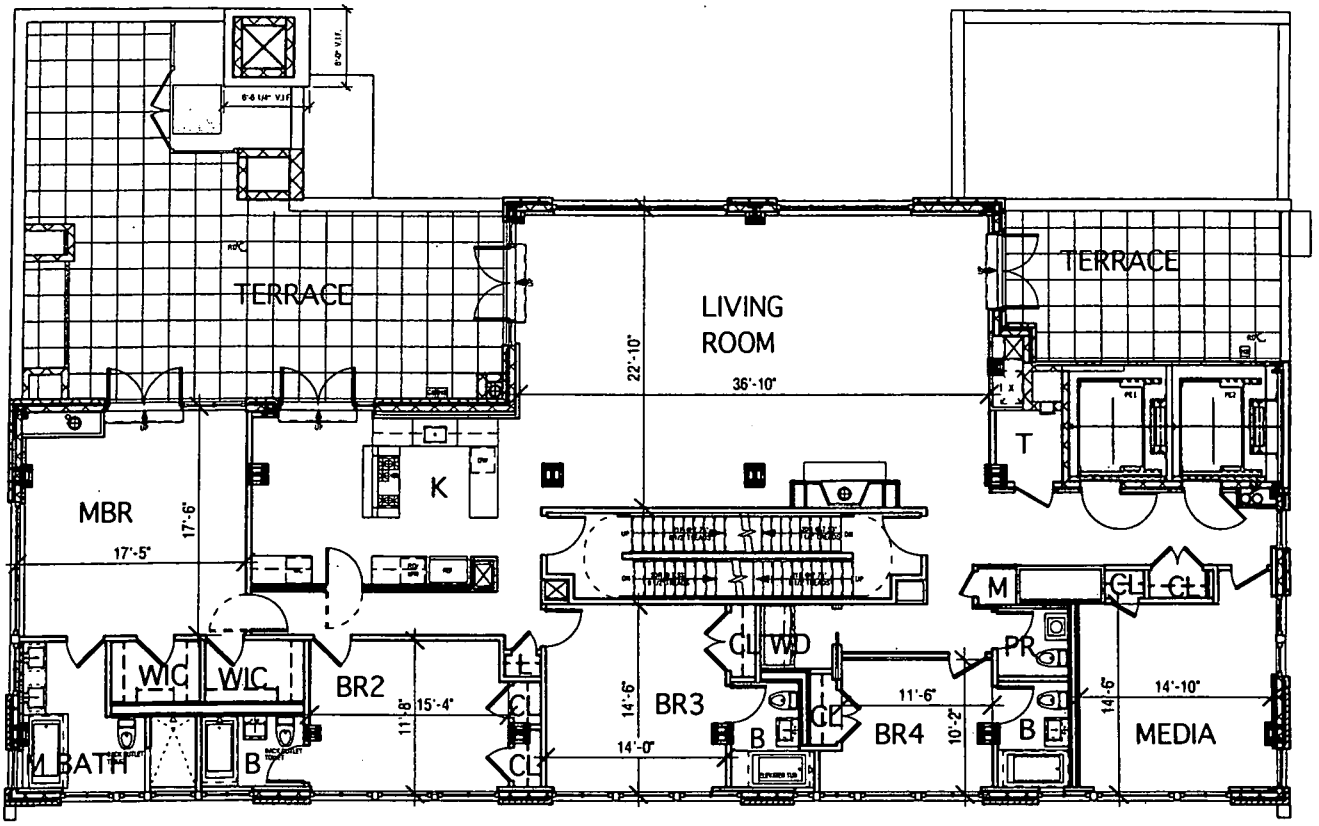
TOWER 17 SOUTH

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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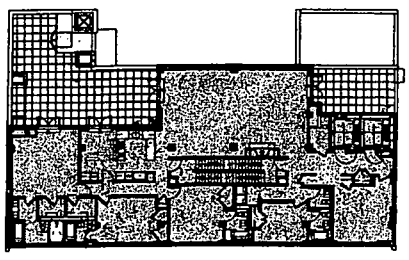

UNIT AREA SUMMARY

AREA	3374 SF
EAST TERRACE	268 SF
WEST TERRACE	757 SF

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NOT TO SCALE

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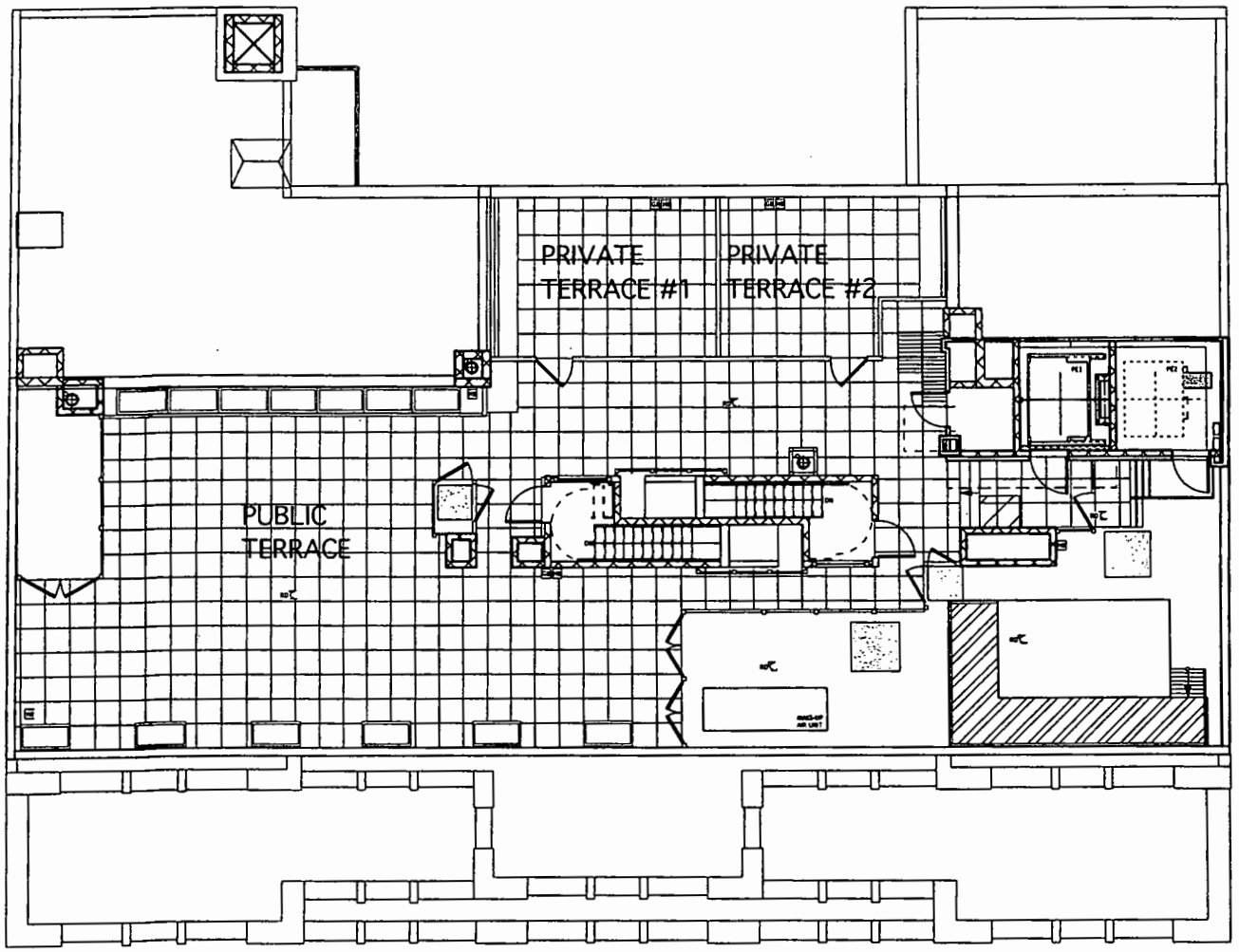
PENTHOUSE UNIT

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

PRIVATE TERRACE #1	278 SF
PRIVATE TERRACE #2	248 SF

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NOT TO SCALE

02.16.07

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ROOF PLAN

143 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP

PURCHASE AGREEMENT

PURCHASE AGREEMENT

Artisan Lofts Development Owner LLC

Sponsor

With

_____

Purchaser

Residential Unit Number _____

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10007

TABLE OF CONTENTS

Section		Page
1.	THE PLAN	1
2.	DEFINITIONS	1
3.	THE UNIT	2
4.	PURCHASE PRICE	2
5.	DEPOSIT TO BE HELD IN TRUST	3
6.	CLOSING DATE AND PLACE	3
7.	DELIVERY OF THE DEED AND UNIT POWER OF ATTORNEY	3
8.	STATUS OF TITLE	4
9.	CLOSING ADJUSTMENTS	4
10.	MORTGAGE TAX CREDIT	5
11.	CLOSING COSTS	5
12.	AGREEMENT NOT A LIEN OR ENCUMBRANCE	6
13.	DEFAULT BY PURCHASER	6
14.	AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE	7
15.	SPONSOR'S INABILITY TO CONVEY THE UNIT	7
16.	FIXTURES, APPLIANCES AND PERSONAL PROPERTY	7
17.	CONSTRUCTION AND SUBSTANTIAL RENOVATION	8
18.	INSPECTION OF THE UNIT	8
19.	DAMAGE TO THE UNIT	9
20.	NO REPRESENTATIONS	9
21.	PROHIBITION AGAINST ADVERTISING	10
22.	BROKER	10
23.	AGREEMENT MAY NOT BE ASSIGNED	10
24.	BINDING EFFECT	10
25.	NOTICES	11
26.	JOINT PURCHASERS	11
27.	LIABILITY OF SPONSOR	11
28.	FURTHER ASSURANCES	11
29.	AGREEMENT NOT CONTINGENT UPON FINANCING	12
30.	COSTS OF ENFORCING AND DEFENDING AGREEMENT	12
31.	SEVERABILITY	12
32.	STRICT COMPLIANCE	12
33.	GOVERNING LAW	12
34.	WAIVER OF JURY	12
35.	ENTIRE AGREEMENT	12
36.	CERTAIN REFERENCES	13
37.	CAPTIONS	13

38. SUCCESSORS AND ASSIGNS 13
39. CONFIDENTIALITY 13
40. NO ORAL CHANGES 13
41. PERFORMANCE 13
42. COUNTERPARTS 13
43. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY 14
44. LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS DISCLOSURE 14

SCHEDULE A – PERMITTED ENCUMBRANCES

SCHEDULE B – INSPECTION STATEMENT

SCHEDULE C – DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

PURCHASE AGREEMENT

RESIDENTIAL UNIT NUMBER _____

ARTISAN LOFTS CONDOMINIUM
143 READE STREET
NEW YORK, NEW YORK 10007

AGREEMENT, made as of _____, _____, between Sponsor and Purchaser (defined below).

W I T N E S S E T H :

1. THE PLAN

Purchaser acknowledges having received and read a copy of the Offering Plan for the Artisan Lofts Condominium and all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least 3 business days prior to Purchaser's signing this Agreement. If Purchaser has not received and read the Plan and all amendments thereto at least 3 business days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement, by sending written notice of such rescission to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within 7 days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to the Selling Agent. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-laws and Residential Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

2. DEFINITIONS

Terms used herein which are also used in the Plan shall have the same meanings as they do in the Plan, unless the context requires otherwise.

2.1 "Sponsor" means Artisan Lofts Development Owner LLC, having an office c/o c/o Tribeca Associates LLC, 321 Greenwich Street, New York, New York 10013. Sponsor's taxpayer identification number is 14-1962374.

2.2. "Purchaser" means _____ having an address at _____, _____, _____ . Purchaser's social security number is _____.

2.3 "Attorney for Sponsor" means Starr Associates LLP, having an address at 245 Fifth Avenue, Suite 1102, New York, New York 10016; Attention: Jane Rosenberg, Esq., Telephone Number: (212) 620-2680. Facsimile Number: (212) 696-5013. E-mail address: jrosenberg@starr-lawfirm.com.

2.4 "Attorney for Purchaser" means _____, having an address at _____, _____, _____. Attention: _____, Esq. Telephone Number: (_____)_____. Facsimile Number (_____)_____. E-mail address: _____.

2.5 "Selling Agent" means Corcoran Group Marketing, having an address at 888 Seventh Avenue, New York, New York 10106. Telephone Number : (212) 634-6500. Facsimile Number: (212) _____. E-mail address: _____.

2.6 "Co-Broker" means _____.

2.7 "Escrow Agent" means Attorney for Sponsor.

2.8 "Title Company" means Fidelity National Title Insurance Company, having and office at One Park Avenue, Suite 1402, New York, New York 10016. Telephone Number: (212) 845-3126. Facsimile Number: (212) 742-0732. E-mail address: ttoth@fnf.com

3. THE UNIT

Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Unit designated as Residential Unit _____ in the Declaration, together with its undivided _____% interest in the Common Elements appurtenant to such Unit ("Unit").

4. PURCHASE PRICE

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

The Purchase Price is payable as follows:

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

(b) $_____ (the "Additional Deposit"; the term "Deposit", as used herein, refers to both the Initial Deposit and, if the same has been paid at the time in question, the Additional Deposit), is due upon the earlier to occur of 6 months after Purchaser's signing and delivering this Agreement or the date the Plan is declared effective; and

[0R]

[AFTER THE PLAN IS DECLARED EFFECTIVE]

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

(d) $_____ (the "Balance of the Purchase Price"), by good certified check of Purchaser or official bank check, (or by wire transfer, at Sponsor's sole option) payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall represent United States currency, be drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association and shall be unendorsed. The Deposit shall be made payable to the direct order of "Starr Associates LLP, as Escrow Agent." The Balance shall be made payable to the direct order of "Artisan Lofts Development Owner LLC"(or such other party as Sponsor directs to Purchaser, in writing, at least 1 business day prior to the date of Closing of Title). If any check is returned for insufficient funds or any other reason, such return shall be deemed to be a default by Purchaser under this Agreement and shall entitle Sponsor to exercise any of the remedies set forth in Article 13 hereof. Notwithstanding the foregoing, if the check representing the Initial Deposit is returned for insufficient funds or any other reason, such return shall be deemed to be a non-curable default by Purchaser and this Agreement shall automatically be deemed cancelled. Upon the cancellation of this Agreement, Purchaser and Sponsor 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 Purchaser for any of the proceeds of such sale.

5. DEPOSIT TO BE HELD IN TRUST

All Deposits made pursuant to this Agreement are subject to the requirements of Sections 352-e(2) (b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto. All monies received from Purchaser towards the Deposit shall be delivered to Escrow Agent and shall be held in accordance with the Section of the Plan entitled "Escrow and Trust Fund Requirements." By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under this Agreement. If Purchaser shall default on Purchaser's obligations under this Agreement, then the Deposit shall be released to Sponsor as liquidated damages, and thereafter, neither party shall have any further rights or obligations against or to each other. In the event Sponsor cannot convey title to the Unit to Purchaser by reason other than Purchaser's default, the Deposit shall be returned to Purchaser, within 30 business days of Sponsor's notification to Purchaser that it cannot convey title.

6. CLOSING DATE AND PLACE

6.1 The Closing of Title shall be held at the offices of Starr Associates LLP, 245 Fifth Avenue, Suite 1102, New York, New York (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than 30 days' prior written notice ("Initial Closing Notice"). If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Attorney for Sponsor at Closing an extra fee as set forth in the Plan. After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for closing on not less than 5 business days notice to Purchaser, which new closing notice shall fix a new date, hour and place for the Closing of Title and which date shall not be earlier than the date set forth in the Initial Closing Notice. Only the Initial Closing Notice shall require 30 days' prior written notice.

6.2 The term "Closing Date" "Closing" "Closing of Title" or words of similar import, whenever used herein, shall mean the date on which the deed to the Unit is delivered to Purchaser.

7. DELIVERY OF THE DEED AND UNIT POWER OF ATTORNEY

7.1 At the Closing of Title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying fee simple title to the Unit to Purchaser, subject only to the liens, encumbrances, and title conditions set forth on Schedule A annexed hereto and made a part hereof. The deed shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State Transfer Tax Return Forms and any other forms then required by law, all of which shall be prepared by Sponsor.

7.2 At the Closing of Title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board prepared by Sponsor substantially in the form set forth in Part II of the Plan, as well as whatever other documents are reasonably necessary or customary in connection with the conveyance of a condominium unit, including but not limited to title affidavits, real property transfer tax forms, etc.

7.3 The executed deed, transfer tax forms and power of attorney shall be delivered at the Closing to the representative of the Title Company insuring Purchaser's title (or, if no such representative is present, then to the Attorney for Sponsor) for recording in the Office of the City Register, which recording shall be at

Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the power of attorney shall be returned to the Condominium Board.

7.4 Purchaser's payment of the Balance of the Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of the rights of purchasers under Article 23-A of the General Business Law, the Plan, and Part 20 of the Regulations issued by the Department of Law.

8. STATUS OF TITLE

8.1 At the Closing of Title, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all liens and encumbrances other than those expressly agreed to by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any lien and encumbrance or condition to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the Closing of Title to the proper party or to Purchaser's title insurance company, together with the attendant recording or filing fee, if any, or (b) Fidelity Title Insurance Company (or such other title insurance company as Purchaser may utilize), is or would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

8.2 Sponsor shall be entitled to adjourn the Closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least 10 days prior to the Closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least 10 days prior to the Closing of Title, then, for purposes of Article 13 below, Purchaser shall be deemed at fault for not having sent timely notice, and the Closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

8.3 If, subsequent to the Closing of Title, Purchaser claims that Sponsor did not convey fee simple title to the Unit in accordance with the Plan, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by Purchaser's title insurance company. If Purchaser did not obtain title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from Purchaser's title insurance company shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law.

9. CLOSING ADJUSTMENTS

9.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

(b) common charges (if common charges have been assessed by the Condominium Board) and assessments for the month in which title closes; and

(c) if Purchaser is allowed to occupy the Unit prior to Closing, accrued rent and any other charges pursuant to a use and occupancy agreement, if any, covering the Unit.

9.2 If the Unit has been separately assessed but the Closing of Title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment under subsection 9.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit.

9.3 Purchaser agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing of Title.

9.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date (a) the Closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing of Title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

9.5 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. 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 in the Plan.

9.6 Any errors or omissions calculating apportionments at Closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing of Title.

10. MORTGAGE TAX CREDIT

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

11. CLOSING COSTS

In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments." All such Closing Costs shall be paid by Purchaser, at Closing, by Purchaser's unendorsed personal certified check or by official bank check, in either event drawn upon a bank that is a member of the New York Clearing House Association.

12. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any construction or Building loan mortgage, and any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

13. DEFAULT BY PURCHASER

13.1 The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to pay the Additional Deposit on the date set forth in Article 4.1(b) hereof, Purchaser's failure to pay the Balance of the Purchase Price, or any closing adjustment or closing cost required to be paid by Purchaser as set forth in the Plan or in this Agreement, or the dishonor of any check given by Purchaser to Sponsor; or

(ii) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or

(iii) if Purchaser is permitted to become the tenant or occupant of the Unit, Purchaser's failure to pay rent or to otherwise comply with some other lease or occupancy obligation; or

(iv) Purchaser's assignment of any of Purchasers property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(v) if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vi) if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the judgment or lien; or

(vii) Purchaser's assignment of this Agreement without the prior written consent of Sponsor; or

(viii) Purchaser's listing the Unit for resale or rental with any broker or advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor's prior written consent; or

(ix) an Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit at the Property.

13.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Additional Deposit, the Balance of the Purchase Price (if Purchaser elects to exercise its option) and to pay, perform or comply with Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion, may elect by notice to Purchaser to cancel this Agreement. If Sponsor elects to cancel, Purchaser shall have 30 days from the giving of the notice of cancellation to cure the specified default. If the default is not cured within such 30 days, TIME BEING OF THE ESSENCE, then this Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, the entire Deposit and any interest earned on the Deposit. Upon the cancellation of this Agreement, Purchaser and Sponsor 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 Purchaser for any of the proceeds of such sale.

14. AGREEMENT SUBJECT TO PLAN BEING EFFECTIVE

The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, together with interest earned thereon, shall be returned to Purchaser. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

15. SPONSOR'S INABILITY TO CONVEY THE UNIT

If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election or inability to cure such title defect, and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within 30 days after receipt of notice of termination from Purchaser, return to Purchaser all sums Deposits and all other sums deposited by Purchaser hereunder, together with interest earned thereon, if any. Upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within 15 days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

16. FIXTURES, APPLIANCES AND PERSONAL PROPERTY

Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in this sale. No portion of the Purchase Price shall be attributable to such items.

17. CONSTRUCTION AND SUBSTANTIAL RENOVATION

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

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

17.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Closing of Title to Units" in Part I of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow), notwithstanding any construction items noted on Purchaser's Inspection Statement (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

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

18. INSPECTION OF THE UNIT

18.1 Upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Unit within the 7 days prior to the Closing Date. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule B to this Agreement) and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within 7 days prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

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

19. DAMAGE TO THE UNIT

If between the date of this Agreement and the Closing of Title the Unit is damaged by fire or other casualty, the following shall apply:

19.1 The risk of loss to the Unit by fire or other casualty until the earlier of Closing of Title or possession of the Unit by Purchaser is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing of Title.

19.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-laws, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all Deposits and other sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all Deposits and other such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

20. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. Except as otherwise set forth in the Plan, Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, and (b) that Purchaser shall

not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article shall survive the Closing of Title.

21. PROHIBITION AGAINST ADVERTISING

Prior to the Closing of Title, Purchaser agrees not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser prior to Closing of title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

22. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than the Selling Agent and the Co-Broker, if any, named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than the Selling Agent and the Co-Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent or the Co-Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article shall survive the Closing of Title.

23. AGREEMENT MAY NOT BE ASSIGNED

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor, which consent may be unreasonably withheld or delayed. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser shall have such right, provided that (i) Purchaser designates such assignee at least 10 business days prior to the Closing Date; (ii) Purchaser delivers to Attorney for Sponsor the fee set forth in the Plan for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing is not delayed as a result of such assignment , (iv) the assignee of this Agreement assumes in writing, by an instrument prepared by Attorney for Sponsor, the obligations of Purchaser under this Agreement and (v) the assignment is made without consideration. Any purported assignment by Purchaser in violation of this Agreement shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement, and shall be voidable at the option of Sponsor.

24. BINDING EFFECT

The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been delivered to Purchaser or the Attorney for Purchaser. If this Agreement is not accepted within 30 days from the date hereof by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be promptly returned to Purchaser. Upon such refund being made, neither party shall have any further rights, obligations liability to or against the other hereunder or under the Plan. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right,

without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by Law.

25. NOTICES

25.1 Any notice, election, demand, request, letter, consent or other communication hereunder or under the Plan shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed to the Attorney for Purchaser at the address given at the beginning of this Agreement with a copy to the Purchaser at the address given at the beginning of this Agreement by regular mail, and to the Attorney for Sponsor at the address given at the beginning of this Agreement, with a copy to Sponsor at the address given at the beginning of this Agreement by regular mail. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected, or in the case of mailing, the 3 business days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

25.2 Sponsor hereby designates and empowers both the Selling Agent and Attorney for Sponsor, as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself.

25.3 Purchaser hereby designates and empowers the Attorney for Purchaser, as Purchaser's agent to give any notice to Sponsor under this Agreement in Purchaser's name, which notice so given shall have the same force and effect as if given by Purchaser.

26. JOINT PURCHASERS

The term "Purchaser" shall be read as "Purchasers" if more than one person are Purchasers, in which case their obligations shall be joint and several.

27. LIABILITY OF SPONSOR

Sponsor 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, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

28. FURTHER ASSURANCES

Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. AGREEMENT NOT CONTINGENT UPON FINANCING

The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance the purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in Purchaser's financial status or condition shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement and Sponsor shall have no liability as a result of any scheduling or adjournment of the Closing beyond the expiration of the loan commitment.

30. COSTS OF ENFORCING AND DEFENDING AGREEMENT

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

31. SEVERABILITY

If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

32. STRICT COMPLIANCE

Any failure by either party to insist upon the strict performance by the other of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such party.

33. GOVERNING LAW

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

34. WAIVER OF JURY

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement or the relationship created hereby or in the Plan. 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.

35. ENTIRE AGREEMENT

This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

36. CERTAIN REFERENCES

A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

37. CAPTIONS

The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

38. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

39. CONFIDENTIALITY

Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

40. NO ORAL CHANGES

This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto or in a separate written agreement signed by the parties hereto or by an amendment to the plan.

41. PERFORMANCE

Where this Agreement by its terms requires the payment of money or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next business day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performed in accordance with the terms of this Agreement.

42. COUNTERPARTS

This Agreement may be executed in any number of counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Agreement.

43. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY.

43.1 The provisions of this Article shall survive the Closing of Title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement.

43.2 If Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to diplomatic or sovereign immunity, Purchaser hereby designates a duly authorized and lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or the Condominium Documents.

43.3 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. Section 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

44. LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS DISCLOSURE

44.1 The Environmental Protection Agency and the Department of Housing and Urban Development promulgated Federal regulations under 24 CFR Part 35 and 40 CFR Part 745 ("Federal Regulations") regarding the disclosure of lead-based paint and/or lead-based paint hazards to prospective purchasers of apartments. In accordance with the provisions of the Federal Regulations, annexed to this Purchase Agreement as Schedule C is a "Lead Warning Statement" and "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" to be signed by Sponsor and Purchaser. Set forth in Part II of the Plan is a pamphlet entitled "Protecting Your Family from Lead in Your Home."

44.2 In the event Purchaser exercises Purchasers' right to conduct a risk assessment or inspection ("Inspection") for the presence of lead-based paint and/or lead-based paint hazards, such Inspection shall be performed within 10 calendar days following the date of this Agreement on the following terms and conditions:

44.2.1 Purchaser and Purchasers' consultant ("Consultant") will be given reasonable access to the Unit and the public areas of the Building.

44.2.2 The Inspection shall be held at a mutually convenient time and date on a business day between 9 a.m. and 5 p.m.

44.2.3 The Inspection shall be performed in a reasonable manner so as not to disturb or interfere with the use, operation, security or occupancy of the Residential Unit or the Building.

44.2.4 Purchaser shall be liable for any damages to the Residential Unit or the Building, injuries, and all claims and lawsuits caused by Purchaser or the Consultant during the Inspection.

44.2.5 Purchaser or the Consultant will not probe, penetrate or disturb any painted or covered surface during the Inspection without Sponsor's approval.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

Artisan Lofts Development Owner LLC
a Delaware limited liability company

By: 157 Chambers Development Mezz LLC
its sole member
By: 157 Chambers Development Corp.
its sole member
By: Tribeca Chambers Holdings LLC
its managing member
By: Tribeca 157 Principals LLC
its managing member

By: _____
Name: Elliott Ingerman or William Brodsky
Title: Member

SCHEDULE A

PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

2. The state of facts shown on the Survey made by Robert A. Smith, dated December 17, 1931 and last revised April 27, 2006 by the Office of Earl B. Lovell-S.P. Belcher, Inc and any additional state of facts a subsequent survey would show, provided that such additional state of facts does not render title uninsurable.

3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-laws (and the Residential Rules and Regulations made thereunder), the Power of Attorney from the Purchaser to the Condominium Board, and the Floor Plans, as all of the same may be amended from time to time.

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

5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Any easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of same.

8. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations.

9. Leases and service, maintenance, employment, concessionaire and Ancillary Amenity Licenses, if any, of other Units or portions of the Common Elements.

10. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the Closing of Title.

11. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

12. Any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

13. Any encumbrance as to which the Title Company (or such other New York Board of Title Underwriters member title insurance company which insures the Purchaser's title to the Unit) would

be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.

14. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

15. Any lease covering the Unit(s) made from Sponsor to the Purchaser.

16. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.

17. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company.

18. Any Temporary or Permanent Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

19. Reciprocal Easement Agreement between the Board of Managers of 137 Reade Street Condominiums as grantor and Sponsor as grantee, which will be assigned by Sponsor to the Board of Managers of Artisan Lofts Condominium prior to the First Closing.

20. Any encumbrance, covenant, easement, agreement, or restriction against the Property set forth in the form of Unit Owner's Specimen Title Policy prepared by the Title Company set forth in Part II of the Plan, as the same may be updated from time to time.

SCHEDULE B

INSPECTION STATEMENT

Date: _____

Artisan Lofts Development Owner LLC
c/o Tribeca Associates LLC
321 Greenwich Street
New York, New York 10013

Re: Residential Unit No: _____ ("Unit")
Artisan Lofts Condominium
143 Reade Street
New York, New York 10007 ("Condominium")

Ladies and Gentlemen:

1. On the date hereof, the undersigned purchaser(s) ("Purchaser") inspected the Unit which Purchaser is acquiring from Sponsor and have found the Unit to be in good condition, except as otherwise noted below.

2. Purchaser acknowledges that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to the date Purchaser moves into the Building. Purchaser agrees to sign-off each item requiring adjustment, or repairs, if any, as they are completed.

3. In the event Purchaser performs work in the Unit of any kind affecting any of the areas or items listed above after the Closing, Sponsor will be relieved of any and all obligations related to the items listed herein.

PURCHASER(S):

_____
(signature)

_____
(signature)

_____
Sponsor's Representative

SCHEDULE C

DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

LEAD WARNING STATEMENT

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide buyer with information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

SPONSOR'S DISCLOSURE

(a) Presence of lead-based paint and/or lead-based paint hazards. (check (i) or (ii) below):

(i) ___ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain on attached sheet).

(ii) _X_ Sponsor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to Sponsor (check (i) or (ii) below):

(i) ___ Sponsor has provided Purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below on attached sheet).

(ii) _X_ Sponsor has no records or reports pertaining to lead-based paint and/or lead-based paint hazards in the housing.

PURCHASER'S ACKNOWLEDGMENT (initial)

(c) _____ Purchaser has received copies of all information listed above.

(d) _____ Purchaser has received the pamphlet Protecting Your Family from Lead in Your Home.

(e) _____ Purchaser has (check (i) or (ii) below):

(i)___ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii)___ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

SELLING AGENT'S ACKNOWLEDGMENT (initial)

(f) X Selling Agent has informed Sponsor of Sponsor's obligation under 42 U.S.C. 4852d and is aware of Selling Agent's independent responsibility to ensure compliance.

CERTIFICATE OF ACCURACY

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

Artisan Lofts Development Owner LLC
a Delaware limited liability company

By: 157 Chambers Development Mezz LLC
its sole member
By: 157 Chambers Development Corp.
its sole member
By: Tribeca Chambers Holdings LLC
its managing member
By: Tribeca 157 Principals LLC
its managing member

By: _____
Name: Elliott Ingerman or William Brodsky
Title: Member

RIDER TO PURCHASE AGREEMENT

RE: STORAGE LOCKER/PRIVATE ROOF TERRACE

This Rider is made as of _____, _____ between Sponsor and Purchaser.

Re: Residential Unit No: _____ ("Unit")
Artisan Lofts Condominium
143 Reade Street
New York, New York 10007 ("Condominium")

1. ANCILLARY AMENITY LICENSE

Sponsor agrees to sell and Purchaser agrees to purchase [Storage Locker #_____] [Private Roof Terrace #____] for a Purchase Price of $_____. The Ancillary Amenity License to use the [Storage Locker] [Private Roof Terrace] shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan.

The Purchase Price is payable as follows:

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

(b) $_____ (the "Additional Deposit"; the term "Deposit", as used herein, refers to both the Initial Deposit and, if the same has been paid at the time in question, the Additional Deposit), is due upon the earlier to occur of (i) 6 months after Purchaser executes this Agreement, or (ii) within 15 days of the Presentation Date of the amendment declaring the Plan effective; and

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

(d) If Purchaser is signing this Agreement after the Plan is declared effective, the Initial Deposit and Additional Deposit shall be due upon Purchaser's signing this Agreement.

2. TEMPORARY CERTIFICATE OF OCCUPANCY

Purchaser may be required to consummate the purchase of the Ancillary Amenities even though a Temporary Certificate of Occupancy has not been issued, and access may not be available for the Storage Locker Area/Private Roof Terrace Area of the Building.

3. DAMAGE TO THE ANCILLARY AMENITY AREA

If there is a fire or other casualty to the Ancillary Amenity Area and Sponsor does not elect to repair or restore such area following such fire or casualty, then the Purchase Agreement shall be deemed modified to provide for the Closing of Title with respect to the Unit only. In such event, the Balance of the Purchase Price shall be reduced by the amount of the Purchase Price allocated to the Storage Locker/Private Roof Terrace.

4. CROSS DEFAULT

A default by Purchaser under this Rider shall constitute a default under the Purchase Agreement for the Unit and any other default by Purchaser under the Purchase Agreement for the Unit shall constitute a default under this Rider entitling Sponsor to those default remedies as more fully described in the Purchase Agreement and the Plan. Notwithstanding an earlier Closing of Title with respect to the Unit, the provisions of the Purchase Agreement with respect to the delivery of the Storage Locker/Private Roof Terrace shall survive the Closing of Title to the Unit.

5. DEFINITIONS

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Purchase Agreement to which this Rider is annexed or in the Plan.

6. CONFLICTS

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

7. FULL FORCE AND EFFECT

Except as set forth in this Rider, all of the terms and conditions of the Purchase Agreement remain unchanged and in full force and effect.

PURCHASER(S):

_____
(signature)

_____
(signature)

SPONSOR:

Artisan Lofts Development Owner LLC
a Delaware limited liability company

By: 157 Chambers Development Mezz LLC
its sole member
By: 157 Chambers Development Corp.
its sole member
By: Tribeca Chambers Holdings LLC
its managing member
By: Tribeca 157 Principals LLC
its managing member

By: _____
Name: Elliott Ingerman or William Brodsky
Title: Member

UNIT DEED

UNIT DEED

THIS INDENTURE, made the ____ day of _____, ____, between Artisan Lofts Development Owner LLC, having an office at c/o Tribeca Associates LLC, 321 Greenwich Street, New York, New York 10013 ("Grantor") and _____ having an address at _____ ("Grantee").

W I T N E S S E T H :

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit ("Unit") known as Residential Unit No. ____ in the building ("Building") known as the Artisan Lofts Condominium ("Condominium") and by the street number 143 Reade Street, Borough of Manhattan, County of New York, City and State of New York, said Unit being designated and described by the above Unit number in a certain declaration dated _____, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York ("Condominium Act") establishing a plan for condominium ownership of the Building and the land ("Land") upon which the Building is situate (which Land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which declaration was recorded in the Office of the Register of The City of New York of the County of New York ("Register's Office") on _____, as CRFN# _____ ("Declaration"). The Unit is also designated as Tax Lot 10 in Block 140 of Section 1 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 BKSK Architects LLP on _____, and filed with the Real Property Assessment Department of The City of New York on _____, as Condominium Plan No. _____ and also filed in the Register's Office on _____, 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 the By-laws of the Condominium (the "By Laws"), as the same may be amended from time to time, all of which constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

SUBJECT also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are collectively referred to 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 which is necessary to cause the Declaration and the By-laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-laws, or if the Declaration and the By-laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board or provided in the Declaration or the By-laws, the Unit is intended for residential use only.

Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-laws (and any Residential Rules and Regulations adopted under the By-laws).

Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

Grantee accepts and ratifies the provisions of the Declaration and the By-laws (and any Residential Rules and Regulations adopted under the By-laws) and agrees to comply with all the terms and provisions thereof.

This conveyance is made in the regular course of business actually conducted by the Grantor.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

All capitalized terms used herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or the By-laws of the Condominium.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

* * * * *

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

SPONSOR:

Artisan Lofts Development Owner LLC
a Delaware limited liability company

By: 157 Chambers Development Mezz LLC
its sole member
By: 157 Chambers Development Corp.
its sole member
By: Tribeca Chambers Holdings LLC
its managing member
By: Tribeca 157 Principals LLC
its managing member

By: _____
Name: Elliott Ingerman
Title: Member

By: _____
Name: William Brodsky
Title: Member

GRANTEE:

_____

_____

(ACKNOWLEDGEMENTS)

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

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

_____
Notary

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

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

_____
Notary

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

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

_____
Notary

EXHIBIT A
TO RESIDENTIAL UNIT DEED

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

[See the Schedule A – Description of the Land in the Specimen Title Report set forth in Part II of the Plan.]

STORAGE LOCKER LICENSE

STORAGE LOCKER LICENSE

AGREEMENT made this _____ day of _____, _____ ("Agreement") by and between Artisan Lofts Development Owner LLC, having an office at c/o Tribeca Associates LLC, 321 Greenwich Street, New York, New York 10013 ("Sponsor"), and the Condominium Board of the Artisan Lofts Condominium on behalf of all Unit Owners, having an address at 143 Reade Street, New York, New York 10007 ("Condominium Board") (Sponsor and the Condominium Board are sometimes collectively referred to as the ("Licensor") and _____ having an address at _____, _____ ("Licensee");

W I T N E S S E T H :

WHEREAS, the Artisan Lofts Condominium ("Condominium") is governed by a certain Declaration of Condominium, recorded in the Office of the Register of the City of New York, County of New York as the same has been or may be amended from time to time ("Declaration"), the by-laws of the Condominium, as the same has been or may be amended from time to time ("By-Laws") and the Rules and Regulations of the Condominium, as the same has been or may be amended from time to time ("Rules and Regulations") ("Declaration," the "By-Laws" and the "Rules and Regulations" are collectively, referred to as the "Condominium Documents"); and

WHEREAS, in a portion of the Building of the Condominium there are Residential Common Elements ("Storage Locker Area" or "Ancillary Amenity Area") in which Storage Lockers ("Storage Lockers") have been installed for use by permitted Residential Unit Owners; and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring Residential Unit No. _____ in the Condominium; and

WHEREAS, Licensee desires the right to the exclusive use of a Storage Locker for so long as Licensee owns a Residential Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, its successors and assigns, a license for the exclusive use of Storage Locker #____ ("Storage Locker License") and Licensee hereby accepts such Storage Locker License from Licensor for a term commencing on the date hereof.

2. The Storage Locker may be used for the storage of personal effects of a Residential Unit Owner only and in no event shall any food or perishable items or any flammable or explosive item or any item which would impose a health or safety threat or create a nuisance be stored in the Storage Locker.

3. Except for Sponsor, a Residential Unit Owner may not own the Storage Locker without also owning a Residential Unit.

4. Licensee shall not (a) store any property outside of the Storage Locker; or (b) allow any other Person to use the Storage Locker except in accordance with the terms hereof.

5. This Storage Locker License may be assigned by Licensee at any time provided the assignee (i) is a Residential Unit Owner at the Condominium, (ii) assumes the obligations hereunder in the form

annexed hereto, (iii) notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by the Licensee and/or the assignee. This Storage Locker License shall automatically terminate at such time as the Licensee no longer owns a Residential Unit in the Condominium unless this Storage Locker License is assigned to and assumed by another Residential Unit Owner.

6. Licensee represents that it has made a thorough inspection of the Storage Locker and the Storage Locker Area and agrees to take same in its "as is" condition as of the date of this Agreement. Storage Locker Licensee shall throughout the term of this Agreement, take good care of and maintain the Storage Locker. All structural repairs and replacements to the Storage Locker as well as the Storage Locker Area shall be performed by the Condominium Board and the cost thereof shall be a Residential Common Expense, unless such repair or replacement is an ordinary repair or maintenance or is necessitated by the negligence, misuse, or abuse of a Licensee, then the entire cost and expense of such repair or replacement shall be borne by such Licensee.

7. Licensor nor Licensor's agents or employees shall be liable for any theft or damage to any property stored in the Storage Locker Area.

8. The terms of this Agreement are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this Agreement and the Condominium Documents shall be resolved in favor of the Condominium Documents.

9. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Storage Locker until Licensee cures such default or (ii) terminate this Agreement upon written notice to Licensee.

10. The Condominium Board or its agents shall have the right, but not the obligation, to open the Storage Locker in an emergency at any time, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Storage Locker Area and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary.

11. This Agreement shall constitute a license only and shall not be construed under any circumstances to be a sale of the Storage Locker or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Licensor and the Licensee with respect to this Storage Locker License.

12. Licensee shall indemnify and hold the Licensor and their respective officers, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family, servants, employees, agents, guests and invitees in connection with this Storage Locker License.

13. Licensee shall be obligated at its sole cost and expense to obtain and maintain insurance covering the Storage Locker Area in amounts sufficient to cover the property located therein.

14. Licensee shall be obligated to reimburse the Licensor for any legal fees and disbursements incurred by the Licensor in defending the rights of the Licensor under this Agreement or, in the event Licensee defaults under this Agreement beyond any applicable grace period, enforcing Licensee's obligations hereunder.

15. Neither this Storage Locker License nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

16. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely express their agreement and that this Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

17. If any provision of this Storage Locker License is invalid or unenforceable as against any party or under certain circumstances, the remainder of this Storage Locker License and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this Storage Locker License, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

18. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Storage Locker License 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.

19. Any failure by Licensor to insist upon strict performance by Licensee of any of the provisions of this Storage Locker License shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Storage Locker License to be performed by Licensee.

* * * * *

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

Agreed to and Acknowledged by:

LICENSOR:

CONDOMINIUM BOARD OF THE

Artisan Lofts Condominium

By: _____
Name:
Title:

LICENSEE:

_____

_____

SPONSOR:
Artisan Lofts Development Owner LLC
a Delaware limited liability company

By: 157 Chambers Development Mezz LLC
its sole member
By: 157 Chambers Development Corp.
its sole member
By: Tribeca Chambers Holdings LLC
its managing member
By: Tribeca 157 Principals LLC
its managing member

By: _____
Name: Elliott Ingerman or William Brodsky
Title: Member

PRIVATE ROOF TERRACE LICENSE

PRIVATE ROOF TERRACE LICENSE AGREEMENT

AGREEMENT made this _____ day of _____, _____ ("Agreement") by and between Artisan Lofts Development Owner LLC, having an office at c/o Tribeca Associates LLC, 321 Greenwich Street, New York, New York 10013 ("Sponsor"), and the Condominium Board of the Artisan Lofts Condominium on behalf of all Unit Owners, having an address at 143 Reade Street, New York, New York 10007 ("Condominium Board") (Sponsor and the Condominium Board are sometimes collectively referred to as the ("Licensor") and _____ having an address at _____, _____ ("Licensee");

W I T N E S S E T H :

WHEREAS, Artisan Loft Condominium ("Condominium") is governed by a certain Declaration of Condominium dated _____, ____, recorded in the New York County Office of the Register of the City of New York on _____, _____ under CRFN#_____, as the same has been or may be amended from time to time (the "Declaration"), the by-laws of the Condominium, as the same has been or may be amended from time to time (the "By-Laws") and the Residential Rules and Regulations of the Condominium, as the same has been or may be amended from time to time (the "Residential Rules and Regulations") (the "Declaration," the "By-Laws" and the "Residential Rules and Regulations" are collectively, referred to as the "Condominium Documents"); and

WHEREAS, on the roof of the Building, adjacent to the common terrace, there are two (2) private terraces to be used exclusively by Purchasers of a license to use such private terrace. Each of the Private Roof Terraces are Residential Common Elements ("Licensed Area"); and

WHEREAS, Licensee, owns or simultaneously herewith is acquiring Residential Unit ____ in the Condominium; and

WHEREAS, Licensee desires the right to the exclusive use of Private Roof Terrace #_____ for so long as Licensee owns a Residential Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of $10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, its successors and assigns, a license for the exclusive use of Private Roof Terrace #_____ ("License") and Licensee hereby accepts such License from Licensor for a term commencing on the date hereof.

2. The Private Roof Terrace may be used by Licensee for passive recreational use.

3. Except for Sponsor, no Unit Owner may own a Private Roof Terrace without also owning a Residential Unit.

4. Licensee shall not allow any other person to use the Private Roof Terrace except in accordance with the terms hereof.

5. This License may be assigned by Licensee at any time provided the assignee (i) is a Residential Unit Owner at the Condominium, (ii) assumes the obligations hereunder in the form annexed hereto, (iii) notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by the Licensee and/or the assignee. This License shall automatically terminate at

such time as the Licensee no longer owns a Residential Unit in the Condominium unless this License is assigned to and assumed by another Residential Unit Owner.

6. Licensee represents that it has made a thorough inspection of the Private Roof Terrace and agrees to take same in its "as is" condition as of the date of this Agreement. Licensee shall throughout the term of this Agreement, take good care of and maintain the Private Roof Terrace. All maintenance, repairs and replacements in or to the Private Roof Terrace shall be performed by (i) the Condominium Board if involving structural and extraordinary maintenance, repair and replacement, or (ii) the Licensee of such Private Roof Terrace if involving non-structural ordinary maintenance, repairs and replacements or any repairs necessitated by the negligence, misuse or abuse of Licensee. All costs and expenses associated with non-structural, ordinary maintenance, repairs and upkeep associated with the Private Roof Terrace shall be borne by Licensee.

7. Licensor nor Licensor's agents or employees shall be liable for any theft or damage to any property stored in the Private Roof Terrace.

8. The terms of this Agreement are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this Agreement and the Condominium Documents shall be resolved in favor of the Condominium Documents.

9. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Private Roof Terrace until Licensee cures such default or (ii) terminate this Agreement upon written notice to Licensee.

10. The Condominium Board or its agents shall have the right, but not the obligation, to enter the Private Roof Terrace in an emergency at any time, and, at other reasonable times upon prior notice to Licensee, to inspect and examine the Private Roof Terrace and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary.

11. This Agreement shall constitute a license only and shall not be construed under any circumstances to be a sale of the Private Roof Terrace or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Licensor and the Licensee with respect to this Agreement.

12. Licensee shall indemnify and hold the Licensor and their respective officers, directors, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family, servants, employees, agents, guests and invitees in connection with this License.

13. Licensee shall be obligated to reimburse the Licensor for any legal fees and disbursements incurred by the Licensor in defending the rights of the Licensor under this Agreement or, in the event Licensee defaults under this Agreement beyond any applicable grace period, enforcing Licensee's obligations hereunder.

14. Neither this Agreement nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

15. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely express their agreement

and that this Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

16. If any provision of this Agreement is invalid or unenforceable as against any party or under certain circumstances, the remainder of this Agreement and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this Agreement, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

17. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

18. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Agreement to be performed by Licensee.

* * * * *

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

Agreed to and Acknowledged by:

LICENSOR:

CONDOMINIUM BOARD OF THE
Artisan Lofts Condominium

By: _____
Name:
Title:

LICENSEE:

_____
(signature)

_____
(signature)

SPONSOR:

Artisan Lofts Development Owner LLC
a Delaware limited liability company

By: 157 Chambers Development Mezz LLC
its sole member
By: 157 Chambers Development Corp.
its sole member
By: Tribeca Chambers Holdings LLC
its managing member
By: Tribeca 157 Principals LLC
its managing member

By: _____
Name: Elliott Ingerman or William Brodsky
Title: Member

ASSIGNMENT AND ASSUMPTION OF ANCILLARY AMENITY LICENSE

ASSIGNMENT AND ASSUMPTION OF ANCILLARY AMENITY LICENSE

THIS ASSIGNMENT AND ASSUMPTION OF ANCILLARY AMENITY LICENSE made as of the _____ day of _____, _____ by and between _____ ("Assignor"), having an address at _____, and _____ ("Assignee"), having an address at _____.

W I T N E S S E T H :

WHEREAS, Assignor executed a certain Ancillary Amenity License dated _____, _____ ("Ancillary Amenity License") to have the exclusive right to use [Storage Locker # ___] [Private Roof Terrace #___] ("Ancillary Amenity") located in the Building known as the Artisan Lofts Condominium, located at 143 Reade Street, New York, New York 10007, in accordance with the terms of the Condominium Offering Plan for the Building ("Plan"), as amended; and

WHEREAS, Assignor desires to assign to Assignee all of Assignor's right, title and interest in and to the Ancillary Amenity License; and

WHEREAS, Assignee desires to assume all of the obligations and responsibilities of Assignor in and to the Ancillary Amenity License; and

WHEREAS, the parties hereto wish to set forth their agreements with respect to this Assignment and Assumption of this Ancillary Amenity License.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and other good and valuable consideration, the parties hereto agree as follows:

1. ASSIGNMENT: Assignor hereby assigns to Assignee, from and after the date hereof, all of Assignor's right, title and interest in and to the Ancillary Amenity License, a copy of which is attached hereto and made a part hereof, for a Purchase Price of $_____.

2. ASSUMPTION: Assignee hereby assumes all of the obligations, promises, covenants and responsibilities of Assignor in and to the Ancillary Amenity License as if Assignee had signed the Ancillary Amenity License originally as "Licensee."

3. AUTHORIZATION AND DIRECTION: Assignor and Assignee hereby authorize and direct the Condominium to have the books and records of the Condominium reflect that Assignee has the exclusive right to use the Ancillary Amenity.

4. EFFECTIVE DATE: This Assignment shall not be deemed effective unless and until signed by each of the parties hereto.

5. DEFINED TERMS: All terms not defined herein shall have the meanings ascribed to them in the Plan.

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Assignment and Assumption of Ancillary Amenity License on the day and year first above written.

APPROVED BY:

CONDOMINIUM BOARD OF THE
ARTISAN LOFTS CONDOMINIUM

By: _____
Name:
Title:

ASSIGNOR:

_____
(signature)

ASSIGNEE:

_____
(signature)

DECLARATION OF CONDOMINIUM

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises Known as

ARTISAN LOFTS CONDOMINIUM

and having a street address of

143 READE STREET
NEW YORK, NEW YORK 10007

Pursuant to Article 9-B of the Real Property Law of the State of New York

Name: **Artisan Lofts Condominium**

Sponsor: **Artisan Lofts Development Owner LLC**
c/o Tribeca Associates LLC
321 Greenwich Street
New York, New York 10013

Date of Declaration:

_____, _____

Prepared by:

STARR ASSOCIATES LLP
Attorneys At Law
245 Fifth Avenue
New York, New York 10016
(212) 620-2680

The land affected by the within instrument lies in Section 1, Block 140 F/K/A Lot 10, N/K/A Lots _____ - _____ on the Tax Map of the Borough of Manhattan,
County of New York, City and State of New York

INDEX TO DECLARATION

Article	Subject	Page
ARTICLE 1	DEFINITIONS	1
ARTICLE 2	SUBMISSION OF THE PROPERTY	1
ARTICLE 3	NAME OF THE CONDOMINIUM	1
ARTICLE 4	THE LAND	1
ARTICLE 5	THE PROPERTY AND THE BUILDING	1
ARTICLE 6	THE UNITS	2
ARTICLE 7	THE COMMON ELEMENTS	3
ARTICLE 8	DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST	5
ARTICLE 9	USE OF UNITS	5
ARTICLE 10	EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS	7
ARTICLE 11	OTHER EASEMENTS	8
ARTICLE 12	ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND NON-RESIDENTIAL UNIT	10
ARTICLE 13	ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD	12
ARTICLE 14	POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD	12
ARTICLE 15	TERMINATION OF CONDOMINIUM	13
ARTICLE 16	COVENANT OF FURTHER ASSURANCES	13
ARTICLE 17	COVENANTS RUNNING WITH THE LAND	14
ARTICLE 18	AMENDMENTS TO THIS DECLARATION	15
ARTICLE 19	CONSENTS BY SPONSOR	17
ARTICLE 20	PERSON TO RECEIVE SERVICE	17
ARTICLE 21	INCORPORATION BY REFERENCE	17
ARTICLE 22	WAIVER	17
ARTICLE 23	SEVERABILITY	17
ARTICLE 24	SUCCESSORS AND ASSIGNS	18
ARTICLE 25	CAPTIONS	18
ARTICLE 26	CERTAIN REFERENCES	18
ARTICLE 27	GENERAL	18

Exhibits

A – DESCRIPTION OF THE LAND

B – DESCRIPTION OF THE UNITS

C – DEFINITIONS

D – BY-LAWS OF THE CONDOMINIUM

E – RESIDENTIAL UNIT POWER OF ATTORNEY

DECLARATION
OF
ARTISAN LOFTS CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

Artisan Lofts Development Owner LLC, a Limited Liability Company organized under the laws of the State of Delaware, having an office at c/o Tribeca Associates LLC, 321 Greenwich Street, New York, New York 10013 ("Sponsor"), does hereby declare as follows:

ARTICLE 1
DEFINITIONS

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used shall otherwise require. 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. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

ARTICLE 2
SUBMISSION OF THE PROPERTY

Sponsor hereby submits the Property to the provisions of the Condominium Act and pursuant thereto, does hereby establish a regime for the condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

ARTICLE 3
NAME OF THE CONDOMINIUM

The Condominium shall be known as the Artisan Lofts Condominium.

ARTICLE 4
THE LAND

Included in the Property is the Land which is more particularly described in Exhibit A annexed hereto.

ARTICLE 5
THE PROPERTY AND THE BUILDING

5.1 Included in the Property are: 38 Residential Units, 38 Storage Lockers, 2 Private Roof Terraces and 1 Non-Residential Unit contained in a 17 story structure above grade with 1 cellar and 1 lower cellar. There is no floor 13 designation.

5.1.1 The Residential Units will be located on Floors 2 and 17 (a/k/a Penthouse 2) of the Building;.

5.1.2 The Storage Lockers will be located in the cellar and lower cellar of the Building;

5.1.3 The Private Roof Terraces will be located on the roof of the Building

5.1.4 The Non-Residential Unit will be located on the First (Ground) Floor of the Building.

5.2 The Building is classified as being of 1-C non-combustible fire proof construction. The Building structural system consists of masonry foundation and masonry walls. The roof consists of an insulated, waterproof membrane system.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate location in the Building; approximate square foot area; number of rooms; the portions of the Common Elements to which such Unit has immediate access; and the Common Interest appurtenant to such Unit. The precise location of each Unit is shown on the Floor Plans.

6.2 Each Unit consists of the area measured horizontally from the exterior face of the exterior walls of the Building to the centerline of the partitions separating one Unit from another Unit, and separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements. Each Unit consists of the area measured vertically from the top of the structural slab to the underside (of any fire protection) of the structural members above. Any Common Elements located within a Unit shall not be considered part of such Unit. As is customary in New York, these square foot areas exceed the usable floor area of each Unit.

6.3 Each Unit includes, and each Unit Owner shall be responsible for, the Unit side of the front entrance door and any other entrance doors to the Unit including terrace or balcony doors, the interior walls, partitions, floors and floor coverings and plastered ceilings affixed, attached or appurtenant to the Unit, smoke/carbon monoxide detectors, sprinkler systems, window panes, fireplace, all mechanical systems located in the Unit, heating and cooling systems (including HVAC filters and parts), all plumbing, gas and heating fixtures and equipment, including but not limited to, refrigerators, dishwashers, washers and dryers, heating, ventilating and air conditioning Units (including the fans inside the units), heating equipment, ranges and other appliances, sinks, bathtubs, waterclosets and all other Facilities as may be affixed, attached or appurtenant to the Unit and serving the Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within the walls, ceilings, or floors, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors, unless such installations were made by the Unit Owner after the Unit Owners acquired title to the Unit, in which event Unit Owner shall be responsible for such installations. Each Unit shall also include all lighting and electrical fixtures and appliances within the Unit and any special equipment, fixtures or Facilities affixed, attached or appurtenant to the Unit, to the extent located within a Residential Unit from the panel and serving or benefiting only that Unit.

6.4 The Non-Residential Unit also includes, in addition to the items listed in Section 6.3 above, to the extent located in such Non-Residential Unit, and the Non-Residential Unit Owner shall be responsible

for, any elevator, escalator, staircase, freight or service entrance, ramp, canopy and all related Facilities servicing such Non-Residential Unit exclusively including, outdoor signage for such Non-Residential Unit and the exterior side of all entrances and service doors.

6.5 Any Common Elements located within a Unit shall not be considered a part of such Unit.

6.6 Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, subject to the provisions of the By-laws, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and (with respect to Residential Units) 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 consistent exterior appearance, the structural integrity, sound integrity and mechanical and electrical systems of such Unit or of the Building or violate Law.

6.7 As of the date of the filing of this Declaration with the Register's Office, fee simple absolute title shall automatically vest in Sponsor in all Units individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

THE COMMON ELEMENTS

7.1 The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are comprised of the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements.

7.2 The General Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intending to limit the generality of the foregoing in any respect, the General Common Elements include:

(i) the Land (including the landscaping appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto.

(ii) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, exterior walls, interior walls, partitions, floor slabs and ceilings, window casements and frames, roofs and ceilings in, on, or under the Building, separating a Unit from a General Common Element, and that portion of all such interior walls, partitions, floors and ceilings separating a General Common Element or the Non-Residential Unit from a Residential Unit and/or Residential Common Element and/or a Limited Residential Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element or the Non-Residential Unit, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical

systems, which service both the Residential Units and the Non-Residential Unit and/or both the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, to the extent that the same are not expressly included as a part of the Residential Common Elements pursuant to the terms of Paragraph 7.3 below or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

(iv) the HVAC pump room, water pump room, boiler room, telecommunications room, gas meter room and electrical room, each of which are located in the cellar of the Building.

(v) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

7.3 The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the exclusive common use of the Residential Units or of the Residential Unit Owners only. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include:

(i) all stairways, passenger elevators and their respective bulkheads, shafts, pits and equipment rooms and the residential hallways.

(ii) trash collection room located in the cellar of the Building and its shafts and equipment.

(iii) building storage room, super's office, each of which is located in the cellar of the Building.

(iv) resident manager's apartment located on Floor 3 of the Building.

(v) portion of residential lobby, concierge station and mail room located on Floor 1 of the Building.

(vi) fitness center and recreation room and all equipment, finishings and furniture contained therein, located in the cellar of the Building.

(vii) outdoor recreation area located on the main roof of the Building and all of the furnishings, structural and decorative elements contained therein.

(viii) Storage Lockers and Storage Locker Area located in the cellar and lower cellar of the Building.

(ix) Private Roof Terraces and Private Roof Terrace Area located on the roof of the Building and all the structural elements contained therein.

(x) bicycle storage room located in the cellar

(xi) cooling tower located on the roof of the Building.

(xii) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another Residential Unit or a Residential Common Element and that portion of all such masonry walls, partitions, floors and ceilings separating a Residential Common Element from a General Common Element or a Non-Residential Unit, from the

midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element.

(xiii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements only.

(xiv) all interior portions of the Building and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to the existence, maintenance or safety of the Property, to the extent that the same are not expressly included as part of the General Common Elements pursuant to the terms of Paragraph 7.2 above or the Residential Limited Common Elements pursuant to the terms of Paragraph 7.4 below or a Unit pursuant to the terms of Article 6 hereof.

7.4 The Residential Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Residential Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Residential Limited Common Elements include: the Terraces adjoining certain Residential Units more particularly set forth on Exhibit "B" to this Declaration entitled "Description of Units".

7.5 The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-laws.

ARTICLE 8

DETERMINATION OF COMMON INTEREST AND RESIDENTIAL COMMON INTEREST

8.1 The undivided percentage interest of each Unit in the Common Elements is based upon based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with Real Property Law Section 339-i (iv).

8.2 The percentage interest of all Residential Units in the Residential Common Elements is apportioned in the same proportion that the Residential Unit at the date of this Declaration bears to the then aggregate Common Interests of all of the Residential Units in the Condominium.

ARTICLE 9

USE OF UNITS

9.1 As more particularly set forth in, and subject to the provisions of, the By-laws, the Residential Units shall be used for residential purposes only (excluding "dormitory," "bed and breakfast" or other transient hotel-type use) and Permitted Home Occupations subject to the Use Restrictions. A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or any other entity (including, but not limited to, the federal or state government and any instrumentality thereof and foreign governments and any embassy, consulate, or other instrumentality thereof, may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director,

stockholder or employee of such corporation, or by an individual partner or employee of such partnership, or by such individual fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries and partners or employees of partnership fiduciaries) or by an individual beneficiary of said fiduciary, or an individual principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any such Residential Unit by such Family Members); however, the foregoing restrictions shall not apply to Unsold Residential Units.

9.2 The Non-Residential Unit may be used for any purpose permitted by Law, except that the Non-Residential Unit may not be used (a) for the sale or display of any pornographic or obscene material, (b) as a head shop or for the sale of paraphernalia for use with illicit drugs (c) as a gambling or gaming establishment, (d) as a pawn/thrift shop, (e) to conduct any fire, going out-of-business, auction or bankruptcy sale (f) to engage in any unethical or disreputable method of business operation, (g) by any religious or union entity (h) as billiards or pool hall, (i) as an office, store, reading room, headquarters, center or other facility devoted or opposed to the promotion, advancement, representation, purpose or benefit of: (1) any political party, political movement or political candidate, (2) any religion, religious group or religious denomination, (3) foreign government, (4) any political party, political movement or political candidate, (5) any "cause" of any type or nature whatsoever, (j) as a commercial or non-profit establishment of any type or nature whatsoever: (1) the primary purpose of which is to sell, afford or permit on-premises sexual stimulation or sexual liaisons including a "massage parlor"; (2) which permits or presents obscene, nude or semi-nude performances or modeling; (3) which sells, affords or permits body massages, whether or not of a sexual nature; (4) which sells "rubber goods" or other sexual or erotic products of a type not commonly found in high-quality, national chain pharmacies; (5) which sells, rents or permits the viewing of X-rated video, photographs, books or other material, (k) as a ballroom, dance hall or discotheque, (l) as a place of instruction, employment agency, reading room or any operation catering primarily to students or trainees rather than to customers, (m) as a funeral parlor, (n) as an arcade, (o) as a restaurant (whether sit down or take-out) or any type of cooking or food service establishment , unless such restaurant use is approved by the Board of Managers on a case-by-case basis and (p) as a fortune teller or palm reader.

9.3 Notwithstanding the foregoing or anything contained in the By-laws or the Residential Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, (1) use any Unsold Residential Units as model Units and offices for the selling, leasing, management, operation and promotion of the Unsold Residential Units or for any other purpose, subject only to compliance with Law, (2) use any Ancillary Amenity for any purpose permitted by Law, and (3) lease any Unsold Residential Unit to third parties for either long term or short term stays.

9.4 Storage Lockers may be used only for the storage of personal effects of Unit Owners, and in no event shall any food or other perishable item, or any flammable or explosive item, or any item which would pose a health or safety threat or cause noxious odors, dirt or other sanitary problems or create a nuisance, be stored in Storage Locker. Except for Sponsor, a Storage Locker may not be owned unless Unit Owner also owns a Residential Unit. The Condominium Board shall have the right to promulgate additional rules regarding the use of and access to Storage Lockers and procedures for granting and assigning Storage Licenses.

9.5 Private Roof Terraces may be used only for passive recreational use. Except for Sponsor, a Private Roof Terrace may not be owned unless Unit Owner also owns a Residential Unit. The Condominium Board shall have the right to promulgate additional rules regarding the use of and access to Private Roof Terraces and procedures for granting and assigning Private Roof Terrace Licenses.

ARTICLE 10

EASEMENTS FOR THE ENJOYMENT OF THE COMMON ELEMENTS

10.1 Subject to the terms of this Declaration, the By-laws and the Residential Rules and Regulations, if applicable, Sponsor, the Unit Owners, the Selling Agent, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the General Common Elements, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

10.2 Subject to the terms of the By-laws and the Residential Rules and Regulations, if applicable, Sponsor, the Residential Unit Owners, the Selling Agent, the Managing Agent, the Condominium Board and all Permitted Users of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Residential Common Elements, and the Residential Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no person shall use or enjoy the Residential Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so.

10.3 The Non-Residential Unit Owner and its Permitted Users shall have the right and easement (i) for ingress and egress through all Common Elements for the purpose of accessing such Non-Residential Unit or any portion of the Building servicing such Non-Residential Unit, and (ii) to erect, maintain, repair and replace, from time to time, one or more signs, of such size and content as the Non-Residential Unit Owner shall determine, in the storefronts and windows of such Non-Residential Unit for the purpose of advertising the sale or lease of all or any portion of such Non-Residential Unit and the operation of any business of a Permitted User of all or any portion of such Non-Residential Unit. Additionally, the Non-Residential Unit Owner, and its Permitted Users shall each have an easement to use the sidewalks adjacent to such Non-Residential Unit for any purposes permitted by Law, including, without limitation, food and beverage services and the placement of outdoor seating, tables, lighting and signage on such sidewalks. In addition, the Non-Residential Unit Owner shall have the right, but not the obligation, at such Unit Owner's sole cost and expense, to alter, modify, and/or restore the storefronts and windows of such Unit and to create additional means of egress and ingress, provided that such alterations, modifications and/or restorations are in compliance with Law and do not adversely affect the structural integrity or mechanical systems of the Building.

10.4 Each Residential Unit Owner whose Residential Unit has one or more appurtenant Residential Limited Common Elements shall have an exclusive easement for the use thereof. The Residential Units having the same are indicated on Exhibit B.

10.5 Sponsor and its Permitted Users shall have an easement in, over, under, through and upon the General Common Elements and Residential Common Elements (including but not limited to hallways and corridors), to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Residential Units including, without limitation, the right to place "for sale," "for rent" and other signs and promotional materials, of such size and content as Sponsor shall determine.

ARTICLE 11

OTHER EASEMENTS

11.1 Subject to the terms of the By-laws and to the Residential Rules and Regulations, if applicable, each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, alter and replace all Common Elements 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 without limitation, utilities for gas, electricity, steam and ventilation. Each Unit (including any Common Elements located therein) shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace all Common Elements located in such Unit or elsewhere on the Property which serve other Units. All easements and rights of access described in this Section shall be exercised by the Condominium Board on behalf of all Unit Owners. The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements contained therein to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. Such easements and rights of access shall be exercised by the Condominium Board and/or Sponsor, as the case may be, to the extent practicable, in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement but in no event on less than two days' 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). Plans and specifications with respect to any such proposed work shall be submitted by the Unit Owner who has requested that the Condominium Board exercise any such easement or right of access, to the Unit Owner whose Unit is to be accessed and all work is to be prosecuted diligently to completion. Notwithstanding any other provision of this Declaration, the By-laws or the Residential Rules and Regulations, if applicable, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

11.2 Sponsor for so long as it shall own any Unsold Residential Unit, any Non-Residential Unit Owner with respect to the Non-Residential Unit and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor, the Non-Residential Unit Owner or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the Unit Owners and their Permitted Users, provided that the granting of such additional utility easements or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business carried on within the Non-Residential Unit or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to each Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business or with the use of the Units for their permitted purposes. Notwithstanding any other provision of this Declaration, the By-laws or the Residential Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

11.3 Sponsor and its Permitted Users for so long as Sponsor shall own any Unsold Residential Unit, shall have an easement for ingress and egress through all of the Common Elements in order to make

alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Unsold Residential Units and the Common Elements.

11.4 Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

11.5 Sponsor, and its Permitted Users shall have an exclusive right and easement for so long as the Condominium shall remain in existence, to erect, use, lease, maintain, repair, replace and operate antennae, satellite dishes and other communications equipment on any part of the roof and/or façade of the Building and elsewhere on the Common Elements and to utilize any risers, conduits, piping, cables, ducts and electrical panels and rooms, telephone/cable panels and rooms in connection therewith. The exercise of the easement and these rights do not require the consent of the Condominium Board or the Unit Owners and shall be without charge to Sponsor. Any obligations of Sponsor under any lease, license or other right of use granted by Sponsor with respect to the roof and/or the façade of the Building shall be the obligation of Sponsor and not of the Condominium, and any rights of Sponsor, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right of Sponsor, and not of the Condominium or any other Unit Owner. In connection with such easement and related rights, Sponsor and its Permitted Users shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all Unit Owners for ingress, egress and the use of any Common Elements. The Units shall each be subject to such easement.

11.6 Subject to the terms of the By-laws, the Non-Residential Unit Owner shall have an easement to install, operate, maintain, repair, alter, rebuild, restore and replace the Non-Residential Unit and any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Non-Residential Unit located in, over, under, through or upon the Common Elements or elsewhere on the Property; provided that access to the Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Common Elements and such other portions of the Property for their permitted purposes.

11.7 The Condominium and Building shall be designated and known as "Artisan Lofts Condominium." Sponsor shall own and control all rights and interest, appurtenant to the name of the Condominium and/or the Building. Only Sponsor shall have the right to change or assign the name of the Condominium subject to the consent of the Condominium Board. Sponsor shall have an exclusive easement for so long as the Condominium shall remain in existence to erect, maintain, repair and replace, from time to time, a plaque and/or sign ("Plaque"), without charge, on the exterior portion of the Building setting forth the name and address of Sponsor, or such other information as Sponsor desires in its sole discretion. Only Sponsor shall the right to remove the Plaque, unless mandated by Law.

11.8 If (a) any portion of the Common Elements encroaches upon any Unit or upon any other portion of the Common Elements, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachment shall hereafter occur as a result of (i) the 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, or made by Sponsor 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 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.

11.9 In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements made with the City of New York or with

any utility companies or other Persons in effect prior to the recording of this Declaration, including but not limited to the Reciprocal Easement Agreement made between 137 Reade Street Condominiums, acting through its Board of Managers, as grantor, and Sponsor, as grantee, and assigned by grantee to the Condominium Board.

ARTICLE 12

ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD RESIDENTIAL UNITS AND THE NON-RESIDENTIAL UNIT

12.1 Except to the extent prohibited by Law, Sponsor shall have the right, without the vote or consent or approval of the Condominium Board, other Unit Owners, the Selling Agent, the Managing Agent or the Mortgage Representatives, if any, to:

(a) make alterations, additions, improvements, or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Residential Units and their appurtenant Residential Limited Common Elements, if any, and Ancillary Amenities;

(b) change the use (except for Prohibited Uses) or layout of, or number of rooms in, any Unsold Residential Units;

(c) amend the Certificate of Occupancy for the Building as it relates to the Unsold Residential Units;

(d) change the size and/or number of Unsold Residential Units by (w) subdividing one or more Unsold Residential Units into two or more separate Residential Units, (x) combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, (y) altering the boundary walls between any Unsold Residential Units, or (z) otherwise, including incorporating Residential Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit; and

(e) if appropriate, reapportion among the Unsold Residential Units affected by such change in size or number pursuant to the preceding clauses their Residential Common Interests and Residential Common Interest;

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon any Unsold Residential Unit:

(i) no physical modifications shall be made to any other Unit and the Common Interest and Residential Common Interest (other than Unsold Residential Units), as the case may be, or interior dimensions of any other Units (other than Unsold Residential Units) shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) Sponsor shall comply with Law;

(iii) Sponsor shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

Notwithstanding the foregoing, however, the aggregate amounts of both the Common Interests of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest or Residential Common Interest appurtenant to any Unit, as the case may be, shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest and, if applicable, Residential Common Interest of the affected Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by Sponsor or any other Person reasonably acceptable to the Condominium Board. By written permission of the Condominium Board, which permission shall not be unreasonably withheld or delayed, any other Residential Unit Owner may be given with respect to such Residential Unit the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Residential Units. Notwithstanding the other provisions of this Article, no reapportionment of the Common Interests appurtenant to any Residential Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest of the affected Residential Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered by the Residential Unit Owner or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of Sponsor.

12.2 Except to the extent prohibited by Law, the Non-Residential Unit Owner shall have the right, without the consent or approval of the Condominium Board, the Unit Owners, the Selling Agent, the Managing Agent, or the Mortgage Representatives, if any, to:

(a) make alterations, additions, improvements, or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Non-Residential Unit (including, without limitation, to the storefronts and windows in such Non-Residential Unit);

(b) change the use (except for Prohibited Uses) or layout of, or number of rooms in the Non-Residential Unit;

(c) amend the Certificate of Occupancy for the Building as it relates to the Non-Residential Unit;

(d) change the size of the Non-Residential Unit by (w) subdividing the Non-Residential Unit into 2 or more separate Units, (x) combining 2 or more separate Units resulting from such subdivision into 1 or more Units, (y) altering the boundary walls of 2 or more separate Units resulting from such subdivision or combination, or (z) otherwise; and

(e) if appropriate, reapportion among the Units affected by such change in size or number pursuant to the preceding clauses their respective Common Interests.

provided, however, that, with respect to any such alteration, addition, improvement, or change in, to, of, or upon the Unit:

(i) no physical modification shall be made to any other Unit, and the Common Interest and Residential Common Interest, as the case may be, or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(ii) the Non-Residential Unit Owner shall comply with Law;

(iii) the Non-Residential Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(iv) such alteration, addition, improvement, repair or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

In the event of the subdivision of the Non-Residential Unit into separate Non-Residential Units, the owner of each such newly created Non-Residential Unit shall have all the rights, privileges and benefits, and shall be subject to all the obligations of the original Non-Residential Unit Owner, as provided in this Declaration, the By-laws and the Residential Rules and Regulations; provided, however, that the owners of such newly created Non-Residential Unit shall collectively continue to be entitled to designate 1 Member to the Condominium Board.

Notwithstanding the foregoing, however, the aggregate amounts of the Common Interest of all the Units and the Residential Common Interests of all Residential Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to the Non-Residential Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered, at the Non-Residential Unit Owner's election, by the Non-Residential Unit Owner, the Selling Agent, the Managing Agent, or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article may not be added to, amended, modified, or deleted without the prior written consent of the Non-Residential Unit Owner.

ARTICLE 13

ACQUISITION OF UNIT BY THE CONDOMINIUM BOARD

If (a) any Residential Unit Owner surrenders the Residential Unit, together with its Appurtenant Interests to the Condominium Board pursuant to the terms of the By-laws or Section 339-x of the Condominium Act, or (b) the Condominium Board, pursuant to the By-laws or otherwise, either acquires or leases a Unit, together with its Appurtenant Interests, purchases, a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title to any such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 14

POWER OF ATTORNEY TO SPONSOR AND THE CONDOMINIUM BOARD

14.1 Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in-fact, coupled with an interest and with power of substitution, (i) Sponsor, to amend the Condominium Documents pursuant to the terms of Article 18 hereof, and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(a) (with respect to Residential Units only) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and instituting tax certiorari proceedings on behalf of the Unit

Owners for the reduction of the assessed valuation of their Units, such Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(b) acquire or lease or license any Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, or surrender the same or acquire any Unit, together with its Appurtenant Interests that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(c) convey, sell, lease, mortgage, or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Unit so acquired or to sublease any Unit so leased; and

(d) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or the Lobby Unit or Easement Area or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate or (3) any protests and tax certiorari proceeding affecting Units.

14.2 In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Power of Attorney in the form set forth as Exhibit E to this Declaration.

ARTICLE 15

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 the Property is withdrawn from the provisions of the Condominium Act is authorized by a vote of the Non-Residential Unit Owner and 80% in number and in Residential Common Interest of all Residential Unit Owners. No such vote shall be effective, however, without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any. In the event the withdrawal is authorized as aforesaid, 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 sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of Unit Owner's share of such net proceeds all liens on the Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 16

COVENANT OF FURTHER ASSURANCES

16.1 Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a Member or officer of the Condominium Board or a Permitted User of either or otherwise, shall, upon prior reasonable written request at the expense of any such other Person requesting the same, execute,

acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person 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.

16.2 If any Unit Owner, the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses, within 10 days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which the Condominium Board, Unit Owner or other Person is required to execute, acknowledge and deliver or to take pursuant to this Declaration, or (ii) to deliver a written notice to the Person requesting such execution, acknowledgement or delivery, and to the Condominium Board stating the reasons why such Unit Owner, Condominium Board or other Person refuses to execute, acknowledge or deliver such instrument or take such action, then the Condominium Board or other Person is hereby authorized as attorney-in-fact for such Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Condominium Board or other Person and such document or action shall be binding on such Unit Owner, Condominium Board or other Person.

16.3 If any Unit Owner, the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses, within 10 days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Condominium Board or other Person is required to execute, acknowledge and deliver pursuant to this Declaration at the request of Sponsor or (ii) to deliver a written notice to Sponsor and to the Condominium Board stating the reasons why such Unit Owner, Condominium Board or other Person refuses to execute, acknowledge or deliver such instrument or take such action, then Sponsor is hereby authorized, as attorney-in-fact for such Unit Owner, Condominium Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action in the name of such Unit Owner, Condominium Board or other Person and such document or action shall be binding on such Unit Owner, the Condominium Board or other Person, as the case may be.

ARTICLE 17

COVENANTS RUNNING WITH THE LAND

17.1 All provisions of this Declaration, the By-laws and the Residential Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, 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 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. 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 Residential Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-laws and the Residential 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 which is necessary to cause this Declaration and the By-laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-laws, then such provision shall be deemed included as part of this Declaration or the By-laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

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 TO THIS DECLARATION

18.1 Subject to the provisions contained herein or in the By-laws with respect to amendments, modifications, additions or deletions affecting Sponsor or the Non-Residential Unit Owner, any provision of this Declaration affecting the (i) General Common Elements or all Unit Owners may be added to, amended, modified or deleted by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners and (ii) Residential Common Elements or all Residential Unit Owners may be amended, modified or deleted by affirmative vote of at least 66-2/3% in number and Residential Common Interest of all Residential Unit Owners, taken in accordance with the provisions of the By-laws; provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration 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 Sponsor or the Non-Residential Unit Owner, no amendment, modification, addition or deletion shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives (as defined in the By-laws), 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 Sponsor or the Non-Residential Unit Owner, any such amendment, modification, addition or deletion shall be executed by either the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, and the Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor set forth herein, this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby, approve such amendment, modification, addition or deletion in the manner set forth above.

18.2 Sponsor shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute,

acknowledge and record (or, at Sponsor's sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration (including, but not limited, to Exhibit B hereto), together with such documents, plans and maps as Sponsor deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interest of the affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unsold Residential Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unsold Residential Unit,

Provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this Section shall not (1) change the Common Interest of any Unit other than a Unit owned by Sponsor, or (2) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in subparagraph (1) or (2) of this Section) or the holder of such mortgage (in the event described in subparagraph (3) of this Section) shall consent thereto by joining in the execution of such amendment.

18.3 The Non-Residential Unit Owner shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record in the Register's Office or elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, plans and maps as the Non-Residential Unit Owner deems appropriate to effectuate the same to reflect any changes in the Non-Residential Unit and/or the reapportionment of the Common Interest of the Non-Residential Unit resulting therefrom made by the Non-Residential Unit Owner in accordance with the terms of Article 12 hereof; provided, however, that any such amendment shall not (1) change the Common Interest or Residential Common Interest of any other Unit, or (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender.

18.4 Any amendment to this Declaration may be executed; (i) if on behalf of Sponsor pursuant to the terms of Section 18.2 hereof, by Sponsor, (ii) if on behalf of a Non-Residential Unit Owner pursuant to the terms of Section 18.3 hereof, by the Non-Residential Unit Owner, or (iii) if on behalf of the Unit Owners or by the Condominium Board, by any officer of the Condominium. If the amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

18.5 Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be effective in any respect against Sponsor or the Non-Residential Unit Owner if the same would (i) unreasonably interfere with the sale, lease, or other disposition of any Unit owned by either of them, (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit granted to Sponsor or the Non-Residential Unit Owner unless Sponsor or the Non-Residential Unit Owner

shall consent to such amendment in writing, or (iii) impose any discriminatory charge or fee against Sponsor or the Non-Residential Unit Owner, unless Sponsor or the Non-Residential Unit Owner shall consent to such amendment in writing, or (iv) impose any discriminatory charge or fee against the Unit Owners of 137 Reade Street Condominium for the use of the Fitness Center, Recreation Room, or Lobby, for so long as the Reciprocal Easement Agreement is in effect.

18.6 The provisions of this Article may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or the Non-Residential Unit Owner if the same relate to Sponsor or the Non-Residential Unit Owner.

ARTICLE 19

CONSENTS BY SPONSOR

When the consent, approval, satisfaction, or permission of Sponsor is required under this Declaration or the By-laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor no longer owns any Unsold Residential Units.

ARTICLE 20

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York, is hereby designated to receive service of process in any action which may be brought against the Condominium.

ARTICLE 21

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 table of definitions annexed hereto as Exhibit C; (iv) the By-laws annexed hereto as Exhibit D; (v) the Unit Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if set forth at length in the text hereof.

ARTICLE 22

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 23

SEVERABILITY

Subject to the provisions of Section 17.2 and 17.3 of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. Any conflict

between any provisions of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

ARTICLE 24

SUCCESSORS AND ASSIGNS

The rights and/or obligations of Sponsor and the Non-Residential Unit Owner as set forth in this Declaration and the By-laws shall inure to the benefit of and be binding upon any successor or assignee or designee of Sponsor and the Non-Residential Unit Owner. Sponsor and the Non-Residential Unit Owner shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their interest therein, whether by merger, consolidation, lease, assignment, or otherwise.

ARTICLE 25

CAPTIONS

The index hereof and the captions herein inserted are included 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 26

CERTAIN REFERENCES

26.1 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.

26.2 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.

26.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 27

GENERAL

Except as required by Law, neither Sponsor nor any of its principals shall be subject to any of the restrictions and/or prohibitions with regard to the Units set forth in this Declaration or the By-laws annexed hereto.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ___ day of _____, _____.

* * * * *

SPONSOR:

Artisan Lofts Development Owner LLC
a Delaware limited liability company

By: 157 Chambers Development Mezz LLC
its sole member
By: 157 Chambers Development Corp.
its sole member
By: Tribeca Chambers Holdings LLC
its managing member
By: Tribeca 157 Principals LLC
its managing member

By: _____
Name: Elliott Ingerman
Title: Member

By: _____
Name: William Brodsky
Title: Member

(ACKNOWLEDGEMENT)

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

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

_____
Notary

(ACKNOWLEDGEMENT)

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

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

_____
Notary

EXHIBIT A TO THE DECLARATION

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

[See the Schedule A – Description of the Land in the Specimen Title Report set forth in Part II of the Plan.]

EXHIBIT B TO THE DECLARATION

DESCRIPTION OF THE UNITS

Artisan Lofts Condominium
143 Reade Street
New York, New York 10007

DESCRIPTION OF THE UNITS

UNIT	NUMBER OF BEDROOMS/BATHS	APPROXIMATE TOTAL SQ. FT. UNIT	APPROXIMATE TOTAL SQ. FT. BALCONY/ TERRACE	BLOCK 140 TAX LOT NO.	PERCENTAGE OF COMMON INTEREST	LOCATION IN PORTION OF BUILDING FACING DIRECTION SET FORTH BELOW	COMMON ELEMENTS TO WHICH UNIT HAS IMMEDIATE ACCESS

[To Be Completed Prior to Recording the Declaration]

EXHIBIT C

DEFINITIONS

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

"Adverse Effect," or "adverse effect" shall mean any action or proposed change with respect to any Unit Owner(s), that such action or change could, if realized, (i) increase the Common Charges payable over those set forth in the budget at the time in question by 25% or more, (ii) materially interfere with such Unit Owner's access to the Unit, (iii) materially obstruct or degrade the view from the windows of the Unit or (iv) otherwise materially diminish the use and enjoyment of the Unit.

"Ancillary Amenities" shall mean the Storage Lockers and Private Roof Terraces.

"Ancillary Amenity Area" shall mean either the Storage Locker Area or the Private Roof Terrace Area, or both, if used in plural form.

"Ancillary Amenity License" shall mean the agreement pursuant to which an Ancillary Amenity is licensed to a Residential Unit Owner.

"Ancillary Amenity Licensee" shall mean any Unit Owner who licenses an Ancillary Amenity at the time in question. All such Unit Owners are, collectively, referred to as "Ancillary Amenity Licensees."

"Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) 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; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

"Building" shall mean the building located at 143 Reade Street, New York, New York 10007.

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

"By-Laws" shall mean the by-laws governing the operations of the Condominium, which are set forth as Exhibit D to the Declaration, as the same may be amended from time to time, which is set forth in Part II of the Plan.

"Closing" or "Closing of Title" shall mean the date, time, place and procedure by which, among other things, fee title to a Unit and its appurtenant Common Interest is conveyed pursuant to a fully-executed Purchase Agreement.

"Closing Date" shall mean the date on which a Closing occurs.

"Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata, in accordance with their Schedule B allocations and as provided in the Declaration or in the By-Laws to meet the Common Expenses.

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

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

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

"Condominium" shall mean the Artisan Lofts Condominium which will be established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws.

Condominium Act" shall mean the New York Condominium Act, as amended from time to time (New York Real Property Law, Article 9-B).

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

"Condominium Documents" shall mean the Declaration, the By-Laws, the Residential Rules and Regulations and the Floor Plans.

"Declarant" shall mean Artisan Lofts Development Owner LLC and its successors and assigns.

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

"Deposit" shall mean all deposits, advances and payments made by Purchasers prior to the Closing of a Unit.

"Easement Area" shall mean the areas on the first floor and rear yard of the building located at 143 Reade Street, constituting common elements of 137 Reade Street Condominiums, and defined as the "Easement Area" in the Reciprocal Easement Agreement. The Easement Area shall be treated as if it were a Residential Common Element.

"Effective Date" shall mean the date upon which the Plan is has declared effective.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of one or more of the Units or the 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 systems, 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, intercom equipment, playground equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drainage systems, sewers and/or storm pipes, drywalls, or detention tanks,

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, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes, sockets, davits and rigs for window cleaning.

"Family Members" shall mean the spouse, domestic partner, their children, stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Residential Unit Owner who reside in such Residential Unit Owner's Residential Unit.

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

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

"First Year of Condominium Operation" shall mean the first 12 months of operation of the Condominium beginning on the date of First Closing, which may be a calendar or fiscal year.

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

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

"Force Majeure" shall mean unavoidable delays due to weather, floods, epidemics, quarantine, restrictions, strikes, lockouts, acts of God, acts of terrorism, freight embargoes, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which Sponsor does not have control, however for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause beyond reasonable control.

"GBL" shall mean Section 352-e of the New York State General Business Law.

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

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

"Initial Control Period" shall mean the period ending on the later to occur of: (i) the Closing of Title with Purchasers under the Plan to Residential Units representing at least 95% in number of all Residential Units offered for sale, or (ii) the issuance of a Permanent Certificate of Occupancy.

"Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust or a group of lenders which shall include one of the foregoing, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, or (iii) Sponsor, or (iv) with respect to loans secured by any Commercial Unit only, (x) without in any way limiting the scope of the foregoing and for the sake of clarity, any real estate mortgage investment conduit within the meaning of Section 860D of the Internal Revenue Code, (y) any

entity not included within any of the foregoing that is regularly engaged in the business of making, owning or servicing mortgage loans, including, without limitation, a so-called "conduit lender," or (z) any group of lenders which shall include one or more of the foregoing.

"Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is an Institutional Lender.

"Insurance Trustee" shall mean a bank or trust company, in either event having both an office in the City of New York and 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" shall mean the land located in Section 1 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 140, Lot 10 and more particularly described in Exhibit A to the Declaration.

"Law" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, County and Borough governments, including, without limitation, the Buildings Department, the Landmarks Preservation Commission, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public or quasi-public authorities having jurisdiction over the Property and/or the Condominium and/or the direction of any public officer pursuant to Law which are applicable at the time in question.

"License" shall mean the agreement pursuant to which a Storage Locker or a Private Roof Terrace is licensed to a Residential Unit Owner.

"Lobby" shall mean the Lobby Unit and the Easement Area, which together shall constitute the lobby of the Condominium. The Lobby Unit shall be treated as if it were a Residential Common Element.

"Lobby Unit" shall mean the Condominium Unit known as the "Lobby Unit" of 137 Reade Street Condominiums, located on the first floor of 143 Reade Street, and such Lobby Unit's percentage interest in the common elements of 137 Reade Street Condominium.

"Managing Agent" shall mean the managing agent or manager named in the Plan or any successor managing agent at the time in question.

"Non-Residential Unit" shall mean the Non-Residential Unit designated as such in the Declaration together with its Common Interest.

"Non-Residential Unit Owner" shall mean the Unit Owner of a Non-Residential Unit at the time in question.

"Permanent Certificate of Occupancy" shall mean the permanent certificate of occupancy for the Building issued by the Buildings Department.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described on Schedule A annexed to the form of Purchase Agreement.

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

"Permitted Mortgagee" shall mean any holder of a Permitted Mortgage at the time in question.

"Permitted User" shall mean any officer, director, member, stockholder, principal, partner, employee, agent (including managing, sales and leasing agent), guest, tenant, occupant, customer, invitee,

licensee, contractor, Permitted Mortgagee or any other Person related, affiliated or designated by Sponsor, the Condominium Board or a Unit Owner who has permission to use a Unit and/or a portion of the Common Elements, subject to the terms of the Condominium Documents, whether written or oral, granted by: (i) a Unit Owner in the case of such Unit Owner's Unit and its appurtenant Common Elements; or (ii) the Condominium Board; or (iii) the Condominium Documents; or (iv) Sponsor.

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

"Plan" shall mean that certain Condominium Offering Plan relating to the Property, as accepted for filing by the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York and any and all amendments thereto.

"Plans and Specifications" shall mean the plans and specifications for the construction of the Building which (to the extent required by Law) have been or will be filed with the Buildings Department and which may from time to time be amended in accordance with the provisions of the Plan.

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

"Private Roof Terrace" shall mean any of the 2 Private Roof Terraces located on the roof of the Building and as indicated on the floor plans set forth in Part II of the Plan. Each Private Roof Terrace shall be treated as if it were a Residential Limited Common Element to be used exclusively by the Purchaser of such Private Roof Terrace. Any reference in the Plan to "owning a Private Roof Terrace" shall mean that Residential Unit Owner has entered into a License for a Private Terrace.

"Private Roof Terrace Area" shall mean an area located on the roof of the Building containing the Private Roof Terraces. The Private Roof Terrace Area shall be treated as if it was a Residential Limited Common Element.

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

"Purchaser" shall mean a purchaser of a Unit pursuant to a Purchase Agreement.

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

"Reciprocal Easement Agreement" shall mean that certain easement agreement made by and between the Condominium Board of 137 Reade Street Condominiums as grantor and Sponsor, as grantee, concerning the grantee's use of Easement Area as a portion of the Lobby, grantor's access to the Building to utilize certain amenities therein, and other matters, which Reciprocal Easement Agreement was recorded prior to the recordation of the Declaration and the grantee's interest therein assigned to the Condominium Board.

"Register's Office" shall mean the Office of the Register of the City of New York of the County in which the Property is located.

"Residential Common Elements" shall mean those portions of the Common Elements either existing for the common use of the Residential Units or the Residential Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Residential Units, as more particularly described in the

Declaration and the Floor Plans, except with respect to the Storage Lockers and Private Roof Terraces, which are only available for use by the licensees of such Storage Lockers and Private Roof Terraces.

"Residential Common Expenses" shall mean all costs and expenses to be incurred generally by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements; or (ii) the establishment and/or maintenance of a operating reserve fund for working capital, for replacements with respect to the Residential Common Elements and/or Residential Limited Common Elements.

"Residential Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Residential Unit Owner in the Residential Common Elements. The total of all Residential Common Interest percentages appurtenant to all Residential Units equals 100%. The Residential Common Interests are the basis for determining a Residential Unit Owner's liability for such Unit Owner's share of the Residential Common Expenses.

"Residential Limited Common Elements" shall mean those portions of the Property (other than the Units, the General Common Elements and the Residential Common Elements), existing for the use and enjoyment of certain Residential Unit Owners to the exclusion of all other Unit Owners, as more particularly described in the Declaration and the Floor Plans. The Ancillary Amenities and the Ancillary Amenity Areas shall be treated as if they were Residential Limited Common Elements.

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

"Residential Unit Owner" shall mean any Unit Owner of a Residential Unit at the time in question. All such Residential Unit Owners are, collectively, referred to as the "Residential Unit Owners."

"Residential Rules and Regulations" shall mean the Residential Rules and Regulations of the Condominium promulgated in accordance with the By-Laws, as any of such Rules and Regulations may be amended, added to, or deleted from time to time pursuant to the terms of the By-Laws.

"Sales Office" shall mean the sales office for Sponsor or Selling Agent, at a location to be designated by either Sponsor or Selling Agent from time to time.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A - Purchase Prices and Related Information."

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

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 for Individual Energy Costs."

"Selling Agent" shall mean the Selling Agent named in the Plan or any successor Selling Agent at the time in question.

"Special Assessments" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), in accordance with the By-Laws of the Condominium.

"Sponsor" shall mean Artisan Lofts Development Owner LLC and (if applicable) any Person(s) designated by Sponsor.

"Storage Locker Area" shall mean an area located in the cellar of the Building containing the Storage Lockers. The Storage Locker Area shall be a Residential Common Element.

"Storage Locker" shall mean any Storage Locker located in the Storage Locker Area and shall include the structural framework and materials out of which the Storage Locker is constructed. Each Storage Locker shall be a Residential Common Element. Any reference in the Plan to "owning a Storage Locker" means Residential Unit Owner has entered into an Ancillary Amenity License for the Storage Locker.

"Temporary Certificate of Occupancy" shall mean a temporary certificate of occupancy for the Building issued by the Buildings Department.

"Terrace" shall mean any terrace, balcony or garden which is appurtenant to a Residential Unit as a Residential Limited Common Element, as well as any Private Roof Terrace and shall include any pavers, decking and drains, hose bibs, electrical outlets, lighting and light fixtures, enclosures and dividers installed as part of the original construction of the Building. All such terraces, balconies or gardens are, collectively, referred to as the "Terraces".

"Title Company" shall mean Fidelity National Title Insurance Company, having an office at One Park Avenue, Suite 1402, New York, New York 10016. (212) 845-3126, (212) 742-0732, or any successor Title Company at the time in question.

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

"Unit Owner" shall mean any Person (including Sponsor, if Sponsor owns any Unit) who holds fee title, of record, to one or more Units at the time in question. All such Unit Owners are, collectively, referred to as the "Unit Owners."

"Unsold Residential Unit" shall mean any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained by Sponsor or a principal of Sponsor at the time in question. All such Unsold Residential Units are, collectively, referred to as the "Unsold Residential Units."

"Unsold Residential Unit Owner" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

"Unsold Ancillary Amenity" shall mean any Ancillary Amenity owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained by Sponsor or a principal of Sponsor at the time in question. All such Unsold Ancillary Amenities are, collectively, referred to as the "Unsold Ancillary Amenities."

"Unsold Ancillary Amenity Owner" shall mean Sponsor or a principal of Sponsor and (if applicable) a Person designated by Sponsor.

BY-LAWS OF THE CONDOMINIUM

EXHIBIT D

TO THE DECLARATION

BY-LAWS

OF

ARTISAN LOFTS CONDOMINIUM

Prepared by:

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INDEX TO BY-LAWS

ARTICLE 1	GENERAL	1
Section 1.1	Purpose	1
Section 1.2	Definitions	1
Section 1.3	Applicability of By-laws	1
Section 1.4	Application of By-laws	1
Section 1.5	Principal Office of the Condominium	1
ARTICLE 2	CONDOMINIUM BOARD	1
Section 2.1	General	1
Section 2.2	Status of the Condominium Board	2
Section 2.3	Principal Office of the Condominium Board	2
Section 2.4	Powers and Duties of the Condominium Board	2
Section 2.5	Certain Limitations on the Powers of the Condominium Board	5
Section 2.6	Exercise and Delegation of Powers and Duties	6
Section 2.7	Number, Election and Qualification of Members	7
Section 2.8	Term of Office of Members	7
Section 2.9	Removal and Resignation of Members	7
Section 2.10	Vacancies	8
Section 2.11	Organizational Meeting of the Condominium Board	8
Section 2.12	Regular Meetings of the Condominium Board	8
Section 2.13	Special Meetings of the Condominium Board	8
Section 2.14	Waiver of Notice of Meetings	9
Section 2.15	Quorum of the Condominium Board	9
Section 2.16	Conduct of Meetings	9
Section 2.17	Decisions by the Condominium Board	9
Section 2.18	Compensation of Members	10
Section 2.19	Common or Interested Members of the Condominium Board	10
Section 2.20	Indemnification	10
ARTICLE 3	OFFICERS	11
Section 3.1	General	11
Section 3.2	President	11
Section 3.3	Vice President	11
Section 3.4	Secretary	11
Section 3.5	Treasurer	11
Section 3.6	Election, Term of Office and Qualification of Officers	12
Section 3.7	Removal and Resignation of Officers	12
Section 3.8	Vacancies	12
Section 3.9	Compensation of Officers	12
Section 3.10	Indemnification of Officers	12
ARTICLE 4	UNIT OWNERS	12
Section 4.1	Annual Meetings of the Unit Owners	12
Section 4.2	Special Meetings of the Unit Owners	12
Section 4.3	Place of Meetings	13
Section 4.4	Notice of Meetings	13
Section 4.5	Quorum of the Unit Owners	13
Section 4.6	Conduct of Meetings	13
Section 4.7	Order of Business	13
Section 4.8	Voting	14
Section 4.9	Election of Members of the Condominium Board	14

Section 4.10 Designation of Non-Residential Member to the Condominium Board 15
Section 4.11 Action Without a Meeting 15
Section 4.12 Title to Units 15
Section 4.13 Contractual Liability of Unit Owners 16

ARTICLE 5 OPERATION OF THE PROPERTY 16
Section 5.1 Maintenance and Repairs 16
Section 5.2 Alterations, Additions, Improvements, or Repairs in and to Units 18
Section 5.3 Alterations, Additions, or Improvements to the Common Elements 20
Section 5.4 Insurance 21
Section 5.5 Casualty or Condemnation 23
Section 5.6 Use of the Property 25
Section 5.7 Use of the Units 26
Section 5.8 Use of the Common Elements 27
Section 5.9 Use of the Ancillary Amenities 28
Section 5.10 Rights of Access 28
Section 5.11 Modification of the Residential Rules and Regulations 29
Section 5.12 Real Estate Taxes 30
Section 5.13 Fuel 30
Section 5.14 Water Charges and Sewer Rents 30
Section 5.15 Electricity 30
Section 5.16 Record and Audits 31

ARTICLE 6 COMMON CHARGES 31
Section 6.1 Determination of Common Expenses and Fixing of Common Charges 31
Section 6.2 Payment of Common Charges 33
Section 6.3 Statement of Common Charges 34
Section 6.4 Common Charge Deposit for Foreign Owners 34
Section 6.5 Default in Payment of Common Charges 35

ARTICLE 7 SELLING AND LEASING OF UNITS AND ASSIGNMENT OF ANCILLARY AMENITY LICENSES 36
Section 7.1 General 36
Section 7.2 Right of First Refusal 36
Section 7.3 Acceptance of Offer 37
Section 7.4 Failure to Accept Offer 38
Section 7.5 Termination of, and Exceptions to, the Right of First Refusal 39
Section 7.6 No Severance of Ownership 39
Section 7.7 Payment of Common Charges 40
Section 7.8 Power of Attorney 40
Section 7.9 Gifts and Devises, Etc. 40
Section 7.10 Commencement of Time 40
Section 7.11 Costs and Expenses 40
Section 7.12 Sale or Lease of Non-Residential Unit 40
Section 7.13 Assignment of Ancillary Amenity Licenses 41

ARTICLE 8 MORTGAGING OF UNITS 42
Section 8.1 General 42
Section 8.2 Restrictions on Mortgaging 42
Section 8.3 Notice of Unpaid Common Charges and Default 42
Section 8.4 Performance by Permitted Mortgagees 43
Section 8.5 Examination of Books 43
Section 8.6 Consent of Mortgagees; Designation of Mortgage Representatives 43

ARTICLE 9	CERTAIN REMEDIES	43
Section 9.1	Self Help	43
Section 9.2	Abatement and Enjoinment	44
Section 9.3	Remedies Cumulative	44
Section 9.4	Costs and Expenses	44
ARTICLE 10	ARBITRATION	45
Section 10.1	Procedure	45
Section 10.2	Variation by Agreement	45
Section 10.3	Binding Effect	45
Section 10.4	Costs and Expenses	45
ARTICLE 11	NOTICES	45
Section 11.1	General	45
Section 11.2	Waiver of Service of Notice	46
ARTICLE 12	AMENDMENTS TO BY-LAWS	46
Section 12.1	General	46
Section 12.2	Special Amendments	47
ARTICLE 13	FURTHER ASSURANCES	47
Section 13.1	General	47
Section 13.2	Failure to Deliver or Act	48
ARTICLE 14	MISCELLANEOUS	48
Section 14.1	Inspection of Documents	48
Section 14.2	Waiver	48
Section 14.3	Conflict	48
Section 14.4	Severability	48
Section 14.5	Successors and Assigns	48
Section 14.6	Gender	49
Section 14.7	Captions	49
ARTICLE 15	TAX STATUS AS A HOMEOWNERS ASSOCIATION	49
Section 15.1	General	49
Section 15.2	Organization	49
Section 15.3	Inurement	49
Section 15.4	Residential Use	49
ADDENDUM TO THE BY-LAWS	RESIDENTIAL RULES AND REGULATIONS	50

BY-LAWS

ARTICLE 1
GENERAL

Section 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: (i) the Land, which is more particularly described in Exhibit A to the Declaration; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-laws form a part. The purpose of the Condominium is to carry on the acquisition, construction, management, maintenance and care of the Common Elements and to perform related functions with respect to the other portions of the Property.

Section 1.2 *Definitions.* All capitalized terms used in these By-laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same 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. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 *Applicability of By-laws.* These By-laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 *Application of By-laws.* All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-laws and the Residential Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of 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 the Declaration, these By-laws and the Residential Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5 *Principal Office of the Condominium.* The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2
CONDOMINIUM BOARD

Section 2.1 *General.* As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-laws, the Condominium Board shall act as, and shall be, the Agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-laws.

Section 2.2 *Status of the Condominium Board.* Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 *Principal Office of the Condominium Board.* The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 *Powers and Duties of the Condominium Board*

(A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith, (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel.

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium, including, but not limited to, the Lobby Unit.

(iii) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-laws; and (d) minutes and other records of all meetings held pursuant to the terms of these By-laws.

(iv) to adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same.

(v) to approve the amount and the means and methods of payment of, and collection of, the Common Charges and Special Assessments from the Unit Owners; provided, however, that in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the General Common Elements be utilized to defray any Residential Common Expenses and in no event shall Common Charges or Special Assessments or other funds received by the Condominium Board in connection with the Residential Common Elements be utilized to defray any General Common Expenses.

(vi) to borrow money on behalf of the Condominium in accordance with Section 339-jj of the Real Property Law when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least 66 2/3% of the Members of the Condominium Board shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the General Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Common Interest, of all Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Residential Common Elements and/or the Residential Limited Common Elements, the affirmative consent of at least 66 2/3%, in aggregate Residential Common Interest, of all Residential Unit Owners shall be required for the borrowing of any sum in excess of $500,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years) and the Non-Residential Unit Owner will not be liable for the repayment of any portion of such loan; (d) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (e) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest or Residential Common Interest, as applicable, bears to the aggregate Common Interests of all Unit Owners or Residential Common Interests of all Residential Unit Owners, as applicable, shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file against such Unit Owner's Unit.

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor which shall at no time be less than two and that each check drawn on such account shall need at least two signatures.

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements.

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof.

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners (except as otherwise provided herein); (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property.

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-laws.

(xii) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than $100,000, for: (a) all Members of the Condominium Board; (b) all officers and employees of the Condominium; and (c) the Managing Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses.

(xiii) to accept the surrender of any Residential Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners.

(xiv) to purchase, lease, or otherwise acquire Residential Units and Ancillary Amenities offered for sale, lease or assignment by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners but only with the consent of a Majority of Residential Unit Owners.

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise and on behalf of all Unit Owners but only with the consent of a Majority of Unit Owners.

(xvi) to sell, lease, license, mortgage and otherwise deal with Residential Units and Ancillary Amenities acquired by, and to sublease Residential Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the interest appurtenant to any such Residential Unit.

(xvii) to adopt and amend the Residential Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of the Residential Rules and Regulations and these By-laws(any such fines and fees shall be deemed to constitute Common Charges payable by Unit Owners of the Unit against which they are levied).

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners.

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and By-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-laws and (b) the terms of the Declaration and these By-laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and By-laws.

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium.

(xxi) to execute, acknowledge and deliver: (a) any and all declarations (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate.

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modification, additions and deletions theretofore made to the same.

(xxiii) to prepare, execute, acknowledge and institute on behalf of all Residential Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Residential Units and to assess any costs incurred thereby as a Residential Common Expense.

(xxiv) to commence summary eviction proceedings in the name of or on behalf of the Condominium Board and/or a Unit Owner or Unit Owners, as the case may be, against an authorized guest and/or a Tenant of a Unit Owner if such authorized Guest and/or Tenant does not conform to the Residential Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Residential Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-laws. All costs in connection with the removal of the authorized guest and/or Tenant, including reasonable attorney's fees, shall be borne by the Unit Owner.

(xxv) to impose move-in fees and charges and transfer fees in connection with the sale or lease of a Residential Unit, provided no such fees or charges or other conditions of transfer or lease may be imposed upon Sponsor.

(xxvi) to prepare, execute and administer Ancillary Amenity Licenses and assignments thereof.

(xxvii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-laws, including, but not limited to, the Condominium Board's obligations as grantee under the Reciprocal Easement Agreement.

(xxiii) to acquire in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Residential Unit Owners, Ancillary Amenity Licenses terminated or surrendered to the Condominium.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5 *Certain Limitations on the Powers of the Condominium Board.*

(A) Notwithstanding anything to the contrary contained in these By-laws, so long as Sponsor shall continue to own at least 25% in both number and aggregate Common Interests of all Residential Units, but in no event later than 5 years after the First Closing, the Condominium Board may not, without Sponsor's prior written consent:

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

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

(iii) increase or decrease the number of, or change the kind of employees from those described in the First Years Budget;

(iv) enter into any service or maintenance contracts for work or otherwise contract for work or otherwise provide services in excess of those described the First Year's Budget set forth in the Plan, except as is required to reflect normal annual increases in operating services incurred in the ordinary course of business;

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

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

Sponsor may not exercise veto power over expenses described in Schedule B. The written consent of Sponsor shall not be necessary to perform any function or take any action described in clauses (i) through (vi) above, if, and only if, the performance of such action or the carrying out of such action is necessary (and no other alternative is available) to enable the Condominium Board to: (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

(B) Notwithstanding anything to the contrary contained in these By-laws, all determinations of the Condominium Board which affect only the:

(i) Residential Units and do not materially and adversely affect the use and operation of the Non-Residential Unit shall be made by the Member(s) of the Condominium Board elected or designated by the Residential Unit Owners; and

(ii) Non-Residential Unit and do not materially and adversely affect the use and operation of the Residential Units shall be made by the Member(s) of the Condominium Board designated by such Non-Residential Unit Owner.

Any dispute as to whether or not a determination materially and adversely affects any Units shall be settled by arbitration in accordance with the provisions of these By-laws. No dispute with respect to whether a determination materially and adversely affects a Unit shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the Condominium Board within 10 business days of receipt by it of notice of such determination.

Section 2.6 *Exercise and Delegation of Powers and Duties.*

(A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. The Executive Committee and each other committee shall consist of 3 Members of the Condominium Board.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation approved by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this

Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (xiii), (xiv), (xv), (xvi) and (xvii) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in paragraph (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7 *Number, Election and Qualification of Members.* Until the first annual meeting of the Residential Unit Owners held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of 3 individuals, all of which are to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, the Condominium Board shall consist of 5 individuals, 4 of whom shall be elected and/or designated in accordance with the terms of these By-laws by the Residential Unit Owners (including Sponsor) (collectively, the "Residential Members"), and 1 of whom shall be designated by the Non-Residential Unit Owner (the "Non-Residential Member"). Except for Members designated by Sponsor and/or the Non-Residential Unit Owner pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all Members of the Condominium Board shall be either: (i) individual Residential Unit Owners or adult family members of an individual Residential Unit Owner; or (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees. After the Initial Control Period, a majority of the Residential Members of the Condominium Board must be owner-occupants of the Building who are unrelated to Sponsor or its principals. In addition, no individual may be elected to serve on the Condominium Board, (nor may continue to serve on the Condominium Board) if the Condominium Board has perfected a lien against such Unit and the amount necessary to release such lien has not been paid at the time of such election, or so long as such lien remains unpaid. In no event may more than one individual of a designated Unit serve on the Condominium Board or as an officer of the Condominium Board at the same time during the term of office.

Section 2.8 *Term of Office of Members.* The term of office of the 3 Members of the Condominium Board designated by Sponsor prior to the first annual meeting of the Residential Unit Owners shall expire when the 5 individuals to be elected and/or designated at such meeting are so elected and qualified or designated, as the case may be. The term of office of each of the 5 individuals elected and qualified or designated, as the case may be, at the first annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof, shall be fixed at 1 year. Notwithstanding anything to the contrary contained in this Section 2.8, however, each Member of the Condominium Board shall serve until a successor shall be elected and qualified or designated, as the case may be.

Section 2.9 *Removal and Resignation of Members.*

(A) Any Member of the Condominium Board who was elected thereto either by the Residential Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority of Residential Unit Owners. Any Member of the Condominium Board who was designated as such by Sponsor pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed, with or without cause, only by Sponsor. If any Member of the Condominium Board who was designated by Sponsor is removed, the successor shall also be designated by Sponsor. Any Member of the Condominium Board who was designated by the Non-Residential Unit Owner may be removed, with or without cause, only by such

Non-Residential Unit Owner. If any Member of the Condominium Board who was designated by the Non-Residential Unit Owner, is removed, the successor shall also be designated by such Non-Residential Unit Owner. Any Residential Member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Residential Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any Member of the Condominium Board may resign such Member's membership at any time by giving written notice thereof to the Condominium Board. In addition, any Member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned such Member's membership effective as of the date upon which such qualification shall cease.

Section 2.10 *Vacancies.*

(A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was elected thereto by the Residential Unit Owners shall be filled by an individual who is qualified to be a Member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the Members of the Condominium Board elected or designated by the Residential Unit Owners then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of Members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a Member who was designated as such or elected by Sponsor shall be filled by an individual designated by Sponsor. Any vacancy on the Condominium Board that is caused by the removal, resignation or death of a Member who was designated by the Non-Residential Unit Owner shall be filled by an individual designated by such Non-Residential Unit Owner.

(C) Each Member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a Member of the Condominium Board for the remainder of the term of the Member replaced and until a successor shall be selected and qualified at the appropriate annual meeting of the Residential Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 *Organizational Meeting of the Condominium Board.* The first meeting of the Condominium Board following each annual meeting of the Residential Unit Owners shall be held within 10 days of such annual meeting, at such time and place as shall be both fixed informally by a majority of the Members of the Condominium Board and designated by the Secretary in a written notice given to all Members thereof by personal delivery, mail, or telegram not later than five business days prior to such date. At such meeting, the officers of the Condominium Board shall be elected.

Section 2.12 *Regular Meetings of the Condominium Board.* Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the Members thereof, provided that at least 4 such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given by the Secretary to each Member thereof by personal delivery, mail, overnight courier, facsimile or e-mail, at least 5 business days prior to the day named for such meeting.

Section 2.13 *Special Meetings of the Condominium Board.* The President may call a special meeting of the Condominium Board whenever the President deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of 3 or more Members of the Condominium Board. Written notice of all special meetings shall be given by the Secretary to each Member

thereof by personal delivery, mail, overnight courier, facsimile, or e-mail at least 3 business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.14 *Waiver of Notice of Meetings.* Any Member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Member of the Condominium Board at any meeting thereof shall constitute a waiver by the Member of notice of the time and place thereof. If all of the Members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 *Quorum of the Condominium Board.* A quorum of the Condominium Board is required to be present at a Condominium Board meeting in order to make any determination or to transact any business. To constitute a quorum of the Condominium Board, the following majority of the Members of the Condominium Board shall be present at the Condominium Board meeting:

(A) Attendance of a majority of all of the Members of the Condominium Board will be required for any business relating to the General Common Elements, the General Common Expenses, or, all or a portion of both the Residential Units and the Non-Residential Unit.

(B) Attendance of a majority of the Residential Members of the Condominium Board will be required for any business relating solely to the Residential Common Expenses, the Residential Common Elements, or, all or a portion of the Residential Units.

In connection therewith, one or more Members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the Members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 *Conduct of Meetings.* The President shall preside at all meetings of the Condominium Board, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-laws, or the Condominium Act.

Section 2.17 *Decisions by the Condominium Board.* Except as otherwise provided in the Declaration or these By-laws:

(A) The vote of a majority of the Members attending a duly constituted meeting of the Condominium Board at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the General Common Elements; the General Common Expenses, or, all or a portion of both the Residential Units and the Non-Residential Unit.

(B) The vote of a majority of those Residential Members attending a duly constituted meeting of the Residential Members at which a quorum is present shall decide all matters on behalf of the Condominium Board relating solely to the Residential Common Expenses; the Residential Common Elements; or, all or a portion of the Residential Units.

Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the Members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 *Compensation of Members.* No Member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 *Common or Interested Members of the Condominium Board.* Each Member of the Condominium Board shall perform duties, and shall exercise powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Condominium Board and either (i) any of its Members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the Members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such Member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such Member was counted for such purpose, provided, however, that either: (x) the fact thereof is disclosed to, or known by, the Condominium Board or a majority of the Members thereof and noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less the number of such Members; or (y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction.

Any such Member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but no such Member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 *Indemnification.*

2.20-1 Indemnification of Board Members and Officers.

2.20-1.1 To the extend permitted by Law, the Members of the Condominium Board shall have no personal liability with respect to any contract, act or omission of the Condominium Board or of any Managing Agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as set forth in Section 4.13 hereof. Every contract made by the Condominium Board or by the Managing Agent shall state that it is made by the Condominium Board or the Managing Agent, only as agent for all Unit Owners and that the Members of the Condominium Board or the Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners). Any such contract may also provide that it covers the assets, if any, of the Condominium Board. To the extent permitted by Law, the Members of the Condominium Board shall have no liability to Unit Owners except that a Member of the Condominium Board shall be liable for such Member's own bad faith or willful misconduct. All Unit Owners shall jointly and severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Member of the Condominium Board against any liability or claim except those arising out of such Member's own bad faith or willful misconduct. The Condominium Board may contract or effect any other transaction with any Member of the Condominium Board, any Unit Owner, Sponsor or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.20-1.2 Neither the Condominium Board nor any Member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense except when any such failure or interruption is cause by the acts of bad faith or willful misconduct of the Condominium Board or any Member thereof; or

(ii) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or the Common Elements and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (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.

ARTICLE 3

OFFICERS

Section 3.1 *General.* The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 *President.* The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as the President may decide, in the President's discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 *Vice President.* The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other Member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon the Vice President from time to time by the Condominium Board or by the President.

Section 3.4 *Secretary.* The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 *Treasurer.* The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 *Election, Term of Office and Qualification of Officers.* Each of the officers of the Condominium shall be elected annually by a majority vote of all Members of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. The President, Vice President, and the Treasurer shall be elected from amongst the Members of the Condominium Board. Such officers need not be Unit Owners and need not have any interest in the Condominium if they are designated by Sponsor. Such officers must be Unit Owners if they are elected by the other Unit Owners. The other officers of the Condominium Board need not be Unit Owners and need not have any interest in the Condominium.

Section 3.7 *Removal and Resignation of Officers.* Any officer of the Condominium Board may be removed from office, with or without cause, by an affirmative vote of a majority of the Members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President, Vice President, or the Treasurer of the Condominium shall cease to be or shall be suspended as a Member of the Condominium Board during their term of office, such officer shall be deemed to have resigned office effective upon the date upon which the membership shall cease.

Section 3.8 *Vacancies.* Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 *Compensation of Officers.* No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 *Indemnification of Officers.* Each officer shall be indemnified as set forth in Paragraph 2.20.

ARTICLE 4

UNIT OWNERS

Section 4.1 *Annual Meetings of the Unit Owners.* The first annual meeting of the Unit Owners shall be held approximately 30 days after the later to occur of (i) the second anniversary of the First Closing; or (ii) the Closing of Title with Purchasers under the Plan of Residential Units representing at least 50% in number of all Residential Units offered for sale. At such meeting, a 5 Member Condominium Board shall be elected, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held on or about the anniversary date of the first annual meeting. At each such subsequent meeting, the Unit Owners (including Sponsor) shall elect successors to the Members of the Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

Section 4.2 *Special Meetings of the Unit Owners.* The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than 40% of the Common Interests of all Residential Unit Owners (excluding the Common Interests appurtenant to the Non-Residential Unit). Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 *Place of Meetings*. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough in which the Property is located as may be designated by the Condominium Board.

Section 4.4 *Notice of Meetings*.

(A) The Secretary of the Condominium shall 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, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, or telegram addressed to the Unit Owner's address at the Property, not less than 10 nor more than 40 days prior to the day fixed for the meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than 10 days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-laws, the notice of such meeting shall be mailed to all Unit Owners at least 30 days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 *Quorum of the Unit Owners*. Except as otherwise provided in these By-laws, the presence, in person or by proxy, of Unit Owners owning Units to which 40% or more of the aggregate Common Interests appertain (excluding the Common Interests appurtenant to the Non-Residential Unit) shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners 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.

Section 4.6 *Conduct of Meetings*. The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 *Order of Business*. The order of business at all meetings of the Unit Owners shall be as follows:

(A) Roll call;

(B) Proof of notice of meeting;

(C) Reading of the minutes of the preceding meeting (unless waived);

(D) Reports of officers of the Condominium;

(E) Reports of Members of the Condominium Board;

(F) Reports of committees;

(G) Election of inspectors of election (when so required);

(H) Election of Members of the Condominium Board (when so required);

(I) Unfinished business; and

(J) New business.

The order of business at meetings of Unit Owners can be adjusted in the sole discretion of the Condominium Board.

Section 4.8 *Voting.*

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) shall be entitled to cast 1 vote at all meetings of the Unit Owners for each percentage of Common Interest attributable to such Unit Owner's Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

(C) A fiduciary shall be the voting Member with respect to a Unit owned in a fiduciary capacity. In addition, if 2 or more Persons own a Unit, they shall designate 1 Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under 1 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.

(D) The owner of any Unit may designate any Person to act as a proxy on such Unit Owner's behalf. The designation of any such proxy shall be made in a written notice both signed and dated by the designator and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting, except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of 6 months after the date thereof.

Section 4.9 *Election of Members to the Condominium Board.*

(A) When voting for Members of the Condominium Board, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Residential Units) shall be entitled to cast 1 vote for each .0001% of Common Interest attributable to the Unit(s) per Member to be elected. However, nothing contained herein shall be deemed either to permit any Unit Owner to cumulate the votes attributable to the ownership of a Unit in favor of any 1 or more Members to be elected. In addition, the terms of paragraphs (B), (C) and (D) of Section 4.8 hereof shall apply to all elections of Members of the Condominium Board.

(B) All elections of Members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Residential Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Residential Unit(s) owned by the voting Unit Owner; (iii) the percentage(s) of the Common Interest appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of Members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall not be counted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election for a period of 2 years.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of Members of the Condominium Board shall be determined by plurality vote of Unit Owners present, in person or by proxy, at a duly convened meeting.

(D) At meetings of the Unit Owners, Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Residential Units as it sees fit. However, at elections of Members to the Condominium Board held during the Initial Control Period, Sponsor shall have the right to designate 3 of the 4 Residential Members to the Condominium Board, and Sponsor, and all other Unit Owners shall have the right to vote for the remaining Residential Members of the Condominium Board.

Subsequent to the Initial Control Period, and for so long as Sponsor continues to own at least 1 Unsold Residential Unit, Sponsor shall have the right to designate 1 Residential Member to the Condominium Board, and shall have the right to vote its Common Interest attributable to the Unsold Residential Units for the remaining Residential Members of the Condominium Board. There is no restriction on the right of Sponsor to vote for Residential Members of the Condominium Board who are not related to or affiliated with Sponsor.

(E) Within 30 days after the Initial Control Period, 1 of the 3 Residential Members of the Condominium Board who were designated by Sponsor shall resign and their replacements shall be filled by a vote of the Residential Unit Owners (including Sponsor for so long as Sponsor shall own any Unsold Residential Unit) at a special meeting called for such purpose.

Section 4.10 *Designation of Non-Residential Member to the Condominium Board.* The Non-Residential Unit Owner (including Sponsor for so long as Sponsor shall own a Non-Residential Unit) shall be entitled to designate 1 Non-Residential Member to the Condominium Board.

Section 4.11 *Action Without a Meeting.* Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and aggregate Common Interests whenever applicable) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.11 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.12 *Title to Units.* Title to any Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate. The sale of a Unit to a corporation, partnership, limited partnership, trust or any other entity (including any entity or person entitled to diplomatic or sovereign immunity) shall require the delivery to the Condominium Board or its managing agent at Closing (i) any and all documents as are reasonably requested by the Condominium Board, including without limitation, a personal guaranty, a subjection to jurisdiction, occupancy agreement and escrow agreement; and (ii) an amount equal to the current common charge for such Unit for a period of 2 years, to be held in escrow by the Condominium Board, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions contained in these By-laws.

Section 4.13 *Contractual Liability of Unit Owners.* Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the Members of the Condominium Board and the officers of the Condominium pursuant to the terms of Sections 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners in the case of a contract relating to the General Common Elements, (ii) such proportionate share of the total liability thereunder as the Residential Common Interest of such Residential Unit Owner in a case relating to the Residential Common Elements, and (iii) such Unit Owner's interest in the Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 *Maintenance and Repairs.*

(A) Except as otherwise provided in the Declaration or in these By-laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, partitions, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, mechanical systems located in the Unit (including HVAC filters and parts), window panes, fireplace and flue, all entrance doors and terrace doors and their frames and saddles, exposed plumbing, gas and heating fixtures and equipment, heating and cooling systems, air conditioning units, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein) shall be performed by the owner of such Unit at such Unit Owner's sole cost and expense; and

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense;

(iii) in or to the Residential Common Elements (with the exception of the Private Roof Terraces and other than any Residential Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense;

(iv) in or to the Residential Limited Common Elements (and the Private Roof Terraces) shall be performed (a) by the Condominium Board as a Residential Common Expense, if involving structural or extraordinary maintenance, repairs, or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Residential Unit Owner having direct and exclusive access thereto), or (b) by the Residential Unit Owner having direct and exclusive access thereto at such Residential Unit Owner's sole cost and expense, if involving painting, decorating and non-structural ordinary maintenance, repairs or replacements, (including without limitation, the removal of snow, ice and accumulation of water on any Terrace; and

(v) in or to the Lobby Unit and the Easement Area pursuant to the Reciprocal Easement Agreement shall be performed by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a Residential Common Expense.

For the purpose of maintenance, repairs, replacements and alterations, the Private Roof Terraces shall be treated as Residential Limited Common Elements.

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof or to the Lobby, whether structural or non-structural, ordinary or extraordinary, are necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium as a General Common Expense attributable to all Unit Owners if relating to the General Common Elements, and as a Residential Common Expense attributable to all Residential Unit Owners if relating to the Residential Common Elements or to the Lobby, and/or the Residential Limited Common Elements except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace the Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any roof, Terrace, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, including, without limitation, painting, repairs and replacements that is necessary in connection therewith. The Condominium Board shall be responsible for the maintenance and repair of all sidewalks surrounding the Building on the Chambers Street side of the Building and the area directly in front of the entrance to 143 Reade Street, (including, cleaning and snow and ice removal) as if the sidewalks were General Common Elements, except that the cost of such maintenance and repair shall be borne by the Non-Residential Unit Owner if the Non-Residential Unit Owner is utilizing any such sidewalks in connection with the operation of the Non-Residential Unit. The exterior and interior glass surfaces of all windows located in any Residential Unit shall not be colored or painted by the Unit Owner. All exterior and interior glass surfaces located in any Residential Unit shall be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Unit Owner thereof, each at the sole cost and expense of the Unit Owner (unless such breakage is caused by the Condominium Board or any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner). Notwithstanding the foregoing, prior to the replacement of any glass window the Unit Owner must obtain the prior written approval of the Condominium Board, with respect to the type of replacement windows installed. In addition, the public areas of the Building and those residential areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, as determined by the Condominium Board in its sole discretion, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window

decorations in or appurtenant to such Unit Owners Unit. To promote a consistent appearance of the Building from the outside, no Residential Unit Owner shall be permitted to enclose, erect a greenhouse and/or alter a Terrace appurtenant to a Unit or Private Roof Terrace in such a way that will alter the conformity of the Building, without the prior written approval of the Condominium Board. The type, size, weight and quantity of plantings and other installations to be placed on Terraces shall be subject to the prior written approval of the Condominium Board and shall be in compliance with Law. The Non-Residential Unit Owner shall be responsible, at its sole cost and expense, for washing, cleaning and replacing because of breakage the exterior and interior glass surfaces of windows located in the Non-Residential Unit (unless the breakage is caused by the Condominium Board or any other Unit Owner, in which event the replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner).

(D) In the event that any Unit Owner, after receipt of written notice from the Condominium Board, fails or neglects in any way to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Section 5.1 (or of any Common Elements for which such Unit Owner is responsible under the Declaration or these By-laws), the Condominium Board may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within 5 days after receiving notice of such default by the Condominium Board, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit or to any such Common Element for which such Unit Owner is responsible, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Unit Owner to the Condominium Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 5.2 *Alterations, Additions, Improvements, or Repairs in and to Units.*

(A) Subject to the terms of paragraph (B) of this Section 5.2, no Residential Unit Owner may make any structural alteration, addition, improvement or repair, in or to the Residential Unit or its appurtenant Residential Limited Common Elements without the prior written approval of the Condominium Board. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Residential Unit Owner to: (i) procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe; and (ii) execute an alteration agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement or repair, may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done. The Condominium Board shall have the right to approve Unit Owner's contractors and materialmen. The Condominium may impose charges upon the Residential Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Residential Unit Owner's request for approval and in monitoring the work performed until completion and a fee payable to the Managing Agent for processing the alteration application.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor shall have the right, pursuant to the terms of Article 12 of the Declaration, to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Residential Unit or its appurtenant Residential Limited Common Elements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of any Unsold Residential Units, all without the approval of the Condominium Board. In addition, the Non-Residential Unit Owner shall have the right, pursuant to the terms of Article 12 of the Declaration, to (i) make any alterations, additions, improvements or repairs in or to the Non-Residential Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of

the Non-Residential Unit, all without the approval of the Condominium Board. Notwithstanding the foregoing, all Unit Owners, including Sponsor and the Non-Residential Unit Owner, prior to the making of any alteration, addition, improvement or repair in or to their respective Unit and its appurtenant Residential Limited Common Elements, if any, must (i) procure and maintain such insurance as the Condominium Board may reasonably require, (ii) indemnify the Condominium Board and the Managing Agent against any liability arising from the work and (iii) comply with Law.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit provided that, with respect to all such work of a structural nature to a Residential Unit or its appurtenant Residential Limited Common Elements (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialperson, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to the Unit and appurtenant Residential Limited Common Elements, if any, shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the Members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

(E) In addition to the requirements set forth above in this Section 5.2, until a Permanent Certificate of Occupancy is obtained for the Building, no Residential Unit Owner shall make any alterations in or to the Residential Unit without first notifying Sponsor in writing and complying with Sponsor's requirements with respect to the alterations. Such requirements may include, but need not be limited to, the requirements that:

(i) such work not include any change that would result in a delay in obtaining a Temporary or Permanent Certificate of Occupancy for the Building, or any amendment to, or extension of, the Temporary or Permanent Certificate of Occupancy if theretofore issued;

(ii) the Residential Unit Owner post a bond or other similar security that is reasonably acceptable to Sponsor in any amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with all governmental authorities having jurisdiction with respect to such work and the completion of the work;

(iii) such work not be commenced until the Residential Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(iv) such work be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(v) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such work as it progresses;

(vi) promptly after the completion of such work, all necessary inspections and approvals of the work shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certifications;

(vii) the Residential Unit Owner shall indemnify and hold Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such work, including, without limitation, any cost, expense, claim, or liability incurred or suffered by Sponsor due to any violation of Law or due to any delay in obtaining a Temporary or Permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the Temporary or Permanent Certificate of Occupancy if theretofore issued) as a result of such work or the failure to make all appropriate governmental filings in connection with same; and

(viii) all contractors shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union whose Members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Condominium Board), such work shall be performed solely by union members.

If any Residential Unit Owner commences any such alterations in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the alterations, Sponsor shall be entitled to cause such work by the Residential Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Residential Unit Owner's workers and suppliers, until the Residential Unit Owner complies with the same. During the period until the Residential Unit Owner is permitted hereunder to resume its work, Sponsor shall have the right to perform any and all work in and to the Residential Unit as shall be necessary, in Sponsor's sole judgment, in order to avoid any delay in obtaining a Temporary or Permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the Temporary or Permanent Certificate of Occupancy), whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Residential Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such Residential Unit Owner and shall be paid to Sponsor within 15 days of Sponsor's written demand therefore.

Section 5.3 *Alterations, Additions, or Improvements to the Common Elements.* Except as otherwise provided in the Declaration or in these By-laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements and/or the Lobby Unit and Easement Area, shall be made by the Condominium Board, and the cost and expense thereof shall constitute a General Common Expense attributable to all Unit Owners, if relating to the General Common Elements, or a Residential Common Expense attributable to all Residential Unit Owners, if relating to the Residential Common Elements and/or the Lobby Unit and Easement Area, and/or Residential Limited Common Elements. Notwithstanding the foregoing, however, whenever the cost and expense of such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $500,000 with respect to the General Common Elements or the Residential Common Elements and/or the Lobby Unit and Easement Area, and/or the Residential Limited Common Elements, at any one time, in any fiscal year, such proposed alterations, additions or improvements shall not be made unless first approved by the Unit Owners if relating to the General Common Elements, or the Residential Unit Owners, if relating to the Residential Common Elements and/or the Lobby Unit and Easement Area, and/or the Residential Limited Common Elements (including Sponsor if Sponsor then owns any Unsold Residential Unit) owning 66 2/3% of the aggregate Common Interests or Residential Common Interests, as applicable, at a duly constituted meeting of the Unit

Owners or the Residential Unit Owners, as applicable, and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-laws, all such alterations, additions, or improvements costing $500,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to any of the Common Elements, regardless of the cost thereof, unless the prior written consent of Sponsor is first obtained, provided, however, that Sponsor's written consent is not necessary if such additions, alterations, or improvements to the Common Elements and/or the Lobby Unit and Easement Area, is required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's issuer; or to comply with the Reciprocal Easement Agreement. In no event will the limitations imposed in the preceding sentence continue beyond the earlier to occur of (i) 5 years from the First Closing or (ii) until such time as Sponsor no longer owns 25% in both number and aggregate Common Interests of all Residential Units.

Section 5.4 *Insurance.*

(A) If the same shall be obtainable, the Condominium Board shall obtain, and shall maintain in full force and effect, special multi-peril insurance policies including fire with extended "all risk" coverage, replacement cost coverage and agreed valuation, vandalism and malicious mischief endorsements, insuring the entire Building (other than the space defined by the dimensions of the Units and any appliances, fixtures, improvements or any furniture, furnishings, decorations, belongings, or other personal property contained therein) together with all service machinery contained therein and the Lobby Unit and Easement Area, to the extent required by the Reciprocal Easement Agreement or otherwise determined by the Condominium Board, and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their respective interest may appear. Each of the said policies shall contain, if obtainable:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured, and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof.

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 30 days prior written notice to the Condominium Board and all insureds who may have requested such notice, including Permitted Mortgagees.

Duplicate originals or certificates of insurance of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be on file at the office of the Managing Agent. Copies thereof shall be delivered to any Unit Owner or Permitted Mortgagee on written request thereof.

(B) The Condominium Board shall also obtain and maintain, to the extent it deems practicable:

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and the Lobby Unit and Easement Area, to the extent required by the Reciprocal Easement Agreement or otherwise determined by the Condominium Board, and listing as co-insureds (a) the Condominium Board and each Member

thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium, (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within the own Unit or its Residential Limited Common Elements, if any) and (e) such other parties as are required by the terms of the Reciprocal Easement Agreement;

(ii) rent insurance;

(iii) worker's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) water damage insurance;

(vi) officers and directors liability insurance;

(vii) fidelity insurance and bonds covering all officers, directors and employees of the Condominium and Managing Agent;

(viii) plate glass insurance;

(ix) elevator liability and collision insurance;

(x) commercial umbrella insurance; and

(xi) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than 80% of the full replacement cost of the Building, exclusive of footings and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than $1,000,000 in the aggregate; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-laws, shall be borne by the Unit Owners as a General

Common Expense or the Residential Unit Owners as a Residential Common Expense, depending on the item to which the coverage relates.

(E) If required by the Condominium Board, Unit Owners will be required to carry other insurance, at their expense, in amounts determined by the Condominium Board in its sole discretion, insuring the contents of their Units and their respective Residential Limited Common Elements and liability insurance with respect to acts occurring therein. Each Residential Unit Owner may be required by the Condominium Board to maintain insurance for their respective Ancillary Amenities in amounts sufficient to cover the property located therein. All such policies shall contain waivers of subrogation and provide that the liability of the carriers issuing the insurance maintained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. All such certificates of insurance shall name the Condominium Board, the Condominium and Sponsor as additional insureds.

Section 5.5 *Casualty or Condemnation.*

(A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or Residential Common Elements and/or Limited Residential Common Expense, or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed $1,000,000 in the aggregate. In either instance, all such monies actually received ("Trust Funds") shall be held in trust for the benefit of all Unit Owners, with respect to the portion thereof allocated to a Casualty Loss to or Taking of the General Common Elements and the Units, and for the benefit of all Residential Unit Owners with respect to the portion thereof allocated to a Casualty Loss to or Taking of the Residential Common Elements, the Residential Limited Common Elements and the Residential Units, and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that the Unit Owner may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances, fixtures, improvements made therein by a Unit Owner, or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss, or (ii) in the event of a Taking, the portion(s) of the Common Elements or the Units affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. Each Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, or any portion thereof, shall be the subject of all or part of any Work shall have the right subject to the terms of Section 5.2 hereof, to supervise any redecorating of the Unit or of such Limited Residential Common Element, if any.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, for Work to the General Common Elements and against all Residential Unit Owners, and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, with respect to Work to the Common Elements, except 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 excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remaining unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, with respect to Work to the Common Elements, free of any claim of any lienor (including without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Sponsor if Sponsor shall then own any Units), in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and 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 resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interest, to the extent allocated to destroyed or damaged portions of the General Common Elements and to all Residential Unit Owners in proportion to their respective Residential Common Interest, to the extent allocated to destroyed or damaged portions of the Residential Units or the Residential Common Elements or the Residential Limited Common Elements, and to the Non-Residential Unit Owner, to the extent allocated to destroyed or damaged portions of the Non-Residential Unit, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off any Permitted Mortgage and other unpaid liens on the Unit Owner's Unit in the order of priority of such liens.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium Board with respect to such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest and Residential Common Interest, where applicable,

appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest and new Residential Common Interest, where applicable, appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest and new Residential Common Interest, where applicable, of such Unit, and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests and Residential Common Interest, where applicable, of the other remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of all of the other or remaining Units together with the holders of the Permitted Mortgages.

(G) As used in this Section 5.5, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) 60 days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) 90 days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Condominium Board pursuant to the terms of paragraph (A) of this Section 5.5, 60 days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work;. In the event there are insufficient Trust Funds to discharge the estimated cost and expense of the Work, the Condominium Board shall levy a Special Assessment for the amount of such deficiency in accordance with paragraph (C) of this Section 5.5; and

(ii) "Promptly resolve" shall mean that a resolution shall be duly made not more than 60 days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 *Use of the Property.*

(A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the sole cost and expense of the respective Unit Owners or the Condominium, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. In the event that the rate of insurance for the Property is increased as a direct result of a particular or unique use being made of the Non-Residential Unit, and not as a result of the typical uses for

which the Non-Residential Unit may be occupied or for which commercial spaces in similar Building are normally occupied, the Non-Residential Unit Owner shall be obligated to pay the amount of such increase in the rate of insurance. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or will structurally change the Building, except as is otherwise 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.

Section 5.7 *Use of the Units.*

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7.

(B) Subject to the terms of paragraphs (C) and (D) of this Section 5.7, each Residential Unit shall be used for residential use only (excluding any use as a dormitory bed-and-breakfast or any other transient hotel – type occupancy), and the Permitted Home Occupations listed in paragraph (C) below and not more than one family may occupy a Residential Unit at any one time. The Non-Residential Unit may be used for any purpose permitted by Law except that the Non-Residential unit may not be used (a) for the sale or display of any pornographic or obscene material, (b) as a head shop or for the sale of paraphernalia for use with illicit drugs (c) as a gambling or gaming establishment, (d) as a pawn/thrift shop, (e) to conduct any fire, going out-of-business, auction or bankruptcy sale (f) to engage in any unethical or disreputable method of business operation, (g) by any religious or union entity (h) as billiards or pool hall, (i) as an office, store, reading room, headquarters, center or other facility devoted or opposed to the promotion, advancement, representation, purpose or benefit of: (1) any political party, political movement or political candidate, (2) any religion, religious group or religious denomination, (3) foreign government, (4) any political party, political movement or political candidate, (5) any "cause" of any type or nature whatsoever, (j) as a commercial or non-profit establishment of any type or nature whatsoever: (1) the primary purpose of which is to sell, afford or permit on-premises sexual stimulation or sexual liaisons including a "massage parlor"; (2) which permits or presents obscene, nude or semi-nude performances or modeling; (3) which sells, affords or permits body massages, whether or not of a sexual nature; (4) which sells "rubber goods" or other sexual or erotic products of a type not commonly found in high-quality, national chain pharmacies; (5) which sells, rents or permits the viewing of X-rated video, photographs, books or other material, (k) as a ballroom, dance hall or discotheque, (l) as a place of instruction, employment agency, reading room or any operation catering primarily to students or trainees rather than to customers, (m) as a funeral parlor, (n) as an arcade, (o) as a restaurant (whether sit down or take-out) or any type of cooking or food service establishment , unless such restaurant use is approved by the Board of Managers on a case-by-case basis and (p) as a fortune teller or palm reader. A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other entity (including, but not limited to, any federal or state agency, any foreign government and any embassy, consulate or other official representative thereof) may only be occupied (unless the Condominium Board otherwise consents in writing) by such individual, or by an individual officer, director, stockholder, or employee of such corporation, or by an individual partner or employee of such partnership, or a member of such limited liability company, or by such individual fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by an individual beneficiary of said fiduciary, or by an individual principal or employee of such other entity, respectively, or by Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any such Residential Unit by such Family Members). Notwithstanding the foregoing, Sponsor (with respect to the Unsold Residential Units) or the Condominium (with respect to sold Residential Units) may, in their sole discretion, permit

Persons other than those set forth above to occupy a Residential 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.

(C) Any Residential Unit may be used for any of the following home occupations, which must be an accessory use to such residential use, in accordance with applicable zoning laws: office for psychiatrists and other mental health professionals who treat no more than 2 people at any one time, fine art studio, teaching (other than musical instruction) with no more than 2 pupils at any one time, teaching music with no more than 1 pupil at any one time, lawyer's office, accountant's office, architect's office, computer work or writer/editor's office, provided that the nature and manner of such use complies with Law and does not violate the Temporary or Permanent Certificate of Occupancy covering the Building ("Permitted Home Occupations"). Notwithstanding any other provisions of the By-Laws to the contrary, the By-Laws may not be amended to add to the list of Permitted Home Occupations, to delete a Permitted Home Occupation or to change the conditions under which such Permitted Home Occupations may be conducted ("Use Restrictions") for so long as the Reciprocal Easement Agreement is in effect, unless required by Law or unless reasonable prior notice is provided to affected Unit Owners and the owners of Unit 2C and Unit PHC of 137 Reade Street Condominiums. Permitted Home Occupations must be conducted in accordance with the Residential Rules and Regulations and the following Use Restrictions: (a) in the event a Residential Unit Owner or Permitted User employs an individual in connection with a Permitted Home Occupation, such Unit Owner or Permitted User shall provide the name of such employee to the Managing Agent; (b) there shall be no authorized entry into the Building of persons for business-related purposes, including but not limited to messengers, customers and clients ("Business Invitees"), unless such entry is monitored by the Unit Owner or Permitted User; and (c) Residential Unit Owners, their Permitted Users and their Business Invitees, if any, may not utilize the Lobby, mailboxes, package room, doormen or concierges for business purposes, and no Business Invitee shall be permitted to wait in the Lobby.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold Residential Unit for a Permitted Home Occupation; and

(ii) use any one or more Unsold Residential Unit as model Units and offices for the sales promotion, rental, management and operation of the Unsold Residential Units or for any other purpose, subject only to compliance with Law.

Section 5.8 *Use of the Common Elements.*

(A) Subject to the terms of paragraphs (B) and (C) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) 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. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (except for those areas designated as Ancillary Amenity Areas) without the prior written consent of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesperson to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) The owner or owners of any 2 or more Residential Units, which Residential Units are the only Units serviced or benefited by any Residential Common Element adjacent or appurtenant to such Residential Units (for example, that portion at the end of any residential hallway that is directly adjacent to any such Residential Units located on opposite sides of such hallway) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the right to use

such Residential Common Elements exclusively, as if it were a part of such Residential 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 by reason thereof. In such event, however, such owner or owners shall, at such owner's or their sole cost and expense, both (i) operate, maintain and repair such Residential Common Element for so long as such owner or owners exercise such exclusive right of use and (ii) restore such Residential Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor for so long as there are any Unsold Residential Units. Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor on or about any portion of the Common Elements or the Lobby chosen by Sponsor including, the area adjacent to the main entrance of the Building; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements (such as lobbies, corridors and the like), and the Lobby, to sell, lease, manage, or operate Unsold Residential Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan, Condominium Documents and the Reciprocal Easement Agreement. In no event, however, shall Sponsor be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

Section 5.9 *Use of the Ancillary Amenities.*

(A) A Storage Locker may be used only for the storage of personal effects of a Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any item which would impose a health or safety threat or cause a nuisance, be stored therein. Sponsor shall have the right to use any unassigned Storage Locker for any purpose permitted by Law or to change the permitted use of any unassigned Storage Locker, subject, however, to the provisions of the By-laws. Except for Sponsor, no Storage Locker may be owned independently of a Residential Unit.

(B) Each Private Roof Terrace may be used by the licensee of such Private Roof Terrace for passive recreational use, and shall be subject to such rules and regulations as may be promulgated by the Condominium Board, from time to time, including restrictions on the hours of access and use. Except for Sponsor, no Private Roof Terrace may be licensed independently of the ownership of a Residential Unit.

(C) The Condominium Board has the authority to promulgate additional rules regarding the use of and access to the Ancillary Amenities and Ancillary Amenity Areas and the procedures for assigning such Ancillary Amenities. A Residential Unit Owner may transfer or surrender an Ancillary Amenity License to the Condominium Board which shall be authorized to reissue such Ancillary Amenity License to another Residential Unit Owner for such consideration as the Condominium Board shall deem appropriate.

(D) Sponsor may, without the consent of either the Condominium or the Unit Owners, use any Unsold Ancillary Amenity for any purpose, provided such use is permitted by Law.

Section 5.10 *Rights of Access.*

(A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the Resident Manager or to any other Person authorized by any of the foregoing a right of access (including the right of forced entry if required in the discretion of the party seeking such entry) to the Unit and its appurtenant Residential Limited Common Elements, if any, and any Ancillary Amenity and Ancillary Amenity Area for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Residential Rules and Regulations committed by such Unit Owner or correcting any conditions originating in the Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the structural elements, mechanical or electrical services, or other portions of the Common Elements located within the Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to the Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacement immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than 1 day's advance notice and only in such a manner as will not unreasonably interfere with the normal conduct of business of the Non-Residential Unit Owner or other occupants of the Non-Residential Unit or with the use of the Residential Units and their appurtenant Residential Limited Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to the Unit and its appurtenant Residential Limited Common Elements, if any, and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Residential Limited Common Elements, if any, in such a manner as will unreasonably interfere with the use of such Unit and its appurtenant Residential Limited Common Elements, if any, for their permitted purposes.

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

Section 5.11 *Modification of the Residential Rules and Regulations.* The Condominium Board shall have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of at least 66 2/3% of all Residential Unit Owners, in number and Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the Residential Rules and Regulations shall be furnished to all Unit Owners not less than 30 days prior to the effective date thereof. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would materially and adversely affect

Sponsor and/or a Non-Residential Unit Owner, without the prior written consent of Sponsor or the affected Non-Residential Unit Owner. Notwithstanding the foregoing, the Condominium Board shall not have the right to amend, modify, add to, or delete any of the Residential Rules and Regulations if the same would adversely affect a Non-Residential Unit and the use thereof, without the prior written consent of the affected Non-Residential Unit Owner.

Section 5.12 *Real Estate Taxes.* Unless and until real estate taxes are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes as a Common Expense. 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) 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 real estate taxes affecting such Owner's Unit to the date of the Closing of Title to such Unit.

Section 5.13 *Fuel.* Unless and until fuel is billed directly to Unit Owners by the supply company, in accordance with and subject to the provisions of the Plan, the cost and expense of fuel (for heating and cooling) serving or benefiting any Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: (a) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements, (b) the Non-Residential Unit Owner as a General Common Expense for such portion attributable to the Non-Residential Unit, and (c) the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements. In the event there is a particular or unique use being made of a Unit and/or Common Element, the Condominium Board shall cause a new survey to be made the cost of which shall be borne by the Unit Owners as a General Common Expense.

Section 5.14 *Water Charges and Sewer Rents.* Unless and until water is separately metered in a Unit and water charges and sewer rents are billed directly to a Unit Owner by the City Collector, in accordance with and subject to the provisions of the Plan, the cost and expense of water serving or benefiting a Unit and/or Common Element shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) determined by the Condominium Board, (iii) paid by the Condominium Board, and (iv) charged to: the Residential Unit Owners as a Residential Common Expense for such portion attributable to the Residential Units and/or Residential Common Elements and/or Residential Limited Common Elements, and (b) the Unit Owners as a General Common Expense for such portion attributable to the General Common Elements. In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

Section 5.15 *Electricity.*

(A) Electricity for each Residential Unit and the Non-Residential Unit (including tenants occupying portions of the Non-Residential Unit) shall be either individually direct metered or submetered for each Unit (or portion thereof).

(B) If individually direct metered, each Unit Owner shall be required to pay the billing utility directly for electricity consumed in such Unit Owner's Unit (or portion thereof) and in the Residential Limited Common Elements to which such Residential Unit has exclusive access.

(C) If the Residential Units or the Non-Residential Unit are submetered, each Unit Owner shall be required to pay bills for electricity consumed in such Unit Owner's Unit either to the Condominium Board or to the utility company or to the servicing company engaged by the Condominium

Board to perform such services all at the direction of the Condominium Board. The Common Expenses shall include fees for administering and servicing the submeters. In the event that a Unit Owner fails to pay for its submetered electricity, the Condominium Board shall be responsible to pay such expense on the Unit Owner's behalf and such electricity charges shall be deemed Common Charges allocable to the defaulting Unit Owner and the Condominium Board shall have a lien for non-payment of the expense as provided in Article 6.4 of these By-laws.

(D) Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefore and the cost thereof will be paid by the Condominium Board and will be borne by the Residential Unit Owners as Common Charges. In addition, the cost of submetering shall be Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

(E) In addition, the cost of submetering shall be a Residential Common Expense if pertaining to Residential Units and a General Common Expense if pertaining to all Units.

(F) Any disputes with respect to submetering rates and billing must be submitted to Arbitration pursuant to Article 10 of these By-laws.

Section 5.16 *Record and Audits.*

(A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid, as well as all Permitted Mortgages having an interest in such Unit.

(B) Within 4 months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a General Common Expense. The fiscal year of the Condominium shall be a calendar year.

ARTICLE 6

COMMON CHARGES

Section 6.1 *Determination of Common Expenses and Fixing of Common Charges.*

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners in accordance with allocations set forth in the First Year's Budget. The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them, not later than 10 days prior to the date upon which the first installment of newly-determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees whenever requested in writing by such Permitted Mortgagees. The Condominium Board may,

subject to paragraph (E) of this Section 6.1, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Common Charges payable during any fiscal year occurring within the Initial Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed (or anticipated in the First Year's Budget) for the Property on the date of recording the Declaration except with Sponsor's prior written consent, or eliminate or reduce the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the Members of the Condominium Board elected by Unit Owners other than Sponsor. All Unit Owners will be given a copy of the proposed annual budget of the Condominium at least 10 days prior to the date set for adoption thereof by the Condominium Board.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments relative to the General Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests and all Special Assessments relative to the Residential Common Elements and/or the Residential Limited Common Elements shall be levied against all Residential Unit Owners in proportion to their Residential Common Interests, except Special Assessments relating to the Ancillary Amenities, which shall be levied solely against all Unit Owners owning such Ancillary Amenities. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however, that the Condominium Board shall give each Unit Owner not less than 15 days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.5 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any, General Common Element, or Residential Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners or the Residential Unit Owners, as applicable and shall be collected on behalf of the Unit Owners or Residential Unit Owners, as applicable by the Condominium Board and applied against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expenses attributable to the Residential Common Elements, or the Residential Limited Common Elements, as appropriate for the fiscal year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the General Common Expenses attributable to the General Common Elements, or the Residential Common Expense attributable to the Residential Common Elements or the Residential Limited Common Elements depending on whether the excess relates to the General Common Elements or the

Residential Common Elements or the Residential Limited Common Elements for the next succeeding year(s) of operation. No Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests, or Residential Common Interests, as appropriate and any such distributions must be made out of the Common Charges collected from Unit Owners.

(E) Certain of the Common Expenses have been allocated between the Residential Units (in the aggregate) and the Non-Residential Unit, on the basis of usage rather than Common Interest. The First Year's Budget sets forth the percentage for each line item, if any, to be paid for by the Residential Units and the Non-Residential Unit, which percentages are deemed presumptive evidence of reasonableness. The Condominium Board may not modify these allocations without the consent of the Non-Residential Unit Owner. Any new line items which may be added to the budget by the Condominium Board in the future shall be paid for on the same basis.

Section 6.2 *Payment of Common Charges*

(A) All Unit Owners (including Sponsor with respect to Unsold Residential Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit and any sums unpaid on a Permitted Mortgage recorded against the Unit.

(B) Notwithstanding anything to the contrary contained in paragraph (A) above, during the Initial Control Period, the Condominium Board, in its sole discretion, shall have the right to waive Unit Owner's obligations to pay Common Charges from and after the First Closing for a period to be determined by the Condominium Board, provided during such period, the basic operating costs of the Condominium (exclusive of reserves) are paid from the Working Capital Fund and any balance by Sponsor.

(C) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against the Unit subsequent to a sale, transfer, or other conveyance by Unit Owner of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to such purchaser's acquisition thereof, except that, to the extent permitted by Law, a Permitted Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted Mortgage and prior to the acquisition of title to such Unit by the Permitted Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure or sale. Any excess proceeds from such foreclosure or sale shall be paid directly to the Condominium Board in payment of all unpaid Common Charges and Special Assessments. In the case of a Residential Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure sale or from the defaulting Residential Unit Owner shall be deemed a Residential Common Expense, collectible from all those who are Residential Unit Owners at the time the same is levied. In the case of the Non-Residential Unit, any remaining unpaid Common Charges and Special Assessments that are not collected from such foreclosure or sale or from the

defaulting Non-Residential Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(D) Subject to the terms and conditions contained in these By-laws, any Unit Owner may convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Residential Unit have been paid; (ii) such Residential Unit is free and clear of all liens and encumbrances other than a Permitted Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Residential Unit. However, in no event shall Sponsor be permitted to convey any Unsold Residential Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Residential Unit thereafter accruing unless the aggregate Residential Common Interests then appertaining to the Unsold Residential Units constitute 15% or less of the total Residential Common Interests then appertaining to all Residential Units, at least five years shall have elapsed from the date of the First Closing and, at the time of conveyance, Sponsor shall pay to the Condominium Board an amount equal to the product of the then current monthly Common Charges for the Unsold Residential Unit(s) being conveyed multiplied by 24.

(E) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning the Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof). Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 *Statement of Common Charges.* The Condominium Board shall promptly provide a written statement of unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4 *Common Charge Deposit for Foreign Owners.* Any Unit Owner that is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity) shall Deposit with the Condominium Board an amount equal to two (2) times the then current annual Common Charges for such Unit, subject to increase from time to time as such Common Charges increase, together with the full amount of any special assessment levied against, or allocable to, such Unit, as security for the faithful observance by such Unit owner of the terms, provisions and conditions of these By-laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of these By-laws, the Condominium Board may use, apply or retain the whole or any part of the security so deposited, to the extent required for the payment of any Common Charges or any other sum to which such Unit Owner is in default. In the Condominium Board applies or retains any part of said security, the Unit Owner in question, within ten (10) days after notice from the Condominium Board, shall deposit with the Condominium Board the amount so applied or retained so that such Condominium Board has the full amount of said security on hand at all times.

Section 6.5 *Default in Payment of Common Charges.*

(A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remain unpaid for more than 15 days after the due date for the payment thereof, including, but not limited to the imposition of late charges, notice fees and the institution of such actions for the recovery of interest and expenses as provided in this Article 6. All costs and expenses incurred by the Condominium Board (including reasonable attorney's fees) as a result of its attempt to collect unpaid Common Charges and/or Special Assessments shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay: (i) interest thereon at the rate of 1.5% per month of such unpaid amounts (less any late "charges" theretofore collected), to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common Charges with interest as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs; (ii) a late charge of $150 per month for Common Charges which remain unpaid for more than 10 days after the date when due, plus all expenses of collection including but not limited to reasonable attorney's fees, in such amount as may be determined by the Condominium Board from time to time, to be computed from the due date thereof until paid in full. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of the Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such late charges, interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

(D) If the Unit Owner shall at any time lease the Unit and shall default in the payment of any Common Charges or additional Common Charges, the Condominium Board may, at its option, so long as such default shall continue, demand and receive from the tenant the rent due or becoming due from such tenant to the Unit Owner, and apply the amount to pay sums due and to become due from the Unit Owner to the Condominium. Any payment by a tenant to the Condominium shall constitute a discharge of the obligation of such tenant to the Unit Owner, to the extent of the amount so paid. The acceptance of rent from any tenant shall not be deemed a consent to or approval of any leasing by the Unit Owner, or a release or discharge of any of the obligations of the Unit Owner hereunder. In the event the tenant fails to pay the rent to the Condominium after demand by the Condominium Board, the Condominium Board shall have the right

to commence summary eviction proceedings in the name of or on behalf of the Unit Owner, against the tenant. All costs and expenses incurred by the Condominium Board (including reasonable attorney's fees) in connection therewith, shall be borne by the Unit Owner and shall constitute Common Charges payable by such Unit Owner.

ARTICLE 7

SELLING AND LEASING OF UNITS AND ASSIGNMENT OF ANCILLARY AMENITY LICENSES

Section 7.1 *General.* Subject to the terms of Section 7.5 hereof, each Residential Unit Owner may (i) sell the Residential Unit and (ii) lease the Residential Unit for periods of not less nor more than 1 year, provided however, no Residential Unit Owner may sell or lease the Residential Unit except in compliance with the applicable provisions of this Article 7. Any purported sale or lease consummated in default in the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or leasing Residential Unit Owner shall be deemed to have authorized and empowered the Condominium 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 lease) in the name of such Residential Unit Owner. Such Residential Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2 *Right of First Refusal.*

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit ("Sale Agreement" 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 CONDOMINIUM BOARD OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Residential Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the Sale Agreement or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant ("Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell the Residential Unit, together with its Appurtenant Interests, or to lease the Residential Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than 30 days (in the event of a proposed sale) and

30 days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Residential Unit together with its Appurtenant Interests or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Residential Unit without the prior approval of a Majority of all Unit Owners.

(D) The Condominium Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by Law in connection with its exercise of its right of first refusal with respect to the sale or lease of a Unit.

(E) The Condominium Board may not exercise its option to purchase or lease any Residential Unit without the prior approval of a majority in interest of all Residential Unit Owners. The Condominium Board has the authority to (i) borrow money on behalf of the Condominium for the benefit of Residential Unit Owners, (ii) increase Common Charges to be assessed against all Residential Unit Owners and (iii) impose Special Assessments against all Residential Unit Owners, in the event the Condominium Board elects to exercise its right of first refusal.

Section 7.3 *Acceptance of Offer*

(A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interests, to lease such Residential Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale Agreement or Lease Agreement, at the office of the attorneys for the Condominium Board within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Residential Unit and its Appurtenant Interests are to be purchased by the Condominium 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 Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium 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 Interests. 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 Agreement, the Condominium 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 Residential Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Residential Unit Owners, by deed in the form required by Section 399-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 (including, if applicable, the New York State Real Property Transfer Gains Tax, the New York State Documentary Stamp Tax and the New York City Real Property Transfer Tax) notwithstanding any terms of the Sale Agreement to the contrary. Real estate taxes, mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the Closing date, notwithstanding any

terms of the Sale Agreement to the contrary. Thereafter, such Residential Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Residential Unit Owners, as tenants-in-common, and all such 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.

(C) In the event that such Residential Unit is to be leased by the Condominium Board or its designee on behalf of all Residential Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Residential Unit by and between the Offeree Unit Owner, as landlord, and the Condominium 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 shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 *Failure to Accept Offer.*

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within 60 days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such 60 day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Section 7.2, 7.3 and 7.4 hereof, but not more often than once in any 12 month period, except the Condominium Board shall have the right to waive this for good cause shown, in its sole discretion.

(B) Any deed of a Residential Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included herein.

(C) 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 or such other form approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified, or extended without the prior written consent of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign the tenant's interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance; and

(iii) the Condominium 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.

Section 7.5 *Termination of, and Exceptions to, the Right of First Refusal.*

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 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 Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all 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 to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium 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 Sections 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Condominium or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Appurtenant Interests, by:

(i) the Residential Unit Owner thereof to any adult Family Members, to any combination of the same, or to a trust for the benefit of any of them (in which case the Condominium Board shall have the right to review the trust documents and provide for such terms and restrictions on such transfer as the Condominium Board deems advisable), provided, however, that if the succeeding Residential Unit Owner is an infant or a person judicially declared incompetent of managing affairs, then such Residential Unit shall be held by the personal representative of such infant or incompetent, or in the case of a Residential Unit Owner that is not an individual, to any entity or individual that owns more than 50% of the legal and beneficial interests of such Residential Unit Owner or to any entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof;

(ii) Sponsor;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction;

(C) provided, however, that each succeeding Residential Unit Owner shall be bound by, and the Residential Unit shall be subject to, all of the terms and conditions of this Article 7.

(D) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of the Non-Residential Unit, together with its Appurtenant Interests.

Section 7.6 *No Severance of Ownership.* No Unit Owner shall execute any deed or other instrument conveying title to the Unit without including therein its Appurtenant Interests, 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 Interests 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. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 *Payment of Common Charges.* No Unit Owner shall be permitted to convey or lease the Unit unless the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit. However, where the payment of such unpaid Common Charges and/or Special Assessments is made by the grantee or provided for out of the proceeds of the sale, a sale may take place notwithstanding the foregoing.

Section 7.8 *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 the title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office (at such Unit Owner's sole cost and expense), the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9 *Gifts and Devises, Etc.* Any Unit Owner shall be free to convey or transfer the Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and the Unit shall be subject to, the provisions of this Article 7.

Section 7.10 *Commencement of Time.* The period of time set forth in Section 7.2 for which the Condominium Board has to waive its right of first refusal shall not commence until such time as the Condominium Board or its managing agent has received a completed sales or lease package, including all fees set forth therein, as the case may be, from a Residential Unit Owner. If the information provided by the Unit Owner or prospective purchaser or tenant, as the case may be, is incomplete, the Condominium Board shall have the right to request additional information and the 30 day period will commence on receipt by the Condominium Board of the additional information.

Section 7.11 *Costs and Expenses.* All costs and expenses incurred by the Condominium Board, including, without limitation, attorneys' fees and disbursements paid or incurred by the Condominium Board or by its Managing Agent in connection with any action taken by the Condominium Board with regard a violation of this Article 7, shall be borne by the Unit Owner as an Additional Common Charge.

Section 7.12 *Sale or Lease of Non-Residential Unit.*

(A) The Non-Residential Unit Owner may sell, lease or convey the Unit without the consent of the Condominium Board, the Managing Agent, the other Unit Owners or any other Person.

(B) Any proper officer conducting the sale of a Non-Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, or any Permitted Mortgagee or its nominee, who has acquired title to any Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof in a bona fide transaction shall have the same rights as the Non-Residential Unit Owner to sell or lease such Unit as provided in paragraph (A) above.

(C) Upon the written request of a Non-Residential Unit Owner, the Condominium Board shall deliver to such Non-Residential Unit Owner or any designee, a statement ("Estoppel Certificate") indicating that such Non-Residential Unit Owner is current in its payment of all amounts due under the Declaration and the By-Laws, that no written notice of default has been sent to such requesting party and to the knowledge of the Condominium Board, no such default exists. Any such statement may be relied upon by any mortgagee or purchaser of the Non-Residential Unit. In addition, upon the written request of a Non-Residential Unit Owner accompanied by such documentation as is reasonably sufficient to allow the Condominium Board to proceed as hereinafter described, the Condominium Board will enter into a non-disturbance and attornment agreement ("Non-Disturbance Agreement") in a form reasonably satisfactory to such requesting Unit Owner with any tenant ("Tenant") of the Non-Residential Unit Owner which provides that: (i) the Tenant shall be entitled to continued undisturbed possession of such Unit or portion thereof leased by such Tenant, (ii) the Tenant's rights and privileges under the lease for such Unit or portion thereof ("Lease") shall not be diminished or interfered with by the Condominium Board for any reason whatsoever during the term of the Lease or any extensions or renewals thereof, and (iii) except as provided in the last paragraph of this paragraph (C), the Condominium Board will not join the Tenant as a party defendant in any action or proceeding to foreclose upon the Unit or to enforce any rights or remedies of the Condominium Board under the Declaration and By-Laws which would cut-off, destroy, terminate or extinguish the Lease, provided that (a) the Tenant is not in default (beyond any applicable grace periods) in the payment of rent or additional rent or in the performance or observance of any of the other terms, covenants, provisions or conditions of the Lease, (b) the Tenant is not in default of any of the provisions of the Declaration and By-Laws, both at the time of the request and at the time of execution of the Non-Disturbance Agreement, (c) the Lease is in full force and effect, (d) the Tenant attorns to the Condominium Board and pays to the Condominium Board, all rentals and other monies due and to become due to the Non-Residential Unit Owner, under the terms of the Lease but only to the extent of a percentage of the unpaid Common Charges due from the Non-Residential Unit Owner, equal to the percentage of the total square footage of the Non-Residential Unit leased by such Tenant, it being understood that without affecting the Tenant's rights and protection afforded by the Non-Disturbance Agreement, the Tenant shall not be required to pay any rentals or other monies otherwise due or to become due to the Non-Residential Unit Owner to the Condominium Board if such payment is prohibited by the terms of any non-disturbance agreement granted to such Tenant by the mortgagee of any such Non-Residential Unit holding a first mortgage on such Non-Residential Unit. The Non-Disturbance Agreement shall be executed by the Tenant and the Condominium Board and prepared by the Condominium Board at the expense of the Unit Owner requesting the Non-Disturbance Agreement, which expense shall be limited to reasonable actual out-of-pocket expenses incurred by the Condominium Board, including reasonable attorneys' fees and disbursements.

Notwithstanding the foregoing, if it would be procedurally disadvantageous for the Condominium Board not to name or join the Tenant in a foreclosure proceeding with respect to the Non-Residential Unit, the Condominium Board may name or join the Tenant without in any way diminishing or otherwise affecting the rights and privileges granted to, or inuring to the benefit of, the Tenant under this Article.

Section 7.13 *Assignment of Ancillary Amenity Licenses.*

(A) Except for Sponsor, No Residential Unit Owner shall be permitted to assign, convey or lease an Ancillary Amenity to anyone other than a Residential Unit Owner. An Ancillary Amenity License may be assigned by a Residential Unit Owner at any time (and not subject to any right of first refusal by the Condominium Board) provided (i) the assignee is another Residential Unit Owner at the Condominium; (ii) the assignee assumes the obligations under the Ancillary Amenity License; (iii) notification of the assignment is promptly delivered to the Condominium Board in compliance with its requirements; and (iv) all unpaid Common Charges and Special Assessments and other obligations due to the Condominium have been paid in full.

(B) If the Condominium Board terminates an Ancillary Amenity License or a Residential Unit Owner surrenders an Ancillary Amenity License without assigning the Ancillary Amenity License to another Residential Unit Owner, the Condominium Board shall have the right to issue a new Ancillary Amenity License for the Ancillary Amenity to another Residential Unit Owner, in its sole discretion and the surrendering Unit Owner shall not be entitled to any compensation.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 *General.* Each Unit Owner shall have the right to mortgage the Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages the Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering the Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units." The terms and conditions contained in this Section 8.1, however, shall not apply to Sponsor or the Non-Residential Unit Owner.

Section 8.2 *Restrictions on Mortgaging*

(A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate the Unit unless and until the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to the Unit without including therein its Appurtenant Interests, 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.

(C) Any mortgage covering a Unit shall be substantially in the form used by any Institutional Lender.

(D) Any mortgage covering a Unit shall be made by an Institutional Lender, Sponsor, or by a Unit Owner providing purchase money financing in connection with the sale of the Unit.

Section 8.3 *Notice of Unpaid Common Charges and Default.* Whenever requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default by the Permitted Mortgagee's mortgagor in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to the Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by the mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit Pursuant to the terms of Section 6.5 hereof by reason of such default, the Condominium 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 the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 *Performance by Permitted Mortgagees.* Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by the Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 *Examination of Books.* Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 *Consent of Mortgagees; Designation of Mortgage Representatives.*

(A) 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 the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against Unit Owner's mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-laws, the decision of a majority of the Mortgage Representatives, if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than 3 Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages (which are not Institutional Mortgages) shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-laws.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 *Self Help.* If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, including, without limitation, any breach of Unit Owner's obligation to paint, decorate, maintain, repair, or replace the Unit or its appurtenant Residential Limited Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within 5 days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such 5 day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Residential Limited Common Elements, if any, and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the

preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 *Abatement and Enjoinment.*

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on Unit Owner's part to be observed or performed, the Condominium Board shall have the right (i) to enter any Unit or Common Elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity, provided that the Condominium Board gives the Unit Owner notice (which may be by telephone or in writing) that such violation exists, that repairs or replacements are necessary and that the Condominium Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs or replacements, and/or (iii) to levy such fines and penalties as the Condominium Board may deem appropriate, and the Condominium Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges, or licenses granted to Sponsor or the Non-Residential Unit Owner shall give to Sponsor or the Non-Residential Unit Owner the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 *Remedies Cumulative.* The remedies specifically granted to the Condominium Board or to Sponsor or the Non-Residential Unit Owner in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor or the Non-Residential Unit Owner, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 *Costs and Expenses.* All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor or the Non-Residential Unit Owner in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor or the Non-Residential Unit Owner, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of 2% per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 *Procedure.* Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before 1 arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within 10 days after selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least 5 Members whose principal office is located in the City of New York.

Section 10.2 *Variation by Agreement.* The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 10.3 *Binding Effect.* The decision in any arbitration conducted pursuant to the terms of Section 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 10.4 *Costs and Expenses.*

(A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of disputant's counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute General Common Expenses, to be borne by all Unit Owners, if such arbitration relates to the Units, generally, or to the General Common Elements, and shall constitute Residential Common Expenses, to be borne by all Residential Unit Owners if such arbitration relates solely to the Residential Units or the Residential Common Elements or the Residential Limited Common Elements.

ARTICLE 11

NOTICES

Section 11.1 *General.* All notices required or desired to be given hereunder (except for notices of regular annual or special meetings of the Residential Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a copy sent by regular first class mail to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor, to such Unit Owner at Unit Owner's address at the Property;

(iii) if to Sponsor, to Sponsor at its principal office as set forth in the Plan;

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when mailed in the State of New York, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2 *Waiver of Service of Notice.* Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 *General.*

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-laws with respect to any amendments ("Special Amendments") affecting or in favor of Sponsor, the Non-Residential Unit Owner, the Non-Residential Unit and/or any Permitted Mortgagee, any provision of these By-laws affecting the (i) General Common Elements or all Unit Owners may be added to, amended, modified or deleted by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners and (ii) Residential Common Elements or all Residential Unit Owners may be amended, modified or deleted by affirmative vote of at least 66-2/3% in number and Residential Common Interest of all Residential Unit Owners, taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage (where applicable) of Residential Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Residential Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage (where applicable) of Residential Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-laws with respect to Special Amendments:

(i) the Common Interest and Residential Common Interest, if any, appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof; and

(ii) the terms of Section 5.7 (B) hereof concerning the permitted uses of the Non-Residential Unit may not be amended, modified, added to, or deleted while the Reciprocal Easement Agreement is in effect; thereafter, the terms therof may be amended, modified added to or deleted only upon the approval of at least 80% in number and in aggregate Common Interests of all Unit Owners.

Section 12.2 *Special Amendments.*

(A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-laws that, pursuant to the terms of the Declaration or these By-laws, may be effected by Sponsor or the Non-Residential Unit Owner, without the consent of the Condominium Board or the Unit Owners, shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or the Non-Residential Unit Owner, as the case may be, as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or the Non-Residential Unit Owner certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or the Non-Residential Unit Owner pursuant to the terms of the Declaration and/or these By-laws, in which Certification there shall be set forth the Article and/or Section of the Declaration or these By-laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-laws shall be effective in any respect against Sponsor or the Non-Residential Unit Owner, unless and until Sponsor or the Non-Residential Unit Owner shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) or paragraph (C) of Section 6.2, subparagraph (iv) or (v) of paragraph (B) of Section 7.5 or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto.

(D) Amendments, modifications, additions or deletions of or to the Declaration, these By-laws and the Residential Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Non-Residential Unit or the subdivision of or combination of, or altering of, or improvement to the Non-Residential Unit and it is contemplated that in connection therewith the Non-Residential Unit Owner will cause the Declaration, these By-laws and the Residential Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Units and the Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Units or the Residential Unit Owners, a Non-Residential Unit Owner shall be the attorney-in-fact for the Residential Unit Owners (including Sponsor so long as Sponsor owns any Unsold Residential Units), coupled with an interest, for the purpose of approving, executing and recording any instrument effecting such amendment, modification, addition or deletion.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 *General.* Any Person that is subject to the terms of these By-laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a Member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person

requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 *Failure to Deliver or Act.*

(A) If any Unit Owner or other Person that is subject to the terms of these By-laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If the Condominium Board, any Unit Owner, or other Person that is subject to the terms of these By-laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action that the Condominium Board, such Unit Owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-laws at the request of Sponsor or a Non-Residential Unit Owner, as the case may be, then Sponsor, or a Non-Residential Unit Owner, as the case may be, is hereby authorized, as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in these By-laws which requires the consent or approval of the Condominium Board.

ARTICLE 14

MISCELLANEOUS

Section 14.1 *Inspection of Documents.* Copies of the Declaration, these By-laws, the Residential 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.

Section 14.2 *Waiver.* No provision contained in these By-laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3 *Conflict.* In the event that any provision of these By-laws or of the Residential Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 *Severability.* If any provision of these By-laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 *Successors and Assigns.* The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor. The rights

and/or obligations of the Non-Residential Unit Owner as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of the Non-Residential Unit Owner.

Section 14.6 *Gender.* A reference in these By-laws to any one gender, masculine or feminine, includes the other one, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.7 *Captions.* The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-laws or the intent of any provision hereof.

ARTICLE 15

TAX STATUS AS A HOMEOWNERS ASSOCIATION

Section 15.1 *General.* The Condominium Board intends to act in a manner consistent with enabling the Condominium to be eligible to elect to be treated as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended.

Section 15.2 *Organization.* The Condominium is and will be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property.

Section 15.3 *Inurement.* No part of the Condominium's net earnings shall inure, and the Condominium Board will act in a manner such that no part of such earnings will inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of the Property, and other than by rebate of excess membership dues, fees, or assessments).

Section 15.4 *Residential Use.* Substantially all of the Units are and will be used by individuals for residences.

* * * * *

ADDENDUM TO THE BY-LAWS

RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Residential Units.

2. No bicycles, rollerblades, scooters, skateboards or similar vehicle shall be taken into or from the Building through the main entrance or shall be allowed in any of the elevators of the Building other than the elevator designated by the Condominium Board or the Managing Agent for such purpose or ridden in the Building or the courtyard. No baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. All service and delivery persons will be required to use the service entrances or such other entrances of the Building designated by the Condominium Board or the Managing Agent. In addition, all servants, messengers and tradespeople visiting the Building shall use the elevator designated by the Condominium Board or the Managing Agent for the purposes of ingress and egress, and shall not use any of the other elevators for any purpose, provided, however, that nurses in the employ of Residential Unit Owners or their Family Members, guests, tenants, subtenants, licensees, or invitees may use any of the other elevators when accompanying said Unit Owners, Family Members, guests, subtenants, licensees, or invitees.

4. Trunks and heavy baggage shall be taken in or out of the Building only by the elevator and entrances designated by the Condominium Board or the Managing Agent for this purpose.

5. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

6. No Residential Unit may be used for the storage of any flammable materials or any other materials the storage of which may constitute a Building code violation or which will increase the insurance requirements for the Building.

7. No refuse from the Residential Units shall be sent to the service area of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, or placed upon the window sills, of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

8. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways, or fire towers of the Building.

9. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage or service purposes in the Building.

10. Nothing shall be done or kept in any Residential Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof. No Residential Unit Owner shall permit anything to be done or kept in the Residential Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in the Residential Unit any inflammable,

combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of the Residential Unit.

11. There shall be no barbecuing in the Residential Units, in their appurtenant Residential Limited Common Elements, if any, or in the Common Elements.

12. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from the Residential Unit or its appurtenant Residential Limited Common Elements, if any, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit or its appurtenant Residential Limited Common Elements, if any, between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice of suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M.. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

13. No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in, on or about the Building unless, in each instance, the same shall have been expressly permitted in writing by the Condominium Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Condominium Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal be permitted in any public elevator of the Building, other than the elevator designated by the Condominium Board or the Managing Agent for that purpose, or in any of the public portions of the Building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

14. No group tour, open house 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 consent of the Condominium Board or the Managing Agent in each instance. In the event that any Residential Unit shall be used for home occupation purposes in conformance with the Declaration and the By-laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

15. Unless expressly authorized by the Condominium Board in each instance, not less than 80% of the total floor area of each room of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise reducing material.

16. No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Condominium Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any windows of any Residential Unit be colored or painted.

17. No ventilator or air conditioning device shall be installed in any Residential Unit or its appurtenant Residential Limited Common Elements, if any, without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

18. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale,"

"For Lease," or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or the By-laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

19. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

20. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of the Residential Unit.

21. Each Residential Unit Owner shall keep the Residential Unit and its appurtenant Residential Limited Common Elements, if any, in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-laws.

22. The access doors located in various portions of the ceiling of the Residential Units shall not be obstructed in any manner which would prevent access to the ceiling hung units located within such ceilings.

23. The agents of the Condominium Board or the Managing Agent, and any contractor or workperson authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least 1 day's prior 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 reasonable manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

24. The Condominium Board or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to the Residential Unit at any time when an entry therein is necessary or permissible under these Residential Rules and Regulations or under the By-laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

25. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by an agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for the Residential Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 22 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

26. Residential Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever, enter upon, or attempt to enter upon, the roof of the Building unless such roof is part of a lawful Terrace.

27. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

28. Any consent or approval given under these Residential Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

29. No Residential Unit Owner shall install any plantings on any Terrace or Private Terrace or roof without the prior written approval of the Condominium Board. Plantings shall be placed in containers impervious to dampness and standing on supports at least two inches from the Terrace or Private Terrace or roof surface, and if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the containers to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in containers which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such Terrace or Private Terrace or roof but shall stand on supports at least two inches above such surface. No planting shall be permanently affixed to a Terrace or Private Terrace or roof surface but shall be able to be easily moved. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary by or damage caused by such plantings. The Condominium Board shall have an easement and a right of access to the Terrace or Private Roof Terrace to inspect the same and to remove violations therefrom and to install, operate, maintain, repair, alter, build, restore, and replace any of the Common Elements located in, over, under through, adjacent to, or upon the same.

30. No Residential Unit Owner shall enclose, erect a greenhouse and/or alter the Terrace appurtenant to a Residential Unit in any way, without the prior written consent of the Condominium Board.

31. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board and the Managing Agent.

EXHIBIT E

TO THE DECLARATION

RESIDENTIAL UNIT POWER OF ATTORNEY

RESIDENTIAL UNIT POWER OF ATTORNEY

Terms used in this Residential Unit Power of Attorney which are used (a) in the declaration ("Declaration") establishing a plan for condominium ownership of the premises known as the Artisan Lofts Condominium ("Condominium") and by the street number 143 Reade Street, New York, New York 10007 under Article 9-B of the Real Property Law of the State of New York, dated _____, and recorded in the Office of the Register of The City of New York of the County of New York ("Register's Office") on _____, as CRFN# _____ ("Declaration"), or (b) in the By-Laws of Artisan Lofts Condominium ("By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, (having an office) (residing at) _____, the owner of Unit [UNIT NUMBER] ("Unit") in the Condominium which is designated and described as the Unit in the Declaration and also designated as Tax Lot [UNIT TAX LOT] IN Block 140 of Section 1 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as Members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-laws then in effect, (1)(a) following due authorization by a Majority of Unit Owners, to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, from any Unit Owner who elects to surrender the same pursuant to the By-laws, and (c) following due authorization by a Majority of Unit Owners, to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all 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 Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, (2) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Buildings Department, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Property or the Common Elements which the Condominium Board deems necessary or appropriate.

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

The undersigned (does) (do) hereby irrevocably nominate, constitute and appoint Artisan Lofts Development Owner LLC ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, By-laws and the Residential Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the

affected Unsold Residential Units resulting therefrom made by Sponsor in accordance with the Declaration or (2) shall be required by (a) an Institutional Lender designated by Sponsor 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 Sponsor to insure title to any Unit provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as Sponsor shall cease to own any Unit in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, ____.

_____

(ACKNOWLEDGEMENT)

UNIT OWNER'S SPECIMEN TITLE POLICY

Fidelity National Title
INSURANCE COMPANY

Commitment for Title Insurance

A Stock Company

COMMITMENT FOR TITLE INSURANCE

Fidelity National Title Insurance Company, a New York corporation, herein called the Company, for valuable consideration, hereby commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor; all subject to the provisions of Schedules A and B and to the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, either at the time of the issuance of this Commitment or by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligation hereunder shall cease and terminate within six (6) months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

IN WITNESS WHEREOF, Fidelity National Title Insurance Company has caused its corporate name and seal to be hereunto affixed and these presents to be signed in facsimile under authority of its by-laws on the date shown in Schedule A.

FIDELITY NATIONAL TITLE INSURANCE COMPANY

By: _____ President

ATTEST _____ Secretary

Countersigned: _____
Authorized Signature

CONDITIONS AND STIPULATIONS

1. The term "mortgage", when used herein, shall include deed of trust, trust deed, or other security instrument.

2. If the Proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the Proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.

3. Liability of the Company under this Commitment shall be only to the named Proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions, the Conditions and Stipulations, and the Exclusions from Coverage of the form of policy or policies committed for in favor of the Proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.

4. Any action or actions or rights of action that the Proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

Fidelity National Title Insurance Company

TITLE NO.: 06-7406-15607-NYM

December 15, 2006

PREPARED FOR: Starr Associates
Attention: Sydney Levine
245 Fifth Avenue
New York, NY 10016

PREMISES: 157 Chambers Street
New York, NY

COUNTY: New York

LOCALITY: City of New York

DISTRICT(S): SECTION(S): BLOCK(S): 140 LOT(S): 10

SCHEDULE A

1. EFFECTIVE 9:00AM July 8, 2006 REDATED 9:00 AM _____ CLOSER'S SIGNATURE: _____

2. POLICY OR POLICIES TO BE ISSUED:

a. X ALTA Owner 1992 (With NY Endorsement) Amount of Insurance $TBD
Proposed Insured: TBD

b. X ALTA Loan 1992 (With NY Endorsement) Amount of Insurance $TBD
Proposed Insured: TBD

c. ____ ALTA Amount of Insurance
Proposed Insured:

3. THE ESTATE OF INTEREST IN THE LAND DESCRIBED OR REFERRED TO IN THIS COMMITMENT AND COVERED HEREIN IS:

FEE SIMPLE

4. TITLE TO THE ESTATE OR INTEREST IN SAID LAND DESCRIBED OR REFERRED TO IN THIS COMMITMENT IS AT THE EFFECTIVE DATE HEREOF VESTED IN:

Artisan Lofts Development Owner LLC f/k/a

157 Chambers Development Owner LLC

Source of Title:

Deed made by RPT Chambers LLC dated June 9, 2006 and recorded July 1, 2006 under CRFN 2006000374202.

5. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS:

See Schedule A (Description), following.

Fidelity National Title Insurance Company

TITLE NO.: 06-7406-15607-NYM

December 15, 2006

SCHEDULE A *(Description)*

(AMENDED 12/14/06 DE: lf)
The Condominium Unit in the building known as 157 Chambers Condominium and located at and known as and by street number 157 Chambers Street, designated and described as Unit _____ (hereinafter called the "Unit") in the Declaration (hereinafter called the "Declaration") made by Artisan Lofts Development Owner LLC under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), dated _____ and recorded _____ in the Office of the Register of The City of New York, County of New York as CRFN_____ establishing a plan for Condominium ownership of said Building and the land upon which the same is erected (hereinafter sometimes collectively call the "Property") and also designated and described as Tax Lot No. 10 in Block 140 of Section 1, Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of said Building certified by _____on _____ and filed as Condominium Plan No. _____ and as Map No. _____ on _____ in the aforesaid Register□s Office.

Together with an undivided _____ percent interest in the Common Elements (as such term is defined in the Declaration)

The land upon which the Building containing the Unit is erected is described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of Chambers Street, distant 132 feet 1 inch easterly from the corner formed by the intersection of the said northerly side of Chambers Street with the easterly side of Greenwich Street;

RUNNING THENCE northerly and on a line forming an interior angle of 89 degrees 35 minutes with the northerly side of Chambers Street, 76 feet 5-1/4 inches to the center line of the block between Chambers Street and Reade Street;

THENCE easterly along said center line of the block, 100 feet to a point opposite the center of a party wall;

THENCE southerly to and through the center of said party wall, 76 feet 2-7/8 inches to the northerly side of Chambers Street; and

THENCE westerly along the northerly side of Chambers Street, 100 feet to the point or place of BEGINNING.

THE POLICY TO BE ISSUED under this Commitment will insure the title to such buildings and improvements on the premises which by law constitute real property.

FOR CONVEYANCING ONLY: Together with all the right, title and interest of the party of the first part, of, in and to the land lying in the street in front of and adjoining said premises.

Fidelity National Title Insurance Company

TITLE NO.: 06-7406-15607-NYM

December 15, 2006

SCHEDULE B *(Exceptions)*

DISPOSITION

The policy to be issued under this Commitment will not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of the following exceptions unless they are disposed of to our satisfaction:

1. Taxes, tax liens, tax sales, water rents, sewer rents and assessments set forth on separate schedule herein.

2. Rights of tenants and persons in possession.

3. Mortgages returned herein (4). Detailed statement within.

4. As to the Land: Survey made by Robert A. Smith, dated December 17, 1931 and last revised April 27, 2006 by the Office of Earl B. Lovell-S.P. Belcher, Inc. disclosed the following:

   a. Encroachments upon and projections over Chambers Street by the following:

Wheel guards		0 feet 11 inches
Thermostat		0 feet 5 inches
Meters		0 feet 1-1/2 inches
Limestone trim at 2nd story		0 feet 2-1/2 inches
Granite bases		0 feet 1 inch
Stand pipe		1 foot 4 inches
Vent		1 foot 0 inches
Hose bib		0 feet 4 inches
Iron gratings	up to	4 feet 1-1/2 inches

   b. Windows of fifteen story building on subject premises, when open, project over premises adjoining on the east, north and west.

   c. Easterly wall of five story building on premises adjoining to the west encroaches up to 0 feet 0-1/2 inches onto and leans 0 feet 1-1/2 inches over subject premises.

   d. Air conditioners project 1 foot 0 inches over premises adjoining to the west and premises adjoining to the east.

   e. Easterly wall of one story brick building on premises adjoining to the west encroaches 0 feet 0-1/2 inches onto subject premises.

   f. Windows, when open, project over premises adjoining to the east.

   g. Party wall straddles a portion of the easterly record line.

   h. Westerly wall of one story brick building on subject premises encroaches 0 feet 8 inches onto subject premises.

   i. Brick flue carried to top of fifteen story building on subject premises and is bonded to easterly wall of same.

QUESTIONS CONCERNING THIS TITLE SHOULD BE REFERRED TO: *Elizabeth DeProfio, Esq. V.P. / New York Area Counsel* *TELEPHONE: 212-481-5858 FACSIMILE: 212-481-5996*

Fidelity National Title Insurance Company

TITLE NO.: 06-7406-15607-NYM

December 15, 2006

SCHEDULE B *(Exceptions)*

- Continued -

DISPOSITION

As to the Unit: Any state of facts which an accurate survey of the unit would show, nevertheless, policy insures that any encroachments by the insured unit upon adjoining units or upon the common elements may remain undisturbed, so long as the building shall stand.

5. Agreement made between Nestward Trading Co., Inc. and Hudson-Chambers Corporation dated February 29, 1968 and recorded April 8, 1968 in Reel 293 page 1. **(EXHIBIT A)**

6. Terms, provisions, covenants, restrictions, conditions and options contained in and rights and easements established by the Declaration of Condominium and By-Laws dated _____ and recorded _____ in CRFN _____. Policy insures against loss or damage occasioned by the premises not being a part of a condominium validly created pursuant to Article 9-B of the Real Property Law as amended.

7. Assignment of Leases and Rents (Senior Loan) made by 157 Chambers Development Owner LLC to Morgan Stanley Mortgage Capital Inc., dated as of June 9, 2006, and recorded July 28, 2006 as CRFN 2006000429442. Made as additional security for loan in the amount of $25,500,000.00.

8. Assignment of Leases and Rents (Building Loan) made by 157 Chambers Development Owner LLC to Morgan Stanley Mortgage Capital Inc., dated as of June 9, 2006, and recorded July 28, 2006 as CRFN 2006000429448. Made as additional security for loan in the amount of $33,074,305.00.

9. Assignment of Leases and Rents (Project Loan) made by 157 Chambers Development Owner LLC to Morgan Stanley Mortgage Capital Inc., dated as of June 9, 2006, and recorded July 28, 2006 as CRFN 2006000429445. Made as additional security for loan in the amount of $16,425,695.00.

10. Three (3) UCC-1 Financing Statements found of record:

    a. Debtor: 157 Chambers Development Owner LLC
    Secured Party: Morgan Stanley Mortgage Capital Inc.
    Filed July 28, 2006 as CRFN 2006000429443
    (Senior Loan)

    b. Debtor: 157 Chambers Development Owner LLC
    Secured Party: Morgan Stanley Mortgage Capital Inc.
    Filed July 28, 2006 as CRFN 2006000429449
    (Building Loan)

    c. Debtor: 157 Chambers Development Owner LLC
    Secured Party: Morgan Stanley Mortgage Capital Inc.
    Filed July 28, 2006 as CRFN 2006000429446
    (Project Loan)

11. Notice(s) of Sidewalk Violations to be disposed of:

Filed:	1/19/83	No:	19825
Filed:	8/17/89	No.:	51142
Filed:	1/24/06	No:	80619

QUESTIONS CONCERNING THIS TITLE SHOULD BE REFERRED TO: *Elizabeth DeProfio, Esq. V.P. / New York Area Counsel* *TELEPHONE: 212-481-5858 FACSIMILE: 212-481-5996*

Fidelity National Title Insurance Company

TITLE NO.: 06-7406-15607-NYM

December 15, 2006

SCHEDULE B *(Exceptions)*

- Continued -

DISPOSITION

12. Building Loan Agreement made between 157 Chambers Development Owner LLC and Morgan Stanley Capital Inc. in the amount of $33,074,305.00, filed June 22, 2006.

13. **(AMENDED 12/14/06 DE: lf)** Proof of due formation of Artisan Lofts Development Owner LLC f/k/a 157 Chambers Development Owner, LLC a Limited Liability Company organized under the laws of the State of Delaware must be submitted to the company prior to closing, together with the following:
    a. a copy of the certificate of authority to do business in the State of New York;
    b. proof of publication of notice containing the substance of the application for authority;
    c. a copy of a certificate of existence or good standing issued by the state in which the LLC was formed.
    d. a copy of the Articles of Organization or Operating Agreement, together with all amendments thereto, must be submitted to this Company for review prior to closing of title.
    e. proof is required that the party or parties executing instruments on behalf of the organization have authority to act.

14. Proof is required that all charges levied against the Condominium Unit for the maintenance of the Common Elements, as provided in the Declaration of Condominium, have been paid to date of closing.

15. Power of Attorney to the Board of Managers to be executed by the purchaser and submitted for recording together with the closing deed.

16. Closing Deed must contain a statement of the use for which the Unit is intended, pursuant to Section 339-o of the Real Property Law, as amended.

17. Proof is required that the Board of Managers has waived its right of first refusal as to the repurchase of the unit.

18. The Unit to be insured, hereunder, must be released from all mortgages and liens pursuant to Section 339-r of the RPL.

19. The Declaration of Condominium and Floor Plans should be submitted to this company for review after approval by the Real Property Assessment Bureau.

20. Tax lots must be allocated to each Condominium Unit, the Declaration of Condominium and By-Laws must be recorded, and Floor Plans must be filed in the Office of the Register of the County of * prior to closing.

21. Satisfactory proof by affidavit must be furnished showing whether any work has been done upon the premises by The City of New York, or any demand has been made by The City of New York for any such work that may result in:
    a. Charges by the New York City Department of Rent and Housing Maintenance Emergency Services.
    b. Charges by the New York City Department of Health.
    c. Charges by the New York City Department of Environmental Protection.

22. Section 26-128 of the Administrative Code of The City of New York, creates tax liens for unpaid Inspection Fees and Permit Fees billed by the Building Department and Fire Department regardless of the fact that such fees may not be reflected in the City Collector's records. Policy excepts any loss, claim or damage for any

Fidelity National Title Insurance Company

TITLE NO.: 06-7406-15607-NYM

December 15, 2006

SCHEDULE B *(Exceptions)*

- Continued -

DISPOSITION

unpaid fee or charge claimed by the Building Department or Fire Department and entered in the records of the City Collector after the date of closing.

23. **NOTE:** Company will not accept personal uncertified checks in payment of its closing charges or fees in an amount greater than $750.00 nor personal checks of the seller in any amount without prior authorization from an officer of this company.

24. **NOTE:** The City of New York requires that both the street address and tax map designation be set forth below the description in all documents submitted for recording.

25. The identity and character of the proposed insured purchaser must be disclosed to this company, prior to closing at which time additional exception and/or requirements may be added.

26. For premises being conveyed in The City of New York, where the consideration is $400,000.00 or more, a copy of the contract of sale or closing statement must accompany the Real Property Transfer Tax Return (RPT).

27. Tax search discloses water meters, which have been read to the dates indicated thereon. Policy will except subsequent meter readings.

28. Notice of Lending (Project Loan) made between 157 Chambers Development Owner LLC and Morgan Stanley Mortgage Capital Inc. filed June 30, 2006 in the amount of $16,425,695.00.

29. Notice of Lending (Buil0ding Loan) made between 157 Chambers Development Owner LLC and Morgan Stanley Mortgage Capital Inc. filed June 30, 2006 in the amount of $33,074,305.00.

30. **(ADDED 12/14/06 DE: lf)** Searches were made against Artisan Lofts Development Owner LLC f/k/a 157 Chambers Development Owner LLC which disclosed no returns.

QUESTIONS CONCERNING THIS TITLE SHOULD BE REFERRED TO: *Elizabeth DeProfio, Esq.* *V.P. / New York Area Counsel* *TELEPHONE: 212-481-5858* *FACSIMILE: 212-481-5996*

INFORMATION BULLETIN

Subject: ACRIS 2.1 E-TAX FORMS REQUIRED ON OR AFTER JULY 6, 2004
Dated: June 18, 2004

NOTICE

EFFECTIVE JULY 6, 2004
IN NEW YORK, BRONX, QUEENS & KINGS COUNTIES
E-TAX FORMS WILL BE REQUIRED

Starting on July 6, 2004 the party preparing the City of New York Real Property Transfer Tax form (RPTT), State Transfer Tax form (TP-584) and Equalization form (RP-5217NYC) for title closings MUST create these forms and enter **ALL** the required data into the NYC ACRIS E-Tax forms system. The system is available over the internet at http://www.ci.nyc.ny.us/html/dof/html/acris.html or at the borough offices of the City Register in Manhattan, Brooklyn, Queens or the Bronx. E-Tax forms preparation MUST be done PRIOR to closing and the applicable forms printed with the City assigned special code number MUST be brought to the closing for signature. The E-Tax forms portal in ACRIS will be operational July 3, 2004 for E-Tax forms preparation. **ONLY forms printed from the ACRIS system will be accepted for recording after July 6, 2004.** Failure to submit proper forms at the closing may result in delay or adjournment. It is suggested that you check with the office hosting the closing to assure that internet access will be provided should any correction or amendments to the E-Tax forms be needed to forms at the time of closing. In order to facilitate correction or amendment to E-Tax forms created in E-Tax, it is also recommended that a unique individual Customer (user) ID and a Customer Keyword (password) be used for each transaction to facilitate access to the E-Tax forms for a specific transaction without compromising clients privacy. It is also suggested that forms to be presented at closing be printed in "draft" form to facilitate possible correction or amendment as necessary.

The ACRIS and the E-Tax system DOES NOT APPLY TO THE RICHMOND COUNTY CLERK'S OFFICE. Documents to be recorded in that County require paper RPTT, TP-584 and RP-5217NYC forms.

Please access the Automated City Register Information System (ACRIS) at http://nyc.gov/html/dof/html/acris.html for further information and tutorials to begin entering your client's transfer tax returns online.

Fidelity National Title Insurance Company

TITLE NO.: 06-7406-15607-NYM

December 15, 2006

MORTGAGE SCHEDULE

1. Mortgage made by RPT Chambers LLC -to- Wells Fargo Bank, National Association in the amount of $22,000,000.00 dated as of January 18, 2005 and recorded March 22, 2005 as CRFN 2005000167297. (Mortgage Tax Paid: $605,000.00)

2. Gap Mortgage made by RPT Chambers LLC -to- Wells Fargo Bank, National Association in the amount of $3,500,000.00, dated as of December 14, 2005 and recorded March 22, 2006 as CRFN 2006000162897. (Mortgage Tax Paid: $98,000.00)

   Consolidation, Amendment and Restatement of Mortgage and Security Agreement made between RPT Chambers LLC and Wells Fargo Bank, National Association, dated as of December 14, 2005 and recorded March 22, 2006 as CRFN 2006000162898. Consolidates Mortgage Nos. 1 and 2 to form a single lien in the amount of $25,500,000.00. Amends and restates the terms of same.

   Assignment of Mortgage and Fixture Filing made by Wells Fargo Bank, National Association to Morgan Stanley Mortgage Capital Inc., dated as of June 9, 2006 and recorded July 28, 2006 as CRFN 2006000429440.

   Senior Loan Consolidated, Amended and Restated Mortgage, Assignment of Leases and Rents and Security Agreement made between 157 Chambers Development Owner LLC and Morgan Stanley Mortgage Capital Inc. dated as of June 9, 2006 and recorded July 28, 2006 as CRFN 2006000429441. Amends and restates the terms of Mortgage Nos. 1 and 2, as consolidated in the amount of $25,500,000.00.

3. Building Loan Mortgage, Assignment of Leases and Rents and Security Agreement made by 157 Chambers Development Owner LLC to Morgan Stanley Mortgage Capital Inc. in the amount of $33,074,305.00, dated as of June 9, 2006 and recorded July 28, 2006 as CRFN 2006000429447. (Mortgage Tax Paid: $926,080.41)

4. Project Loan Mortgage, Assignment of Leases and Rents and Security Agreement made by 157 Chambers Development Owner LLC to Morgan Stanley Mortgage Capital Inc. in the amount of $16,425,695.00, dated as of June 9, 2006 and recorded July 28, 2006 as CRFN 2006000429444. (Mortgage Tax Paid: $459,919.61)

UNLESS INSURED UNDER THE POLICY TO BE ISSUED, the mortgages returned herein will appear as exceptions in the policy to be issued. The information set forth herein is obtained from the recorded instruments and does not reflect unrecorded instruments that may affect the insured premises nor does it purport to reflect all recitals, terms and conditions contained in any instrument of record. Upon request, the Company can provide full copies of the recorded instruments.

Fidelity National Financial Group of Companies' Privacy Statement
July 1, 2001

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public that we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

In the course of our business, we may collect Personal Information about you from the following sources:

- From applications or other forms we receive from you or your authorized representative;
- From your transactions with, or from the services being performed by, us, our affiliates, or others;
- From our internet web sites;
- From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- From consumer or other reporting agencies.

Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Our Policies and Practices Regarding the Sharing of Your Personal Information

We may share your Personal Information with our affiliates, such as insurance companies, agents, and other real estate settlement service providers. We also may disclose your Personal Information:

- to agents, brokers or representatives to provide you with services you have requested;
- to third-party contractors or service providers who provide services or perform marketing or other functions on our behalf; and
- to others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

One of the important responsibilities of some of our affiliated companies is to record documents in the public domain. Such documents may contain your Personal Information.

Right to Access Your Personal Information and Ability To Correct Errors Or Request Changes Or Deletion

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

All requests must be made in writing to the following address:

Privacy Compliance Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

Multiple Products or Services

If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.

Fidelity National Title Insurance Company

One Park Avenue, Suite 1402
New York, NY 10016

ATTORNEY'S INCOME TAX OPINION

O L S H A N

O L S H A N G R U N D M A N F R O M E R O S E N Z W E I G & W O L O S K Y L L P

PARK AVENUE TOWER
65 EAST 55TH STREET
NEW YORK, NEW YORK 10022
TELEPHONE: 212.451.2300
FACSIMILE: 212.451.2222

WWW.OLSHANLAW.COM

DIRECT DIAL: 212.451.2231
EMAIL: WGLEICHER@OLSHANLAW.COM

November 16, 2006

Artisan Lofts Development LLC
c/o Tribeca Associates LLC
321 Greenwich Street
New York, New York 10013

Re: Artisan Lofts Condominium

Gentlemen:

In connection with the offering of condominium units under a plan entitled Condominium Offering Plan for Artisan Lofts Condominium (the "Plan"), you have requested our opinion as special tax counsel to the Plan concerning certain tax matters. Specifically, you have requested our opinion as to the deductibility for federal and New York State income tax purposes of payments of mortgage interest and real estate taxes by individual Residential Unit Owners. You have also asked for our opinion as to the tax status of the condominium association.

All capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

We understand that under the Plan each Unit Owner will hold title to his Unit and an undivided interest in the Common Elements of the Property in fee simple. Under New York State law, each Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. Each Unit Owner may place a separate mortgage on his Unit and, by doing so, incur direct liability for the interest payable on such mortgage.

In our opinion under present law, subject to the limitations discussed in the following paragraph and subject to limitations imposed on the deduction of itemized deductions, interest on a mortgage secured by a Residential Unit paid or accrued by owner of such Residential Unit who is liable for the interest payment on such mortgage and who uses the Residential Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Residential Unit Owner to purchase the Residential Unit, that the Residential Unit is the owner's principal residence and that the Residential Unit Owner is an individual.

NEW JERSEY OFFICE
2001 ROUTE 46 / SUITE 202
PARSIPPANY, NEW JERSEY 07054
TELEPHONE: 973.331.7200
FACSIMILE: 973.331.7222

Except as provided below, residential interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as defined for purposes of exclusion of gain on sale under Internal Revenue Code ("Code") Section 121, or on certain designated second homes. However, a ceiling is placed on the amount of indebtedness which may be taken into account for purposes of this deduction. In general, with respect to indebtedness incurred in purchasing a Unit, this ceiling is $1,000,000, or $500,000 in the case of a married individual filing a separate return. In addition, an individual may deduct interest on an additional $100,000 of indebtedness in excess of the $1,000,000 limit mentioned above as interest on home equity indebtedness. However, special limitations may apply to the deductibility of points and prepaid interest if any.

It is also our opinion under present law that real estate taxes assessed against a Residential Unit Owner's Residential Unit which are paid or accrued by such owner will be deductible for federal income tax purposes in the appropriate year according to his method of accounting, provided that he itemizes his deductions.

We note that in some cases the amount of mortgage interest deductible by an individual Unit Owner subject to the alternative minimum tax may be less than the amount deductible by a Unit Owner subject to the regular income tax and that no deduction is allowed for real estate taxes paid by a taxpayer subject to the alternative minimum tax.

The mortgage interest and real estate taxes described above will also be allowable as deductions for New York State income tax purposes to a resident individual. We express no opinion with respect to these items under the New York State personal income tax on nonresidents. We also express no opinion as to the taxation of Unit Owners who are not individuals. We also note that Residential Unit Owners will not be able to deduct interest on any loan obtained to purchase a Storage Locker.

We have reviewed various documents included as exhibits in the Plan relating to the organization of the Condominium Board of Artisan Lofts Condominium (the "Association"), including the Declaration of Condominium and By-Laws of the Condominium (which are the instruments which will create the Association).

Our opinion has been requested as to whether the Association will be eligible to qualify as a tax-exempt organization for federal income tax purposes. In order for the Association to qualify as an exempt organization for federal income tax purposes under Code Section 528, it must meet the following six conditions:

(1) The Association must be organized and operated to provide for the acquisition, construction, management, maintenance, and care of the Association's property.

(2) Sixty percent (60%) or more of the Association's gross income for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of Units.

(3) Ninety percent (90%) or more of the expenditures of the Association for the taxable year must be expenditures for the acquisition, construction, management, maintenance, and care of the Association's property.

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

(5) The Association must qualify as a "condominium management association," which is an organization meeting the requirements of condition (1), above, with respect to a condominium project substantially all the units of which are used by individuals for residences.

(6) The Association must properly elect to have Code Section 528 apply for the taxable year.

"Substantially all the units" of a condominium management association will be considered as used by individuals for residences if at least eighty-five percent (85%) of the total square footage of all Units within the project is used by individuals for residential purposes. Units that are used for purposes auxiliary to residential use are considered as used for residential purposes. These auxiliary purposes include laundry areas, storage rooms, and areas used by maintenance personnel.. A special limitation is established for transient use. No building or Unit will be considered as used for residential purposes if, for more than one half the days in the Association's taxable year, such Unit or building is occupied by a person or series of persons each of whom occupies the Unit or building for less than thirty days.

You have advised us that more than 85% of the total square footage of the Premises will be used by individuals for residential purposes and that no person may rent his Residential Unit for a period of less than thirty (30) days. Accordingly, the "substantially all" test should initially be met.

Our review of the documents referred to above indicates that the Association meets all the organizational tests described above for qualification for exemption. Assuming the Plan is consummated in accordance with its provisions and that the Association, in its actual operation, meets the other tests set forth above, it is our opinion that the Association will be eligible to elect tax-exempt status under IRC Sec. 528. If such exempt status is properly elected, it is our opinion that the Association will not be subject to federal income tax for the taxable years in which such election is in effect, except as noted in the following paragraph.

An effective election will exempt from federal income taxation all amounts received by the Association as exempt function income. This consists of amounts received as membership dues, fees, or assessments from owners of Residential Units. However, the Association will be subject to tax on income which is not exempt function income to the extent such income exceeds expenses properly allocable to such income. Examples of income which is not exempt function income are interest earned on reserve funds, amounts received from persons who are not members of the Association, amounts received for work done on privately owned property which

is not Association property, and amounts received from members for special use of the Association's facilities, the use of which is not available to all members as a result of having paid the dues, fees, or assessments required to be paid by all members.

If the Association fails to qualify as a "homeowners association", or if it does but chooses not to make the necessary election, its status for tax purposes is unclear. It is possible that in such event the Association may be taxable as a corporation or partnership for federal income tax purposes.*

It should be noted that meeting the qualifications and conditions prescribed by the statute will require careful periodic planning. It should also be noted that under certain circumstances where the Association has taxable nonexempt function income, less federal income taxes may be payable if it is not treated as an exempt organization.

This opinion deals only with the specific tax matters discussed above, which do not necessarily comprise all tax matters which may be significant to purchasers of Units. We express no views as to any federal, New York State or New York City tax consequences other than as explicitly discussed in this opinion or as to the tax status or tax consequences of the Plan under the laws of any foreign jurisdiction. Accordingly, it is recommended that each prospective purchaser of a Unit consult with his own tax advisor concerning the federal, New York State, and New York City tax consequences of the purchase and ownership of a Unit.

This opinion is based solely on the facts and documents referred to above. No warranties are made that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, counsel to Sponsor, special tax counsel to the Sponsor, the Association, or any other person be liable if, by reason of future changes in fact or applicable law, regulations, decisional law, or Internal Revenue Service rulings, the tax consequences described previously should change.

Sincerely yours,

Olshan Grundman Frome Rosenzweig & Wolosky, LLP

OLSHAN GRUNDMAN FROME
ROSENZWEIG & WOLOSKY, LLP

* Due to recent amendments to the Income Tax Regulations, Section 301.7701-2 and 3, the Association may be able to elect to be treated as a corporation for federal income tax purposes if it files Form 8832 with the IRS within 75 days of its formation. If such election is not made, then the Association may be treated as a partnership and all Unit Holders would pay tax on their proportionate share of the income of the Association.

REAL ESTATE TAX PROJECTION OPINION
AND
J-51 TAX ABATEMENT BENEFITS OPINION

LAW OFFICES

PODELL, SCHWARTZ, SCHECHTER & BANFIELD, LLP

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SENIOR COUNSEL
ALLAN C. SCHWARTZ
SPECIAL COUNSEL
VICTOR HADE
OF COUNSEL
OWEN B. CARRAGHER

November 16, 2006

Artisan Lofts Development Owner LLC
C/O Tribeca Associates
321 Greenwich Street
New York, NY 10013

Re: ARTISAN LOFTS CONDOMINIUM
143 Read Street
Block: 140 Lot: 10
Borough: Manhattan

Gentlemen:

You have requested that we provide you with an estimate of the real estate tax assessment on the condominium to be created from the renovation and conversion of the above property.

You have also requested an estimate of the real estate taxes that would be applicable to the condominium upon completion of conversion, without regard to the granting of any exemption or abatement credits, as well as an estimate of potential post-conversion real property tax benefits pursuant to section 11-243 (previously J51-2.5) of the Administrative Code of the City of New York (hereinafter referred to as the "J-51 Program").

You have advised us that you are the fee owner of certain real property located at 157 Chambers Street, New York, New York, and designated as Block 140, Lot 10 on the Official Tax Map of the City of New York. According to NYC Department of Finance records, the property consists of a land area of 7,662 square feet and is improved by a sixteen (16) story, 111,500 square-foot (gross, above-grade), tax "class 4", office building.

You have advised us that you intend to renovate and convert the existing office structure to residential use, expand floors 15 and 16 and add a new penthouse level thereby increasing the square footage of the existing building by 3,672 square feet in total. You have further advised us that the resulting 17-story building will be converted into a condominium consisting of the following: 1) 38 residential units located on floors 2 through 17 (penthouse); 2) one (1) commercial retail unit comprised of 5,156 square feet located on the ground level; 3) a 1,042 square-foot "resident manager's unit" located on the third floor (a "common element"); and 4) cellar space consisting of a 978 square-foot fitness center and a 617 square-foot recreation room.

You have advised us that you intend to purchase ground level space in an adjacent building located at 143 Read Street. You have further advised us that this space, consisting of approximately 916 square feet, will be reallocated into two (2) separate condominium units within the 143 Read Street building and that this space will be renovated, converted and attached to 157 Chambers Street as part of 157 Chambers Street's residential lobby. Although this lobby space will comprise part of 157 Chambers Street's common elements, its taxable value is not included in the within projections of post-conversion assessments and real property taxes since this space will be independently assessed and taxed as separate condominium units located in the 143 Read Street building.

You have informed us that you started renovation work during August, 2006, that the renovation and conversion is expected to be completed during December, 2007, and that the first year of condominium operation is expected to be calendar 2008.

Although the setting of an assessment on any particular property is subject to an individual assessor's subjective determination based upon general assessment guidelines, it is possible to estimate an approximate assessed value based upon a number of factors. These factors include actual construction costs, the property's location, a hypothetical economic analysis of the condominium as if it were a rental property (as required pursuant to section 581 of the New York Real Property Tax Law), assessed valuations of comparable buildings and New York City Department of Finance Assessment Guidelines. We have examined these factors in arriving at our estimates.

The assessment history of the 157 Chambers Street property is as follows:

			Land	Total
Final	2006/07	Actual	$ 1,084,500	$ 4,338,000
		Transition	$ 1,154,700	$ 3,667,500

			Land	Total
Final	2005/06	Actual	$ 1,084,500	$ 4,176,000
		Transition	$ 1,189,800	$ 3,388,500
Final	2004/05	Actual	$ 1,084,500	$ 4,302,000
		Transition	$ 1,224,900	$ 4,695,200

New York City is an annual assessing jurisdiction and is required to assess property for each upcoming fiscal tax year (July 1 – June 30) based upon its use and condition on January 5th (taxable status date). Annual increases or decreases in assessed value resulting from construction, demolition or other physical changes to the property (i.e., "physical" or "alteration" increases) are taxable the year they are levied. For "class 4" commercial properties, and "class 2" residential properties having more than 10 units, annual assessment increases or decreases not resulting from physical changes (i.e., "equalization" changes) are phased in for tax purposes over a five (5) year period at 20% per year. Hence, two assessed values: 1) the "actual assessment," which is reflective of the City's claimed market value; and 2) the "transitional assessment," which is based on physical increases and the 5-year phase in of equalization changes. Real property taxes in any given year are based on the lesser of the actual or transitional assessment.

The first taxable status date following the expected August, 2006 start of construction will be January 5, 2007, which will be the basis for the property's 2007/08 assessed value. As of January 5, 2007, you have advised us that you anticipate renovation work will be approximately 15% complete. Given the expected level of completion, we estimate that the assessed value of the property for the 2007/08 tax year will be as follows:

Actual . . .	$ 5,210,000
Transitional . . .	$ 4,845,000

The most recent tax rates available as of the date of this letter are those passed by the City Council for the 2005/06 tax year. Assuming the building is classified for tax purposes in residential tax "class 2" and a tax rate of 12.396% (i.e., the most recent 2005/06 "class 2" tax rate), based on the projected taxable 2007/08 assessed value (i.e., the lesser of the estimated actual or transitional assessments), we estimate that the property's real estate taxes due for the fiscal year July 1, 2007 through June 30, 2008 will be in the amount of $601,000.

The first taxable status date subsequent to the anticipated completion of the property's renovation and conversion will be January 5, 2008, which will be the basis for the property's 2008/09 assessed values. Our estimates of the post-conversion assessed values for the residential and commercial portions of the building for the 2008/09 tax year are as follows:

	Actual	Transitional
Residential Units . . .	$ 8,600,000	$ 8,420,000
Commercial Unit. . .	$ 1,550,000	$ 1,520,000
Total . . .	$10,150,000	$ 9,940,000

Assuming a "class 2" residential tax rate of 12.396% and a "class 4" commercial tax rate of 11.306% (i.e., the 2005/06 tax rates), based on the projected taxable 2008/09 assessed values (i.e., the lesser of the estimated actual or transitional assessments), we estimate that the gross real estate taxes (exclusive of any abatement or exemption benefits) due for the fiscal year July 1, 2008 through June 30, 2009 will be as follows:

Residential Units . . .	$1,044,000
Commercial Units. . .	$ 172,000
Total . . .	$1,216,000

You have advised us that the Condominium will be operated on a calendar year basis and that the first full year of operation will be calendar 2008. Based on the forgoing projections, and apportioning the fiscal 2007/08 tax liability between the residential and commercial portions of the property based on their relative 2008/09 post-conversion assessed values (i.e., 85% residential and 15% commercial), we estimate that the property's tax liability for January 1, 2008 through December 31, 2008 will be as follows:

Residential Units . . .	$ 778,000
Commercial Units. . .	$ 132,000
Total . . .	$ 910,000

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.

You have advised us that you intend to apply for J-51 real estate tax benefits. The J-51 program provides potential real property tax abatement and exemption benefits to qualified non-residential buildings that are converted to Class "A" multiple dwellings. These benefits are limited to residential units and are not available for space subsequently used for non-residential purposes. Also, additions to the existing structure's cubic dimensions do not qualify for J-51 benefits.

J-51 abatement benefits serve to reduce the property's tax liability otherwise payable. For conversions of non-residential buildings, the abatement is calculated and determined based on 50% of the lesser of: 1) the "reasonable cost" of the eligible alteration or improvement as established by the N.Y.C. Department of Housing Preservation & Development ("HPD"); or 2) a maximum allowance of $15,000 per one-bedroom apartment with an increase for larger apartments of $2,400 for each additional room. The allowance is reduced by ineligible non-residential portions of the converted structure and by additions to the pre-conversion structure's cubic dimensions.

The abatement may be realized over a period of up to twenty years, with the maximum amount of property tax deductible in any one year limited to 8 1/3% of the total allowance. If the maximum annual abatement is used, the benefits would run for approximately six (6) years. If in any one year the tax abatement is greater than the tax due, however, the property's taxes may be reduced to zero, with the remaining abatement carried forward. After a twenty year period, any unused tax abatement benefits are lost.

Based upon the facts presented, it appears that the property would qualify for J-51 tax abatement benefits upon full compliance with applicable filing requirements as promulgated by HPD.

Applying the maximum abatement allowances set forth in the J-51 Rules and Regulations, we estimated that these abatement benefits would be in the approximate amount of $345,050 (i.e., 50% of $690,100 - - the maximum allowance reduced by anticipated commercial occupancy and added cubic space). Assuming full use of the annual 8 1/3% credit, the annual abatement would be in the approximate amount of $57,500 for each of the first six years following the approval of benefits once renovation work is completed. These benefits would be apportioned to the 38 residential units.

The J-51 program also provides for a tax exemption on the increase in the property's assessed value, reduced by ineligible space, resulting from the property's renovation or improvement. For renovations in Manhattan below 110th Street, however, these benefits are only available to properties having an average post-renovation assessed valuation of less than $38,000 per dwelling unit. Since we estimate that the resulting assessed value will exceed $38,000 per apartment, it does not appear that the property will qualify for the J-51 exemption.

Assuming HPD approval prior to March 15, 2008, we estimate potential J-51 tax abatement benefits would commence during the second-half of the 2008/09 fiscal tax year (i.e., January 1, 2009).

We make no warranty or guarantee regarding the property's eligibility for J-51 tax benefits. No representations are made herein that the property will ultimately qualify, or be approved, for J-51 benefits, or that these benefits will be realized, or realized in the amounts estimated herein.

This letter was prepared at the sponsor's request. The figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. No government agency has passed upon these figures or the estimates of assessed valuation and taxes herein. We have not passed on the accuracy of any figures or estimates contained in the Offering Plan, and offer no warranties on real estate assessments, tax classifications, taxes, or tax rates for any period. All prospective purchasers are advised that, although the estimate of assessed valuation upon completion of conversation is a good faith estimate, such assessed valuation when actually made may be less or greater than as estimated herein.

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 above opinion is based upon our interpretation of The New York State Real Property Tax Law and The Administrative Code of the City of New York and is not intended to be a guarantee or assurance that the actual tax assessments or actual taxes will be as estimated.

No representation is made that the provisions of law or New York City Department of Finance policies and practices will apply at the time the renovation and conversion of the building is complete. You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the

law or regulations by one of more agencies of the City of New York, or Courts of competent jurisdiction.

While we believe our opinions are well-founded, they are not intended, and should not be construed as representations or warranties that assessment and taxes will not be determined in a different amount. The foregoing analysis is based upon our knowledge of the making and review of assessments by the Real Property Assessment Department and the Tax Commission of the City of New York with respect to mixed-use properties held in the condominium form of ownership. Application of a particular approach to valuation by an individual assessor may yield a different result.

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

Very truly yours,

PODELL, SCHWARTZ, SCHECHTER
& BANFIELD, LLP

BY: _____
PAUL V. GRECO

PVG:

FORM W-8
(CERTIFICATION OF FOREIGN STATUS)

Form **W-8BEN**
(Rev. December 2000)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

▶ Section references are to the Internal Revenue Code. ▶ See separate instructions.
▶ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for: **Instead, use Form:**

- A U.S. citizen or other U.S. person, including a resident alien individual W-9
- A person claiming an exemption from U.S. withholding on income effectively connected with the conduct of a trade or business in the United States W-8ECI
- A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions) . . . . . W-8ECI or W-8IMY
- A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions) . . . . . W-8ECI or W-8EXP

Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*

- A person acting as an intermediary W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 **I certify that (check all that apply):**

a ☐ The beneficial owner is a resident of .....within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article .....of the treaty identified on line 9a above to claim a .....% rate of withholding on (specify type of income):.....

Explain the reasons the beneficial owner meets the terms of the treaty article: .....

.....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates.
- The beneficial owner is not a U.S. person.
- The income to which this form relates is not effectively connected with the conduct of a trade or business in the United States or is effectively connected but is not subject to tax under an income tax treaty, **and**
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ▶ ..... Signature of beneficial owner (or individual authorized to sign for beneficial owner) ..... Date (MM-DD-YYYY) ..... Capacity in which acting

Instructions for Form W-8BEN

(Rev. January 2003)

Department of the Treasury
Internal Revenue Service

(Use with the December 2000 revision of Form W-8BEN.)

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Note: *For definitions of terms used throughout these instructions, see* ***Definitions*** *on pages 2 and 3.*

A change to note. We added **Nonresident alien who becomes a resident alien** to the instructions for line 10 on page 5. This new section requires the use of Form W-9 in certain circumstances. See page 5 for details.

Purpose of form. Foreign persons are subject to U.S. tax at a 30% rate on income they receive from U.S. sources that consists of:

- Interest (including certain original issue discount (OID));
- Dividends;
- Rents;
- Royalties;
- Premiums;
- Annuities;
- Compensation for, or in expectation of, services performed;
- Substitute payments in a securities lending transaction; or
- Other fixed or determinable annual or periodical gains, profits, or income.

This tax is imposed on the gross amount paid and is generally collected by withholding on that amount. A payment is considered to have been made whether it is made directly to the beneficial owner or to another person, such as an intermediary, agent, or partnership, for the benefit of the beneficial owner.

If you receive certain types of income, you must provide Form W-8BEN to:

- Establish that you are not a U.S. person;
- Claim that you are the beneficial owner of the income for which Form W-8BEN is being provided; and
- If applicable, claim a reduced rate of, or exemption from, withholding as a resident of a foreign country with which the United States has an income tax treaty.

You may also be required to submit Form W-8BEN to claim an exception from domestic information reporting and backup withholding for certain types of income that are not subject to foreign-person withholding. Such income includes:

- Broker proceeds.
- Short-term (183 days or less) original issue discount (OID).
- Bank deposit interest.
- Foreign source interest, dividends, rents, or royalties.
- Proceeds from a wager placed by a nonresident alien individual in the games of blackjack, baccarat, craps, roulette, or big-6 wheel.

You may also use Form W-8BEN to certify that income from a notional principal contract is not effectively connected with the conduct of a trade or business in the United States.

A withholding agent or payer of the income may rely on a properly completed Form W-8BEN to treat a payment associated with the Form W-8BEN as a payment to a foreign person who beneficially owns the amounts paid. If applicable, the withholding agent may rely on the Form W-8BEN to apply a reduced rate of withholding at source.

Provide Form W-8BEN to the withholding agent or payer before income is paid or credited to you. Failure to provide a Form W-8BEN when requested may lead to withholding at a 30% rate (foreign-person withholding) or the backup withholding rate.

Note: *For additional information and instructions for the withholding agent, see the* ***Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.***

Who must file. You must give Form W-8BEN to the withholding agent or payer if you are a foreign person and you are the beneficial owner of an amount subject to withholding. Submit Form W-8BEN when requested by the withholding agent or payer whether or not you are claiming a reduced rate of, or exemption from, withholding.

Do not use Form W-8BEN if:

- You are a U.S. citizen (even if you reside outside the United States) or other U.S. person (including a resident alien individual). Instead, use **Form W-9,** Request for Taxpayer Identification Number and Certification.
- You are a disregarded entity with a single owner that is a U.S. person and you are not a hybrid entity claiming treaty benefits. Instead, provide Form W-9.
- You are a nonresident alien individual who claims exemption from withholding on compensation for independent or dependent personal services performed in the United States. Instead, provide **Form 8233,** Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, or **Form W-4,** Employee's Withholding Allowance Certificate.
- You are receiving income that is effectively connected with the conduct of a trade or business in the United

States. Instead, provide **Form W-8ECI,** Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of a Trade or Business in the United States. If any of the income for which you have provided a Form W-8BEN becomes effectively connected, this is a change in circumstances and Form W-8BEN is no longer valid. You must file Form W-8ECI. See **Change in circumstances** below.

- You are filing for a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession claiming the applicability of section 115(2), 501(c), 892, 895, or 1443(b). Instead, provide **Form W-8EXP,** Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding. However, you should use Form W-8BEN if you are claiming treaty benefits or are providing the form only to claim you are a foreign person exempt from backup withholding. You should use Form W-8ECI if you received effectively connected income (for example, income from commercial activities).
- You are a foreign flow-through entity, other than a hybrid entity, claiming treaty benefits. Instead, provide **Form W-8IMY,** Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding. However, if you are a partner, beneficiary, or owner of a flow-through entity and you are not yourself a flow-through entity, you may be required to furnish a Form W-8BEN to the flow-through entity.
- You are a reverse hybrid entity transmitting beneficial owner documentation provided by your interest holders to claim treaty benefits on their behalf. Instead, provide Form W-8IMY.
- You are a withholding foreign partnership or a withholding foreign trust. A withholding foreign partnership or a withholding foreign trust is a foreign partnership or trust that has entered into a withholding agreement with the IRS under which it agrees to assume primary withholding responsibility for each partner's, beneficary's, or owner's distributive share of income subject to withholding that is paid to the partnership or trust. Instead, provide Form W-8IMY.
- You are acting as an intermediary (that is, acting not for your own account, but for the account of others as an agent, nominee, or custodian). Instead, provide Form W-8IMY.

Giving Form W-8BEN to the withholding agent. Do not send Form W-8BEN to the IRS. Instead, give it to the person who is requesting it from you. Generally, this will be the person from whom you receive the payment or who credits your account. Give Form W-8BEN to the person requesting it before the payment is made to you or credited to your account. If you do not provide this form, the withholding agent may have to withhold at a 30% rate (foreign-person withholding) or backup withholding rate. If you receive more than one type of income from a single withholding agent for which you claim different benefits, the withholding agent may, at its option, require you to submit a Form W-8BEN for each different type of income. Generally, a separate Form W-8BEN must be given to each withholding agent.

Note: *If you own the income or account jointly with one or more other persons, the income or account will be treated by the withholding agent as owned by a foreign person if Forms W-8BEN are provided by all of the owners. If the withholding agent receives a Form W-9 from any of the joint owners, the payment must be treated as made to a U.S. person.*

Change in circumstances. If a change in circumstances makes any information on the Form W-8BEN you have submitted incorrect, you must notify the withholding agent or payer within 30 days of the change in circumstances and you **must** file a new Form W-8BEN or other appropriate form.

If you use Form W-8BEN to certify that you are a foreign person, a change of address to an address in the United States is a change in circumstances. Generally, a change of address within the same foreign country or to another foreign country is not a change in circumstances. However, if you use Form W-8BEN to claim treaty benefits, a move to the United States or outside the country where you have been claiming treaty benefits is a change in circumstances. In that case, you must notify the withholding agent or payer within 30 days of the move.

If you become a U.S. citizen or resident after you submit Form W-8BEN, you are no longer subject to the 30% foreign-person withholding rate. You must notify the withholding agent or payer within 30 days of becoming a U.S. citizen or resident. You may be required to provide a Form W-9. For more information, see Form W-9 and instructions.

Expiration of Form W-8BEN. Generally, a Form W-8BEN provided without a U.S. taxpayer identification number (TIN) will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. For example, a Form W-8BEN signed on September 30, 2003, remains valid through December 31, 2006. A Form W-8BEN furnished with a U.S. TIN will remain in effect until a change in circumstances makes any information on the form incorrect, provided that the withholding agent reports on Form 1042-S at least one payment annually to the beneficial owner who provided the Form W-8BEN. See the instructions for line 6 on page 4 for circumstances under which you **must** provide a U.S. TIN.

Definitions

Beneficial owner. For payments other than those for which a reduced rate of withholding is claimed under an income tax treaty, the beneficial owner of income is generally the person who is required under U.S. tax principles to include the income in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Foreign partnerships, foreign simple trusts, and foreign grantor trusts are not the beneficial owners of income paid to the partnership or trust. The beneficial owners of income paid to a foreign partnership are generally the

partners in the partnership, provided that the partner is not itself a partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of income paid to a foreign simple trust (that is, a foreign trust that is described in section 651(a)) are generally the beneficiaries of the trust, if the beneficiary is not a foreign partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of a foreign grantor trust (that is, a foreign trust to the extent that all or a portion of the income of the trust is treated as owned by the grantor or another person under sections 671 through 679) are the persons treated as the owners of the trust. The beneficial owners of income paid to a foreign complex trust (that is, a foreign trust that is not a foreign simple trust or foreign grantor trust) is the trust itself.

The beneficial owner of income paid to a foreign estate is the estate itself.

Note: *A payment to a U.S. partnership, U.S. trust, or U.S. estate is treated as a payment to a U.S. payee that is not subject to 30% foreign-person withholding. A U.S. partnership, trust, or estate should provide the withholding agent with a Form W-9.*

Foreign person. A foreign person includes a nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate, and any other person that is not a U.S. person. It also includes a foreign branch or office of a U.S. financial institution or U.S. clearing organization if the foreign branch is a qualified intermediary. Generally, a payment to a U.S. branch of a foreign person is a payment to a foreign person.

Nonresident alien individual. Any individual who is not a citizen or resident of the United States is a nonresident alien individual. An alien individual meeting either the "green card test" or the "substantial presence test" for the calendar year is a resident alien. Any person not meeting either test is a nonresident alien individual. Additionally, an alien individual who is a resident of a foreign country under the residence article of an income tax treaty, or an alien individual who is a resident of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa is a nonresident alien individual. See **Pub. 519,** U.S. Tax Guide for Aliens, for more information on resident and nonresident alien status.

Note: *Even though a nonresident alien individual married to a U.S. citizen or resident alien may choose to be treated as a resident alien for certain purposes (for example, filing a joint income tax return), such individual is still treated as a nonresident alien for withholding tax purposes on all income except wages.*

Flow-through entity. A flow-through entity is a foreign partnership (other than a withholding foreign partnership), a foreign simple or foreign grantor trust (other than a withholding foreign trust), or, for payments for which a reduced rate of withholding is claimed under an income tax treaty, any entity to the extent the entity is considered to be fiscally transparent (see below) with respect to the payment by an interest holder's jurisdiction.

Hybrid entity. A hybrid entity is any person (other than an individual) that is treated as fiscally transparent (see below) in the United States but is not treated as fiscally transparent by a country with which the United States has an income tax treaty. Hybrid entity status is relevant for claiming treaty benefits. See the instructions for line 9c on page 5.

Reverse hybrid entity. A reverse hybrid entity is any person (other than an individual) that is not fiscally transparent under U.S. tax law principles but that is fiscally transparent under the laws of a jurisdiction with which the United States has an income tax treaty. See the instructions for line 9c on page 5.

Fiscally transparent entity. An entity is treated as fiscally transparent with respect to an item of income for which treaty benefits are claimed to the extent that the interest holders in the entity must, on a current basis, take into account separately their shares of an item of income paid to the entity, whether or not distributed, and must determine the character of the items of income as if they were realized directly from the sources from which realized by the entity. For example, partnerships, common trust funds, and simple trusts or grantor trusts are generally considered to be fiscally transparent with respect to items of income received by them.

Disregarded entity. A business entity that has a single owner and is not a corporation under Regulations section 301.7701-2(b) is disregarded as an entity separate from its owner.

Amounts subject to withholding. Generally, an amount subject to withholding is an amount from sources within the United States that is fixed or determinable annual or periodical (FDAP) income. FDAP income is all income included in gross income, including interest (as well as OID), dividends, rents, royalties, and compensation. FDAP income does not include most gains from the sale of property (including market discount and option premiums).

Withholding agent. Any person, U.S. or foreign, that has control, receipt, or custody of an amount subject to withholding or who can disburse or make payments of an amount subject to withholding is a withholding agent. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity, including (but not limited to) any foreign intermediary, foreign partnership, and U.S. branches of certain foreign banks and insurance companies. Generally, the person who pays (or causes to be paid) the amount subject to withholding to the foreign person (or to its agent) must withhold.

Specific Instructions

Note: *A hybrid entity should give Form W-8BEN to a withholding agent only for income for which it is claiming a reduced rate of withholding under an income tax treaty. A reverse hybrid entity should give Form W-8BEN to a withholding agent only for income for which* ***no*** *treaty benefit is being claimed.*

Part I

Line 1. Enter your name. If you are a disregarded entity with a single owner who is a foreign person and you are not claiming treaty benefits as a hybrid entity, this form should be completed and signed by your foreign single owner. If the account to which a payment is made or credited is in the name of the disregarded entity, the

foreign single owner should inform the withholding agent of this fact. This may be done by including the name and account number of the disregarded entity on line 8 (reference number) of the form. However, if you are a disregarded entity that is claiming treaty benefits as a hybrid entity, this form should be completed and signed by you.

Line 2. If you are a corporation, enter the country of incorporation. If you are another type of entity, enter the country under whose laws you are created, organized, or governed. If you are an individual, enter N/A (for "not applicable").

Line 3. Check the **one** box that applies. By checking a box, you are representing that you qualify for this classification. You must check the box that represents your classification (for example, corporation, partnership, trust, estate, etc.) under U.S. tax principles. **Do not** check the box that describes your status under the law of the treaty country. If you are a partnership or disregarded entity receiving a payment for which treaty benefits are being claimed, you **must** check the "Partnership" or "Disregarded entity" box. If you are a sole proprietor, check the "Individual" box, not the "Disregarded entity" box.

CAUTION *Only entities that are tax-exempt under section 501 should check the "Tax-exempt organizations" box. Such organizations should use Form W-8BEN only if they are claiming a reduced rate of withholding under an income tax treaty or some code exception other than section 501. Use Form W-8EXP if you are claiming an exemption from withholding under section 501.*

Line 4. Your permanent residence address is the address in the country where you claim to be a resident for purposes of that country's income tax. If you are giving Form W-8BEN to claim a reduced rate of withholding under an income tax treaty, you must determine your residency in the manner required by the treaty. **Do not** show the address of a financial institution, a post office box, or an address used solely for mailing purposes. If you are an individual who does not have a tax residence in any country, your permanent residence is where you normally reside. If you are not an individual and you do not have a tax residence in any country, the permanent residence address is where you maintain your principal office.

Line 5. Enter your mailing address only if it is different from the address you show on line 4.

Line 6. If you are an individual, you are generally required to enter your social security number (SSN). To apply for an SSN, get **Form SS-5** from a Social Security Administration (SSA) office or, if in the United States, you may call the SSA at 1-800-772-1213. Fill in Form SS-5 and return it to the SSA.

If you do not have an SSN and are not eligible to get one, you must get an individual taxpayer identification number (ITIN). **To apply for an ITIN,** file **Form W-7** with the IRS. It usually takes 4-6 weeks to get an ITIN.

Note: *An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.*

If you are not an individual or you are an individual who is an employer or who is engaged in a U.S. trade or business as a sole proprietor, you must enter an employer identification number (EIN). If you do not have an EIN, you should apply for one on **Form SS-4,** Application for Employer Identification Number. If you are a disregarded entity claiming treaty benefits as a hybrid entity, enter **your** EIN.

You **must** provide a U.S. taxpayer identification number (TIN) if you are:

1. Claiming an exemption from withholding under section 871(f) for certain annuities received under qualified plans, or
2. A foreign grantor trust with 5 or fewer grantors, or
3. Claiming benefits under an income tax treaty.

However, a U.S. TIN is not required to be shown in order to claim treaty benefits on the following items of income:

- Dividends and interest from stocks and debt obligations that are actively traded;
- Dividends from any redeemable security issued by an investment company registered under the Investment Company Act of 1940 (mutual fund);
- Dividends, interest, or royalties from units of beneficial interest in a unit investment trust that are (or were upon issuance) publicly offered and are registered with the SEC under the Securities Act of 1933; and
- Income related to loans of any of the above securities.

Note: *You may want to obtain and provide a U.S. TIN on Form W-8BEN even though it is not required. A Form W-8BEN containing a U.S. TIN remains valid for as long as your status and the information relevant to the certifications you make on the form remain unchanged provided at least one payment is reported to you annually on Form 1042-S.*

Line 7. If your country of residence for tax purposes has issued you a tax identifying number, enter it here. For example, if you are a resident of Canada, enter your Social Insurance Number.

Line 8. This line may be used by the filer of Form W-8BEN or by the withholding agent to whom it is provided to include any referencing information that is useful to the withholding agent in carrying out its obligations. For example, withholding agents who are required to associate the Form W-8BEN with a particular Form W-8IMY may want to use line 8 for a referencing number or code that will make the association clear. A beneficial owner may use line 8 to include the number of the account for which he or she is providing the form. A foreign single owner of a disregarded entity may use line 8 to inform the withholding agent that the account to which a payment is made or credited is in the name of the disregarded entity (see instructions for line 1 starting on page 3).

Part II

Line 9a. Enter the country where you claim to be a resident for income tax treaty purposes. For treaty purposes, a person is a resident of a treaty country if the person is a resident of that country under the terms of the treaty.

Line 9b. If you are claiming benefits under an income tax treaty, you must have a U.S. TIN unless one of the exceptions listed in the line 6 instructions above applies.

Line 9c. An entity (but not an individual) that is claiming a reduced rate of withholding under an income tax treaty must represent that it **(a)** derives the item of income for which the treaty benefit is claimed and **(b)** meets the limitation on benefits provisions contained in the treaty, if any.

An item of income may be derived by either the entity receiving the item of income or by the interest holders in the entity or, in certain circumstances, both. An item of income paid to an entity is considered to be derived by the entity only if the entity is not fiscally transparent under the laws of the entity's jurisdiction with respect to the item of income. An item of income paid to an entity shall be considered to be derived by the interest holder in the entity only if **(a)** the interest holder is not fiscally transparent in its jurisdiction with respect to the item of income and **(b)** the entity is considered to be fiscally transparent under the laws of the interest holder's jurisdiction with respect to the item of income. An item of income paid directly to a type of entity specifically identified in a treaty as a resident of a treaty jurisdiction is treated as derived by a resident of that treaty jurisdiction.

If an entity is claiming treaty benefits on its own behalf, it should complete Form W-8BEN. If an interest holder in an entity that is considered fiscally transparent in the interest holder's jurisdiction is claiming a treaty benefit, the interest holder should complete Form W-8BEN on its own behalf and the fiscally transparent entity should associate the interest holder's Form W-8BEN with a Form W-8IMY completed by the entity.

Note: *An income tax treaty may not apply to reduce the amount of any tax on an item of income received by an entity that is treated as a domestic corporation for U.S. tax purposes. Therefore, neither the domestic corporation nor its shareholders are entitled to the benefits of a reduction of U.S. income tax on an item of income received from U.S. sources by the corporation.*

To determine whether an entity meets the limitation on benefits provisions of a treaty, you must consult the specific provisions or articles under the treaties. Income tax treaties are available on the IRS Web Site at **www.irs.gov**.

Note: *If you are an entity that derives the income as a resident of a treaty country, you may check this box if the applicable income tax treaty does not contain a "limitation on benefits" provision.*

Line 9d. If you are a foreign corporation claiming treaty benefits under an income tax treaty that entered into force before January 1, 1987 (and has not been renegotiated) on **(a)** U.S. source dividends paid to you by another foreign corporation or **(b)** U.S. source interest paid to you by a U.S. trade or business of another foreign corporation, you must generally be a "qualified resident" of a treaty country. See section 884 for the definition of interest paid by a U.S. trade or business of a foreign corporation ("branch interest") and other applicable rules.

In general, a foreign corporation is a qualified resident of a country if one or more of the following applies:

- It meets a 50% ownership and base erosion test.
- It is primarily and regularly traded on an established securities market in its country of residence or the United States.
- It carries on an active trade or business in its country of residence.
- It gets a ruling from the IRS that it is a qualified resident.

See Regulations section 1.884-5 for the requirements that must be met to satisfy each of these tests.

*If you are claiming treaty benefits under an income tax treaty entered into force after December 31, 1986, **do not** check box 9d. Instead, check box 9c.*

Line 9e. Check this box if you are related to the withholding agent within the meaning of section 267(b) or 707(b) and the aggregate amount subject to withholding received during the calendar year exceeds $500,000. Additionally, you must file **Form 8833,** Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b).

Line 10

Line 10 must be used **only** if you are claiming treaty benefits that require that you meet conditions not covered by the representations you make in lines 9a through 9e. However, this line should always be completed by foreign students and researchers claiming treaty benefits. See **Scholarship and fellowship grants** below for more information.

Additional examples of persons who should complete this line are:

1. Exempt organizations claiming treaty benefits under the exempt organization articles of the treaties with Canada, Mexico, Germany, and the Netherlands.

2. Foreign corporations that are claiming a preferential rate applicable to dividends based on ownership of a specific percentage of stock.

3. Persons claiming treaty benefits on royalties if the treaty contains different withholding rates for different types of royalties.

This line is generally not applicable to claiming treaty benefits under an interest or dividends (other than dividends subject to a preferential rate based on ownership) article of a treaty.

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes. The individual must use Form W-9 to claim the tax treaty benefit. See the instructions for Form W-9 for more information. Also see **Nonresident alien student or researcher who becomes a resident alien** on page 6 for an example.

Scholarship and fellowship grants. A nonresident alien student (including a trainee or business apprentice) or researcher who receives noncompensatory scholarship or fellowship income may use Form W-8BEN to claim benefits under a tax treaty that apply to reduce or eliminate U.S. tax on such income. **No Form W-8BEN is required unless a treaty benefit is being claimed.** A nonresident alien student or researcher who receives compensatory scholarship or fellowship income must use

Form 8233 to claim any benefits of a tax treaty that apply to that income. The student or researcher must use Form W-4 for any part of such income for which he or she is not claiming a tax treaty withholding exemption. **Do not** use Form W-8BEN for compensatory scholarship or fellowship income. See **Compensation for Dependent Personal Services** in the Instructions for Form 8233.

Note: *If you are a nonresident alien individual who received noncompensatory scholarship or fellowship income and personal services income (including compensatory scholarship or fellowship income)* ***from the same withholding agent,*** *you may use Form 8233 to claim a tax treaty withholding exemption for part or all of* ***both*** *types of income.*

Completing lines 4 and 9a. Most tax treaties that contain an article exempting scholarship or fellowship grant income from taxation require that the recipient be a resident of the other treaty country at the time of, or immediately prior to, entry into the United States. Thus, a student or researcher may claim the exemption even if he or she no longer has a permanent address in the other treaty country after entry into the United States. If this is the case, you may provide a U.S. address on line 4 and still be eligible for the exemption if all other conditions required by the tax treaty are met. You must also identify on line 9a the tax treaty country of which you were a resident at the time of, or immediately prior to, your entry into the United States.

Completing line 10. You must complete line 10 if you are a student or researcher claiming an exemption from taxation on your scholarship or fellowship grant income under a tax treaty.

Nonresident alien student or researcher who becomes a resident alien. You must use Form W-9 to claim an exception to a saving clause. See **Nonresident alien who becomes a resident alien** on page 5 for a general explanation of saving clauses and exceptions to them.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would complete Form W-9.

Part III

If you check this box, you must provide the withholding agent with the required statement for income from a notional principal contract that is to be treated as income not effectively connected with the conduct of a trade or business in the United States. You should update this statement as often as necessary. A new Form W-8BEN is not required for each update provided the form otherwise remains valid.

Part IV

Form W-8BEN must be signed and dated by the beneficial owner of the income, or, if the beneficial owner is not an individual, by an authorized representative or officer of the beneficial owner. If Form W-8BEN is completed by an agent acting under a duly authorized power of attorney, the form must be accompanied by the power of attorney in proper form or a copy thereof specifically authorizing the agent to represent the principal in making, executing, and presenting the form. **Form 2848,** Power of Attorney and Declaration of Representative, may be used for this purpose. The agent, as well as the beneficial owner, may incur liability for the penalties provided for an erroneous, false, or fraudulent form.

Broker transactions or barter exchanges. Income from transactions with a broker or a barter exchange is subject to reporting rules and backup withholding unless Form W-8BEN or a substitute form is filed to notify the broker or barter exchange that you are an exempt foreign person.

You are an exempt foreign person for a calendar year in which: **(a)** you are a nonresident alien individual or a foreign corporation, partnership, estate, or trust; **(b)** you are an individual who has not been, and does not plan to be, present in the United States for a total of 183 days or more during the calendar year; and **(c)** you are neither engaged, nor plan to be engaged during the year, in a U.S. trade or business that has effectively connected gains from transactions with a broker or barter exchange.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping,** 5 hr., 58 min.; **Learning about the law or the form,** 3 hr., 46 min.; **Preparing and sending the form to IRS,** 4 hr., 2 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send Form W-8BEN to this office. Instead, give it to your withholding agent.

FORM W-9
(REQUEST FOR TAXPAYER IDENTIFICATION NUMBER)

Form **W-9**
(Rev. November 2005)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶ ..... ☐ Exempt from backup withholding

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
| | | | - | | | | - | | | | |

or

Employer identification number
| | | - | | | | | | | |

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here Signature of U.S. person ▶ Date ▶

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 4 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules regarding partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over $600 required to be reported and direct sales over $5,000 [1]	Generally, exempt recipients 1 through 7 [2]

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.socialsecurity.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting *www.irs.gov* or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship or single-owner LLC	The owner [3]
For this type of account:	**Give name and EIN of:**
6. Sole proprietorship or single-owner LLC	The owner [3]
7. A valid trust, estate, or pension trust	Legal entity [4]
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

[4] List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules regarding partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

APPLICATION TO ATTORNEY GENERAL FOR DETERMINATION OF THE DISPOSITION OF DOWNPAYMENTS

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
Address of Building or Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application.

1. Name _____
of Applicant

2. Address _____
of Applicant

3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____

_____

_____

4. This is an application for

☐ return of downpayment.

☐ forfeiture of downpayment.

☐ other: _____

_____

5. The project is ☐ a conversion of occupied premises.

☐ newly constructed or rehabilitated.

☐ vacant (as is).

6. The project is structured as

- ☐ a cooperative.
- ☐ a condominium.
- ☐ a homeowners association.
- ☐ a timeshare.
- ☐ other: _____

7. Name and Address of Sponsor: _____

_____

8. Name and Address of Escrow Agent: _____

_____

9. If downpayments are maintained in an escrow account:

(a) Name of Account _____

(b) Name and Address of Bank _____

(c) Account Number (if known) _____

(d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

(a) Name and Address of Bond Issuer or Surety: _____

_____

(b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND.) If not included, explain:

_____

_____

_____

_____

11. If downpayments have been secured by a Letter of Credit:

(a) Name and address of bank which issued the letter of credit: _____

_____

_____

(b) Date of expiration of the Letter of Credit, if known:

_____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan ☐ has been declared effective.
Approximate date: _____

☐ has not been declared effective.

(c) If effective, the plan

☐ has closed or the first unit has closed.
Approximate date: _____

☐ has not closed.

☐ don't know.

(d) Downpayments are secured by

☐ escrow account.

☐ bonds.

☐ Letter of Credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

_____

_____

_____

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

_____

_____

_____

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons:

_____

_____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this Application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

_____

ESCROW AGREEMENT

ESCROW: AGREEMENT FOR OFFERING PLAN

AGREEMENT made as of the filing date of the Offering Plan (defined below), between Artisan Lofts Development Owner LLC ("SPONSOR") as SPONSOR of the Offering Plan and Starr Associates LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the SPONSOR of an offering plan for premises known as Artisan Lofts Condominiumand located at 143 Reade Street, New York, NY 10007 ("Offering Plan"); and

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

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers or subscribers, pursuant to the terms of this Agreement and the Offering Plan.

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 ESCROW AGENT will establish a master escrow account for the purpose of holding deposits, downpayments, advances or payments ("Deposits") made by purchasers or subscribers ("Purchasers") pursuant to the Offering Plan at a commercial or savings bank having a branch located in New York City entitled Starr Associates LLP ("Master Escrow Account").

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

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

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

1.5 All interest will be credited to Purchaser at such time as: (i) there is a closing under the Contract of Sale (defined below), or (ii) Purchaser is entitled to a return of the Deposit. All interest will be credited to SPONSOR only in the event there is a "consummation of the Offering Plan" (as such term is defined in the Attorney General's regulations) and Purchaser defaults.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

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

2.2 Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Contract of Sale"), ESCROW AGENT shall notify the Purchaser of the deposit of such funds in the Master Escrow Account, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the Deposit, the Purchaser may cancel the Contract of Sale and rescind within ninety (90) days after tender of the Deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited in accordance with the Attorney General's regulations and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

3.1 ESCROW AGENT shall not release the Deposit of a defaulting Purchaser until after consummation of the Offering Plan. Consummation of the Offering Plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the Deposit in escrow until otherwise directed in (a) a writing signed by both SPONSOR and

Purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

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

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

3.5 Except as otherwise set forth above, if there is no written agreement between the parties to release the Deposit, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the Deposit may be paid to SPONSOR unless the Purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and ESCROW AGENT has received notice from the Purchaser in accordance with such provisions.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Master Escrow Account for seven (7) years after release of the funds.

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

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

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

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

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

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

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

5.7 The provisions of paragraphs 5.5 and 5.6 shall apply only to SPONSOR and nothing contained therein shall be in derogation of the rights of a purchaser under Article 23-A of the General Business Law.

6. RESPONSIBILITIES OF SPONSOR.

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

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.

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

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is cancelled by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation; or

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

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 funds held by ESCROW AGENT in escrow and any and all contracts or documents maintained by ESCROW AGENT relating to such funds to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

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

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION

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

13. ALTERNATE SECURITY

In the event SPONSOR is authorized by the Department of Law to post a Letter of Credit or Surety Bond as alternate security to secure all or a portion of the Deposits, ESCROW AGENT agrees to be the beneficiary of the Letter of Credit or Surety Bond and to act as fiduciary with respect to such Letter of Credit or Surety Bond for the benefit of Purchasers under the Offering Plan whose Deposits were released from escrow in accordance with the "Escrow and Trust Fund" section of the Offering Plan or an amendment to the Offering Plan.

14. ENTIRE AGREEMENT.

This Agreement, read together with GBL Sections 352-e(2-b) and 352-h and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

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

ESCROW AGENT

STARR ASSOCIATES LLP

By: Allan Starr
Name: Allan Starr, Esq.
Title: Partner

SPONSOR

ARTISAN LOFTS DEVELOPMENT OWNER LLC,
a Delaware limited liability company

By: 157 Chambers Development Mezz LLC,
its sole member

By: 157 Chambers Development Corp.,
its sole member

By: Tribeca Chambers Holdings LLC
its managing member

By: Tribeca 157 Principals LLC,
its managing member

By: _____
Name: Elliott Ingerman
Title: Member

By: _____
Name: William Brodsky
Title: Member

CERTIFICATION OF SPONSOR AND PRINCIPALS

PART 20: CERTIFICATION OF SPONSOR AND PRINCIPALS

New York State Department of Law
Investment Protection Bureau
23rd Floor - 120 Broadway
New York, New York 10271

Re: Condominium Offering Plan
Artisan Lofts Condominium
143 Reade Street
New York, NY 10007

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the 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.

SIGNATURES ON FOLLOWING PAGE

SPONSOR

ARTISAN LOFTS DEVELOPMENT OWNER LLC,
a Delaware limited liability company

By: 157 Chambers Development Mezz LLC,
its sole member

By: 157 Chambers Development Corp.,
its sole member

Severally sworn to me this
17th day of November 2006

Notary Public

ELIS ALBERTO PRENDERGAST
Notary Public - State of New York
NO. 01PR6145625
Qualified in Kings County
My Commission Expires 05/2010

By: Tribeca Chambers Holdings LLC
its managing member

By: Tribeca 157 Principals LLC,
its managing member

By: _____
Elliott Ingerman
Title: Member

By: _____
William Brodsky
Title: Member

PRINCIPAL(S) OF SPONSOR

_____
Elliott Ingerman

_____
William Brodsky

CERTIFICATION OF ARCHITECT

BKSK

BKSK ARCHITECTS LLP

PARTNERS
Stephen Byrns
Harry Kendall
George Schieferdecker
Joan Krevlin

ASSOCIATES
Julia Nelson
Todd Poisson

PART 20: CERTIFICATION OF ENGINEER OR ARCHITECT
RE: NEWLY CONSTRUCTED OR VACANT UNITS

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

Re: Condominium Offering Plan
Artisan Lofts Condominium
143 Reade Street
New York, NY 10007

The sponsor of the condominium offering plan to convert the captioned 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 BKSK Architects dated 10.16.2006 and prepared the Report dated 11.16.2006, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect/licensed engineer in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description and/or physical condition of the entire property as 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 description and/or 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 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; and

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

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

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that my/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.

BKSK ARCHITECTS LLP

By: _____

Name : Stephen Byrns, AIA
Title : Partner
(Engineer's or Architect's Seal)

Sworn to before me this
27th day of November 2006

Notary Public
CYNCYNELLA GRAHAM
Notary Public, State of New York
No. 01GR6036926
Qualified in Bronx County
Commission Expires Feb. 14, 2010

REGISTERED ARCHITECT
STEPHEN F. BYRNS
No. 73575
STATE OF NEW YORK

CERTIFICATION OF BUDGET EXPERT

PENMARK
REALTY CORP

PART 20: CERTIFICATION BY EXPERT
AS TO ADEQUACY OF CONDOMINIUM BUDGET

December 5, 2006

New York State Department of Law
Investment Protection Bureau
120 Broadway - 23rd Floor
New York, New York 10271

Re: Condominium Offering Plan
Artisan Lofts Condominium
143 Reade Street
New York, NY 10007

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedules B and review Schedule B-1 (collectively, "Schedules") containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes: the management of residential real estate for the past 40 years, managing approximately 45 cooperative and condominium buildings and is licensed as a real estate broker in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Schedules.

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

We certify that the projections in the Schedules 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 Schedules:

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

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner(s) of the commercial unit(s);

(iii) do not omit any material fact;

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

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

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

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

(a) knew the truth;

(b)with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit(s) 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.

PENMARK REALTY CORPORATION

By: _____
Name: Bernard Friedman
Title: President

Sworn to before me this
6th day of December, 2006

_____
Notary Public

MARIBEL ALVERIO
Notary Public, State of New York
No. 01AL6074898
Qualified in New York County
Commission Expires May 27, 2010

CERTIFICATION OF BUDGET EXPERT
AS TO ADEQUACY OF COMMON CHARGES
PAYABLE BY THE NON-RESIDENTIAL UNIT OWNER

PENMARK
REALTY CORP

PART 20: CERTIFICATION BY EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNER(S)

December 5, 2006

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

Re: Condominium Offering Plan
Artisan Lofts Condominium
143 Reade Street
New York, NY 10007

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(s) of the commercial unit(s). Our experience in this field includes: the management of residential real estate for the past 40 years, managing approximately 45 cooperative and condominium buildings and is licensed as a real estate broker in the State of New York..

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial unit(s) listed in Schedule B.

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

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

We certify that the estimates in Schedule B for the common charges payable by the owner(s) of the commercial unit(s):

(i) sets forth in detail the projected common charges for the commercial unit(s) 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 common charges payable by the owner(s) of the commercial unit(s);

(iii) do not omit any material fact;

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

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

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

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

(a) knew the truth;

(b)with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit(s) 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.

PENMARK REALTY CORPORATION

By: _____
Name: Bernard Friedman
Title: President

Sworn to before me this
6th day of December 2006

_____
Notary Public

MARIBEL ALVERIO
Notary Public, State of New York
No. 01AL6074898
Qualified in New York County
Commission Expires May 27, 2010

REAL PROPERTY LAW SECTION 339-kk

NEW YORK REAL PROPERTY LAW § 339-kk

§ 339-kk. Rents.

(a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the Common Charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for Common Charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers have been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for Common Charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled td present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

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

§HISTORY: Add, L 1998, ch 422, § 3, eff July 22, 1998 (see 1998 note below).

EDITOR'S NOTES:

Laws 1998, ch 422, §§ 4, 5, eff July 22, 1998, provide as follows:

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

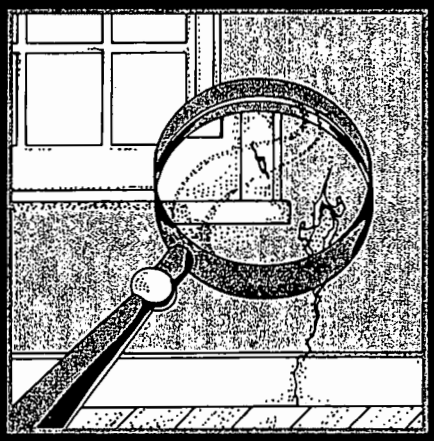
PROTECTING YOUR FAMILY FROM LEAD IN YOUR HOME

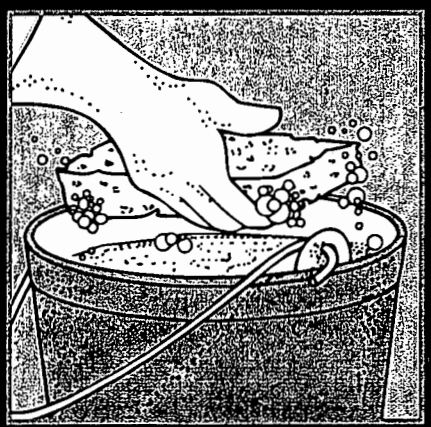
Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- Get your young children tested for lead, even if they seem healthy.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods.
- Get your home checked for lead hazards.
- Regularly clean floors, window sills, and other surfaces.
- Wipe soil off shoes before entering house.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- Don't use a belt-sander, propane torch, high temperature heat gun, scraper, or sandpaper on painted surfaces that may contain lead.
- Don't try to remove lead-based paint yourself.

Recycled/Recyclable
Printed with vegetable oil based inks on recycled paper (minimum 50% postconsumer) process chlorine free.





Protect Your Family From Lead In Your Home

EPA United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

OWNERS, BUYERS, and RENTERS are encouraged to check for lead (see page 6) before renting, buying or renovating pre-1978 housing.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:

LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure about lead-based paint.

SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure about lead-based paint. Buyers have up to 10 days to check for lead.

RENOVATORS disturbing more than 2 square feet of painted surfaces have to give you this pamphlet before starting work.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

FACT: Lead exposure can harm young children and babies even before they are born.

FACT: Even children who seem healthy can have high levels of lead in their bodies.

FACT: People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.

FACT: People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.

FACT: Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

Childhood lead poisoning remains a major environmental health problem in the U.S.

Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

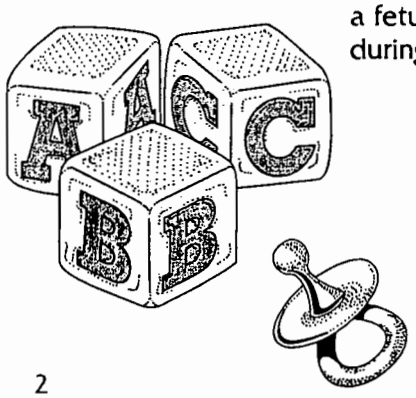
- Breathe in lead dust (especially during renovations that disturb painted surfaces).
- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contains lead.

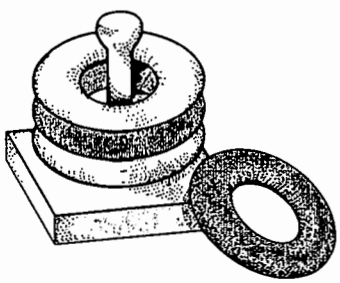
Lead is even more dangerous to children under the age of 6:

- At this age children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.

Lead is also dangerous to women of childbearing age:

- Women with a high lead level in their system prior to pregnancy would expose a fetus to lead through the placenta during fetal development.





Lead's Effects

It is important to know that even exposure to low levels of lead can severely harm children.

In children, lead can cause:

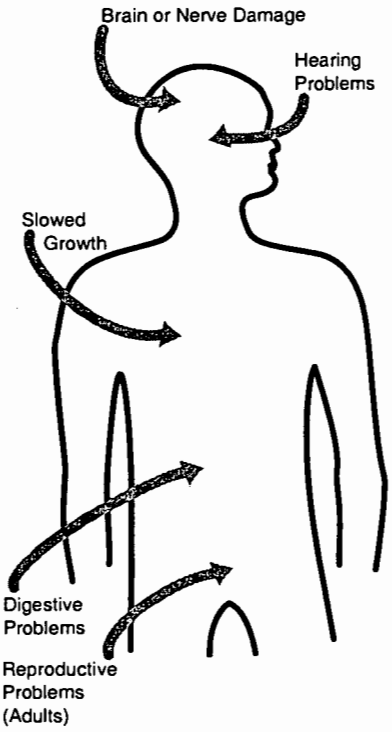
- Nervous system and kidney damage.
- Learning disabilities, attention deficit disorder, and decreased intelligence.
- Speech, language, and behavior problems.
- Poor muscle coordination.
- Decreased muscle and bone growth.
- Hearing damage.

While low-lead exposure is most common, exposure to high levels of lead can have devastating effects on children, including seizures, unconsciousness, and, in some cases, death.

Although children are especially susceptible to lead exposure, lead can be dangerous for adults too.

In adults, lead can cause:

- Increased chance of illness during pregnancy.
- Harm to a fetus, including brain damage or death.
- Fertility problems (in men and women).
- High blood pressure.
- Digestive problems.
- Nerve disorders.
- Memory and concentration problems.
- Muscle and joint pain.



Lead affects the body in many ways.

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- In homes in the city, country, or suburbs.
- In apartments, single-family homes, and both private and public housing.
- Inside and outside of the house.
- In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- Children at ages 1 and 2.
- Children or other family members who have been exposed to high levels of lead.
- Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- Windows and window sills.
- Doors and door frames.
- Stairs, railings, banisters, and porches.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Lead dust can form when lead-based paint is scraped, sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- 40 micrograms per square foot ($\mu g/ft^2$) and higher for floors, including carpeted floors.
- 250 $\mu g/ft^2$ and higher for interior window sills.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. The following two federal standards have been set for lead hazards in residential soil:

- 400 parts per million (ppm) and higher in play areas of bare soil.
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home tested for lead in several different ways:

- A paint **inspection** tells you whether your home has lead-based paint and where it is located. It won't tell you whether or not your home currently has lead hazards.
- A **risk assessment** tells you if your home currently has any lead hazards from lead in paint, dust, or soil. It also tells you what actions to take to address any hazards.
- A combination risk assessment and inspection tells you if your home has any lead hazards and if your home has any lead-based paint, and where the lead-based paint is located.

Hire a trained and certified testing professional who will use a range of reliable methods when testing your home.

- Visual inspection of paint condition and location.
- A portable x-ray fluorescence (XRF) machine.
- Lab tests of paint, dust, and soil samples.

There are state and federal programs in place to ensure that testing is done safely, reliably, and effectively. Contact your state or local agency (see bottom of page 11) for more information, or call **1-800-424-LEAD (5323)** for a list of contacts in your area.

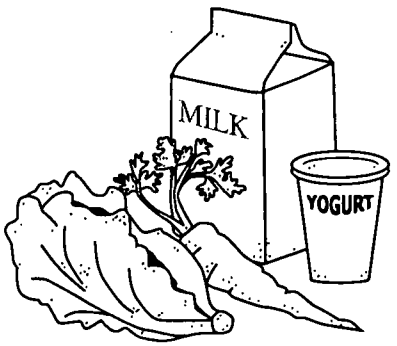
Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these kits before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- **If you rent, notify your landlord of peeling or chipping paint.**
- **Clean up paint chips immediately.**
- **Clean floors, window frames, window sills, and other surfaces weekly**. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.

- **Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.**
- **Wash children's hands often, especially before they eat and before nap time and bed time.**
- **Keep play areas clean.** Wash bottles, pacifiers, toys, and stuffed animals regularly.
- **Keep children from chewing window sills or other painted surfaces.**
- **Clean or remove shoes before entering your home to avoid tracking in lead from soil.**
- **Make sure children eat nutritious, low-fat meals high in iron and calcium,** such as spinach and dairy products. Children with good diets absorb less lead.



Reducing Lead Hazards In The Home

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.

In addition to day-to-day cleaning and good nutrition:

- You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will need ongoing attention.
- To **permanently** remove lead hazards, you should hire a certified lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent removal.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- 40 micrograms per square foot ($\mu g/ft^2$) for floors, including carpeted floors;
- 250 $\mu g/ft^2$ for interior windows sills; and
- 400 $\mu g/ft^2$ for window troughs.

Call your state or local agency (see bottom of page 11) for help in locating certified professionals in your area and to see if financial assistance is available.

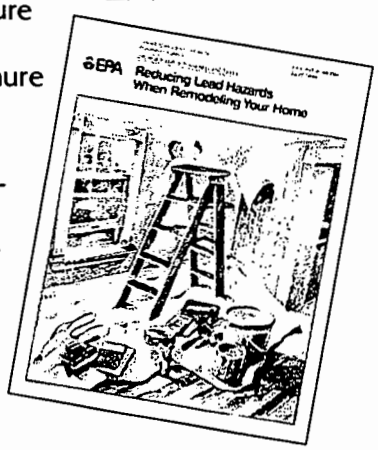
Remodeling or Renovating a Home With Lead-Based Paint

Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

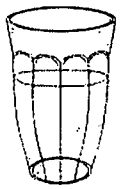
- **Have the area tested for lead-based paint.**
- **Do not use a belt-sander, propane torch, high temperature heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

If not conducted properly, certain types of renovations can release lead from paint and dust into the air.

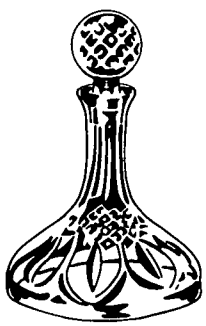
If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



Other Sources of Lead

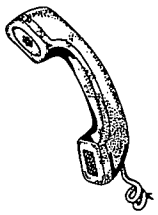


While paint, dust, and soil are the most common sources of lead, other lead sources also exist.



- **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- Old painted **toys** and **furniture.**
- Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain.**
- **Lead smelters** or other industries that release lead into the air.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.

For More Information



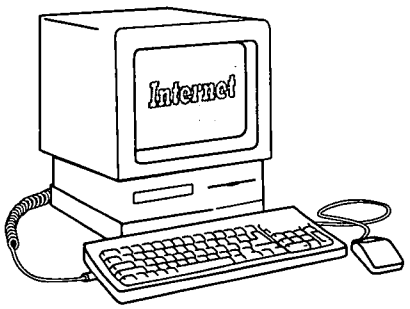
The National Lead Information Center

Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/.**

EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline



To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772**, or visit CPSC's Web site at: **www.cpsc.gov.**

Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD.**

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** to access any of the phone numbers in this brochure.

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
1 (888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALI)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center
Consumer Product Safety Commission
201 Varick Street, Room 903
New York, NY 10014
(212) 620-4120

Western Regional Center
Consumer Product Safety Commission
1301 Clay Street, Suite 610-N
Oakland, CA 94612
(510) 637-4050

Central Regional Center
Consumer Product Safety Commission
230 South Dearborn Street, Room 2944
Chicago, IL 60604
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development
Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

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U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

EPA747-K-99-001
June 2003

REAL ESTATE TAX CONSENT FORM

REAL ESTATE TAX CONSENT FORM

I/we, _____ and _____, being the purchaser(s) of Unit No. ___, in the Artisan Lofts Condominium (the "Condominium"), which is designated and described as Unit ___ in the Declaration and also designated as Tax Lot ___ in Block 140 of Section 1 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 Condominium, pertaining to the premises located at and known by the street number 143 Reade Street, New York, New York 10007 (the "Premises"), as part of the consideration for purchasing the Unit, hereby consent to the allocation to all Residential Units in the Condominium of any real estate tax exemption and/or tax abatement benefits obtained for the Units of the Condominium, pursuant to former Section J51-2.5 of the Administrative Code of the City of New York (now titled Section 11-243 of the Administrative Code of the City of New York), said allocation to be apportioned in the same ratio that the proportionate share of the Residential Common Elements of each Unit bears to the total aggregate common elements of all Residential Units in the Condominium.

I/we hereby expressly release and discharge all Unit Owners, their heirs, successors and assigns, the board of managers of the Condominium (the "Condominium Board"), Artisan Lofts Development Owner LLC (the "Sponsor") and the City of New York from any and all acts, claims, damages or demands of any nature whatsoever which I(we), my heirs, successors or assigns ever had, may have, or will have against the Condominium Board, the Sponsor, or the City of New York, with respect to the aforesaid allocation.

I/we hereby waive and relinquish any and all rights to challenge or contest such allocation in any manner or form.

The provisions of this Consent shall be a covenant which shall run with the premises, and shall be binding on me (us)(my)(our) successors, heirs and assigns; and shall benefit the Condominium Board, the Sponsor, the City and each Unit Owner of the Condominium.

Terms used in this Consent shall have the same meanings as set forth in the Declaration establishing a plan for condominium ownership of the Premises.

_____
Name:

_____
Name:

[ACKNOWLEDGMENTS]

RECIPROCAL EASEMENT AGREEMENT

RECIPROCAL EASEMENT AGREEMENT

THIS RECIPROCAL EASEMENT AGREEMENT (this "**Agreement**") is made and entered into as of the 8th day of February, 2007, by and among 137 READE STREET CONDOMINIUMS, a condominium organized pursuant to Article 9-B of the New York Real Property Law ("**137 Reade Condominium**"), acting through its Board of Managers ("**Grantor**") and having an office at 137-139 Reade Street, New York, New York 10013 and ARTISAN LOFTS DEVELOPMENT OWNER LLC, a Delaware limited liability company, having an office c/o Tribeca Associates LLC, 321 Greenwich Street, New York, New York 10013 ("**Grantee**").

WHEREAS, the 137 Reade Condominium includes the land designated as Block 140, former Lot 25, now known as Lots 1201 through 1214, as more particularly described on **Exhibit A** hereto (the "**Condominium Land**") and the four (4) buildings located thereon (each a "**Condominium Building**" and collectively, the "**Condominium Buildings**") having the street addresses of 137-139, 141 and 143 Reade Street, New York, New York (the Condominium Land and Condominium Buildings collectively, and together with all improvements, rights, title, privileges and easements of any and all kind and nature appurtenant thereto, the "**Condominium Property**") including, but not limited to, the Condominium Building having the street address of 143 Reade Street, New York, New York (the "**143 Reade Building**").

WHEREAS, Grantee is the owner of the land designated as Block 140, Lot 10, as more particularly described on **Exhibit B** attached hereto (the "**157 Chambers Land**") and the building located thereon (such building as it may be renovated, improved or altered from time to time, the "**157 Chambers Building**") having the street address of 157 Chambers Street, New York, New York (the 157 Chambers Land and the 157 Chambers Building together with all improvements, rights, title, privileges and easements of any and all kind and nature appurtenant thereto, the "**157 Chambers Property**").

WHEREAS, Grantee intends to submit the 157 Chambers Property to a condominium regime and create the Artisan Lofts Condominium (as hereinafter defined);

WHEREAS, pursuant to the 137 Reade Declaration and the 137 Reade Floor Plans (as hereinafter defined), the ground floor of the 143 Reade Building consisted of the ground floor portions of the Original 143 Units (as hereinafter defined) and certain General Common Elements (as such term is defined in the 137 Reade Declaration) consisting of an entrance/lobby, elevator, corridor, fire stairs and stair landing;

WHEREAS, the Original 143 Units have been legally subdivided to create the Retained Units (as hereinafter defined) and the Lobby Unit (as hereinafter defined);

WHEREAS, immediately prior hereto, Grantee purchased fee title to the Lobby Unit;

WHEREAS, in connection with Grantee's renovation of the 157 Chambers Property and the creation of the Artisan Lofts Condominium, Grantee desires to create an entrance for the 157

Chambers Building, including, but not limited to, all doors located therein (the "**Entrance**") and a lobby for the 157 Chambers Building, including, but not limited to, all structural and non-structural elements, fixtures, finishes and furnishings therein utilizing the entire area of both the Easement Area (as hereinafter defined) and the Lobby Unit (the "**Lobby**"), which Easement Area and Lobby Unit, and Entrance and Lobby located therein, will be subject to this Agreement and the easements and rights granted herein for the benefit and use of Grantee, the Unit Owners and certain other parties named herein to the extent described herein.

WHEREAS, Grantor has agreed to grant to Grantee, the Unit Owners (as hereinafter defined), the 157 Chambers Unit Owners (as hereinafter defined) and each of their Permitted Users (as hereinafter defined), non-exclusive easements as hereinafter set forth, to create, use and occupy the Entrance and the Lobby, as the case may be;

WHEREAS, in consideration of the non-exclusive easements to be granted by Grantor, Grantee has agreed to grant to the 143 Reade Unit Owners (as hereinafter defined) and the 143 Reade Permitted Users (as hereinafter defined) to have continued access to the Lobby Unit and the 143 Reade Building and access to, and the use and enjoyment of, the 143 Amenities (as hereinafter defined) and to the Unit Owners access to, and the use and enjoyment of, the General Amenities (as hereinafter defined);

WHEREAS, Grantee intends that the 143 Amenities, as described and provided for herein, may be used and enjoyed equally by 143 Reade Unit Owners and the 157 Chambers Unit Owners (except for the mail boxes, which are solely for use by the 143 Reade Unit Owners and the 143 Reade Permitted Users) with all costs of construction, operation and maintenance thereof to be borne, for so long as this Agreement remains in effect, solely by Grantee;

WHEREAS, Grantee intends that the General Amenities, as described herein and as will be provided for in the Artisan Lofts Declaration (as hereinafter defined), may be used and enjoyed equally by the Unit Owners and the 157 Chambers Unit Owners, and each of their Permitted Users with all costs of construction, operation and maintenance thereof to be borne, for so long as this Agreement remains in effect, solely by Grantee (except as set forth in Article 8 of this Agreement);

WHEREAS, the parties intend these Recitals to be a material part of this Agreement;

NOW, THEREFORE, in consideration of the sum of One Dollar ($1.00) cash in hand paid and other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the parties, with intent to bind all persons in whom the 137 Reade Condominium and the 157 Chambers Building or any interest therein is or shall hereafter be vested, do hereby agree as follows:

ARTICLE 1. Definitions.

In addition to definitions as provided throughout this Agreement and in the Recitals of this Agreement (which Recitals are hereby incorporated in this Agreement), the following words, phrases, and terms shall have the following meanings:

"**137 Reade Declaration**" means the declaration establishing a plan for condominium ownership of the Condominium Property, made by WW Reade Street Corp dated September 1, 1994 and recorded in the Office of the City Register of the City of New York (the "**Register's Office**") on October 17,1994 in Reel 2146, Page 1962, as amended by that certain first amendment to the declaration, made by 137 Reade Condominium, dated as of the date hereof, (the "**First Amendment**") and to be submitted for recording in the Register's Office, as further amended by that certain second amendment to the declaration made by 137 Reade Condominium dated as of the date hereof (the "**Second Amendment**"), and to be submitted for recording in the Register's Office immediately following the recording of the First Amendment and immediately prior to the recording of this Agreement, and each as the same may be further amended from time to time.

"**137 Reade Floor Plans**" means the floor plans of the Condominium Property, certified by Gary Davis, Architect, and filed with the Real Property Assessment Division of the City of New York on October 13, 1994 as Condominium Plan No. 889 and recorded in the Register's Office on October 17, 1994 as Condominium Map No. 5279, as the same has been or may hereafter be amended from time to time.

"**137 Reade Permitted User**" shall mean (a) with respect to the General Amenities, any tenant, sub-tenant or resident of a Unit, and (b) with respect to the Entrance and Lobby, in addition to those parties listed in clause (a), any guest, invitee, licensee, contractor, sub-contractor, materialman or any other Person who has been invited, licensed, contracted or otherwise been granted permission whether written or oral to use, occupy, enter or perform work or a service in an Unit by any Unit Owner, tenant, sub-tenant or resident of a Unit, subject to the terms of this Agreement.

"**143 Amenities**" means, and is specifically limited to, the mail boxes and the security and/or intercom system(s) providing communication from the Lobby to the Units in the 143 Reade Building and/or 157 Chambers Units and as such 143 Amenities may be relocated within the Lobby and/or replaced, altered, improved or modified from time to time in the sole discretion of the Board of Managers of the Artisan Lofts Condominium in accordance with the provisions of this Agreement.

"**143 Reade Permitted User**" shall mean (a) with respect to the General Amenities and the 143 Amenities, any tenant, sub-tenant or resident of a 143 Reade Unit, and (b) with respect to the Entrance and Lobby, in addition to those parties listed in clause (a), any guest, invitee, licensee, contractor, sub-contractor, materialman or any other Person who has been invited, licensed, contracted or otherwise been granted permission whether written or oral to use, occupy, enter or perform work or a service in or on a 143 Reade Unit by any 143 Reade Unit Owner or tenant, sub-tenant or resident of a Unit subject to the terms of this Agreement.

"**143 Reade Unit**" means any of the units designated as such in the 137 Reade Declaration located in the 143 Reade Building, together with its respective percentage interest in the Common Elements.

"**143 Reade Unit Owner**" means any Person who holds fee title, of record, to one or more 143 Reade Unit(s), now or at any time. All such 143 Reade Unit Owners are, collectively, referred to as the "**143 Reade Unit Owners.**"

"**157 Chambers Unit**" means any of the residential units designated as such in the Artisan Lofts Declaration, together with its respective percentage interest in the Common Elements.

"**157 Chambers Unit Owner**" means any Person who holds fee title, of record, to one or more 157 Chambers Unit(s), now or at any time. All such 157 Chambers Unit Owners are, collectively, referred to as the "**157 Chambers Unit Owners.**"

"**157 Commercial User**" means any tenant, sub-tenant or user of any portion of the 157 Chambers Property (not including the ground floor and cellar portions of the 157 Chambers Building) for commercial purposes (not including home use occupations or other accessory residential uses as permitted by the New York City Zoning Resolution or its successor) and any guest, invitee, licensee, contractor, sub-contractor, materialman or any other Person who has been invited, licensed, contracted or otherwise been granted permission by such tenant, subtenant or user, whether written or oral, to use, occupy or enter any portion of the 157 Chambers Property or perform any work or a service therein.

"**157 Permitted User**" shall mean, with respect to a 157 Chambers Unit, the Exclusive Amenities, the Entrance, the Lobby, the General Amenities and/or the 143 Amenities (except for the mail boxes, which are solely for use by the 143 Reade Unit Owners and the 143 Reade Permitted Users), any guest, tenant, sub-tenant or resident of a 157 Chambers Unit, any invitee, licensee, contractor, sub-contractor, materialman, employee, agent (including managing, development, sales and leasing agent), or any other Person who has been invited, licensed, contracted or otherwise been granted permission whether written or oral to use, occupy, enter or perform work or a service by a 157 Unit Owner in or on its 157 Chambers Unit or by the Artisan Lofts Condominium Board of Managers in or on the Exclusive Amenities, the Easement Area, the Entrance, the Lobby, the General Amenities and/or the 143 Amenities, subject to the terms of this Agreement.

"**Alteration**" means any alteration, addition, construction, improvement, modification, restoration or repair.

"**Alteration Agreement**" means that certain alteration agreement, a copy of which is attached hereto as **Exhibit D**, to be entered into between Grantor and Grantee upon delivery by Grantee to Grantor of plans and specifications for Grantee's Initial Work complying with the requirements of the Alteration Agreement and this Agreement, and any replacement, modification or amendment thereof, provided that such replacement, modification or amendment shall be on substantially the same form as the Alteration Agreement attached hereto as **Exhibit D** and Section 11 and Exhibit C thereof may be replaced, modified or amended from time to time pursuant to Section 8.5 hereof.

"**Amenities**" means, the General Amenities, the 143 Amenities and/or the Exclusive Amenities, as the context requires.

"**Artisan Lofts Condominium**" means the condominium to be established on the 157 Chambers Property by the recording of a declaration (the "**Artisan Lofts Declaration**") and floor plans pursuant to the provisions of the New York Real Property Law and acting through its Board of Managers, its successor, assignee or designee, regardless of whether some name other than "Artisan Lofts Condominium" is selected therefor at any time.

"**Board of Managers**" means the governing body of the 137 Reade Condominium or the Artisan Lofts Condominium, as the context requires.

"**Building**" means either the 157 Chambers Building or a specified Condominium Building, or both, as the context requires.

"**By-Laws**" shall mean those certain By-Laws of the 137 Reade Condominium, as the same may be amended from time to time.

"**Condominium Documents**" means, collectively, the 137 Reade Declaration, the By-laws of the 137 Reade Condominium, the rules and regulations of the 137 Reade Condominium, the floor plans of 137 Reade Condominium certified by Gary Davis, registered Architect, on October 17, 1994, filed in the Real Property Assessment office as Condominium Plan No. 889, and recorded in the Register's Office on October 17, 1994 as Condominium Map No. 5279 as the same will be amended by those certain amended floor plans providing for the subdivision of the Original 143 Units to the Lobby Unit and the Retained Units and submitted for recording in the Register's Office and that certain power of attorney from Grantee of the Lobby Unit, to Grantor.

"**Easement Area**" shall mean (a) those certain General Common Elements of the 137 Reade Condominium located on the ground floor of the 143 Reade Building (excluding the elevator, fire stairs and stair landings of the 143 Reade Building), (b) the portion of the rear yard of the 143 Reade Building at the ground floor level and below as may be necessary to support any bridge, walkway or other structure connecting the 143 Reade Building and 157 Chambers Building, (c) the front (Reade Street) façade of the 143 Reade Building extending to the top of the ground floor thereof, and (d) the rear façade of the 143 Reade Building extending from the ground floor thereof to the top of the ground floor thereof, all as shown on the plan(s) attached hereto as **Exhibit C**.

"**Entrance**" shall have the meaning assigned to such term in the Recitals to this Agreement, and as the same may be altered or improved from time to time as hereinafter provided.

"**Exclusive Amenities**" means the roof deck located on the roof of the 157 Chambers Building, the bike room and storage room located in the basement of the 157 Chambers Building, and the repair, maintenance, janitorial, rubbish collection and removal and other services performed by the superintendent, porters, other staff of the 157 Chambers Building or third party service providers engaged by the Board of Managers of the Artisan Lofts Condominium (other than the doorman services performed by the doormen which are specifically included in the definition of General Amenities) and such other amenities and/or

services which Grantee may offer exclusively to any or all of the 157 Chambers Unit Owners from time to time.

"**General Amenities**" means, and is specifically limited to, the fitness center and recreation room to be located in the cellar of the 157 Chambers Building, the furniture, equipment and fixtures located in such fitness center and/or recreation room, as such furniture, equipment and fixtures may be removed and/or replaced from time to time in the sole discretion of the Board of Managers of the Artisan Lofts Condominium, the doorman service at the Entrance and the package acceptance services, package storage room and furniture and fixtures located in the Lobby, as any of the foregoing may be altered, improved, modified, relocated or eliminated in accordance with the provisions of this Agreement.

"**Grantee**" shall have the meaning assigned to such term in the recitals to this Agreement, but if and to the extent that the 157 Chambers Building shall be submitted to a condominium regime, such term shall refer to the Board of Managers of the Artisan Lofts Condominium upon assignment of this Agreement in accordance with its terms, which Board of Managers shall be authorized to act for the Unit Owners of the Artisan Lofts Condominium on the matters in question under this Agreement and the Artisan Lofts Declaration.

"**Institutional Lender**" shall mean (A) a real estate investment trust, a bank, a saving and loan association, an investment bank, an insurance company, a trust company, a commercial credit corporation, a pension plan, a pension fund or pension advisory firm, a mutual fund, a government entity or plan; (B) an investment company, money management firm or "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, or an institutional "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, as amended; (C) an institution substantially similar to any of the foregoing entities described in clauses (A) or (B) above or (F) below; (D) any entity controlled by any of the entities described in clauses (A), (B) or (C) above or (F) below; (E) a Qualified Trustee (hereinafter defined) in connection with (x) a securitization of, (y) the creation of collateralized debt obligations secured by, or (z) a financing through an "owner trust" of, mortgage loans; (F) an investment fund, limited liability company, limited partnership or general partnership where an entity that is otherwise an Institutional Lender under clauses (A), (B), (C), (D) or (E) of this definition acts as the general partner, managing member or fund manager and at least 50% of the equity interests in such investment fund are owned, directly or indirectly, by one or more of the following: an Institutional Lender, an institutional "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933, as amended, and/or a "qualified institutional buyer" or both within the meaning of Rule 144A promulgated under the Securities Exchange Act of 1934, as amended; or (G) any Institutional Lender that is acting in an agency capacity for a syndicate of lenders, provided more than 50% of the committed loan amounts or outstanding loan balance are owned by lenders in the syndicate that are Institutional Lenders.

"**Lobby**" shall have the meaning assigned to such term in the Recitals to this Agreement, as same may be altered, improved or renovated from time to time as hereinafter provided and in accordance with the Alteration Agreement.

"**Lobby Unit**" shall mean the Lobby Unit created pursuant to the Second Amendment, which Lobby Unit consists of, collectively, (a) the ground floor portion of Unit 2C and (b) the ground floor portion of Unit 143-C, together with a 2.16% undivided interest in the Common Elements appurtenant to such Lobby Unit.

"**Lobby Unit Mortgagee**" shall mean an Institutional Lender who holds a Lobby Unit Mortgage and who has complied with the provisions of Sections 17.2 and 17.5 below.

"**Lobby Unit Mortgage**" shall mean a first priority mortgage or deed of trust encumbering the Lobby Unit which is held by a Lobby Unit Mortgagee.

"**Original 143 Units**" shall mean collectively, (i) the condominium unit designated as Unit No. 143-C ("**Unit 143-C**") (which 143-C Unit is identified as Block 140, Lot 1204, Section 2 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York) together with a 1.07% undivided interest in the Common Elements (as defined in the Declaration) appurtenant to Unit 143-C; and (ii) the condominium unit designated as Unit No. 2C ("**Unit 2C**") (which Unit 2C is identified as Block 140, Lot 1207, Section 2 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York) together with a 9.63% undivided interest in the Common Elements appurtenant to Unit 2C, which Original 143 Units, prior to the date hereof, were subdivided to create the Lobby Unit and the Retained Units.

"**Permitted User**" shall mean (a) with respect to each Unit Owner, a 137 Reade Permitted User, (b) with respect to each 143 Reade Unit Owner, a 143 Reade Permitted User and (c) with respect to each 157 Chambers Unit Owner, a 157 Chambers Permitted User, as the context requires.

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

"**Rating Agencies**" means each of Standard & Poor's Ratings Group, a division of the McGraw-Hill Companies, Moody's Investors Service, Inc., Fitch, Inc. or any other nationally recognized statistical rating agency.

"**Retained Units**" shall mean, collectively, (a) the second floor and third floor portions of Unit 2C (which may be combined to be one unit or separated as two units), together with a 8.43% undivided interest in the Common Elements appurtenant thereto, and (b) the cellar portion of Unit 143-C, together with a 0.11% undivided interest in the Common Elements appurtenant thereto.

"**Qualified Trustee**" means (A) a corporation, national bank, national banking association or a trust company, organized and doing business under the laws of any state or the United States of America, authorized under such laws to exercise corporate trust powers and to accept the trust conferred, subject to supervision or examination by federal or state authority, (B) an institution insured by the Federal Deposit Insurance Corporation or (C) an institution whose long-term

senior unsecured debt is rated by either of the then in effect top two rating categories of each of the Rating Agencies.

"**Unit**" means any of the units designated as such in the 137 Reade Declaration, together with its respective percentage interests in the Common Elements, including, but not limited to the Lobby Unit and the Retained Units (or if referring to a period of time prior to the creation of the Lobby Unit and the Retained Units, the Original 143 Units).

"**Unit Owner**" means any Person who holds fee title, of record, to one or more Units, now or at any time. All such Unit Owners are, collectively, referred to as the "**Unit Owners**".

ARTICLE 2. Commencement Date; Termination Date.

2.1 The obligations of each of Grantor and Grantee under this Agreement shall commence on the date hereof.

2.2 This Agreement and the easements and rights granted herein to Grantee may be terminated by Grantor (a) in the event that there are 157 Commercial Users and a separate entrance or entrances to the 157 Chambers Building are not constructed or opened for such wholly within the 157 Chambers Property and used by such Commercial Users as their sole means of ingress and egress with respect to the 157 Chambers Property, or (b) in the event that more than twenty-five (25%) percent of the usable square footage of the 157 Chambers Property shall be utilized by 157 Commercial Users, or (c) in the event that any residential portion of the 157 Chambers Building shall cease to be used in accordance with the Applicable Standard (as defined herein), or (d) upon final judgment of foreclosure or deed-in-lieu of foreclosure by Grantor following (and arising from) Grantee's failure to pay Common Charges or other fees or assessments due under the 137 Reade Declaration in respect of the Lobby Unit, or (e) with the prior written consent of each of Grantor, Grantee, and any Lobby Unit Mortgagee; provided, however, in each case, no termination of this Agreement shall occur until the Lobby Unit Mortgagee shall have been afforded the opportunity (pursuant and subject to Section 17.4 of this Agreement) to cure the condition giving rise to the right to terminate this Agreement as aforesaid (in which event the provisions of Section 17.4 regarding cure by the Lobby Unit Mortgagee shall apply). No such termination shall limit the rights hereunder of (A) the 143 Reade Unit Owners and the 143 Reade Permitted Users to access and use the 143 Amenities in connection with the use of 143 Reade Unit Owners' units or (B) the Unit Owners and their Permitted Users to access and use the Entrance and Lobby in connection with the use of the Unit Owners' units as set forth in this Agreement, unless and until a reasonable, alternative (y) security and/or intercom system(s) and mail boxes have been provided to the 143 Reade Unit Owners and the 143 Reade Permitted Users, and (z) entrance and lobby to the 143 Reade Building have been provided to the Unit Owners and their Permitted Users.

The parties hereto agree that prior to this Agreement being terminable by Grantor under the foregoing Sections 2.2(b) or 2.2(c), Grantee and any Lobby Unit Mortgagee shall have the right, pursuant to Article 13 of this Agreement, to seek a determination through arbitration of whether the conditions described in such sections exist. During the pendency of such arbitration and for such time period thereafter as shall be determined by the arbitrators as being reasonably necessary to enable Grantee and, if applicable, the Lobby Unit Mortgagee pursuant to Section

17.4 of this Agreement, to cure the conditions and failures identified by the arbitrators, the time periods to cure such conditions and failures provided elsewhere in this Agreement shall be tolled. Any arbitration proceeding brought pursuant to this paragraph must be filed by Grantee or the Lobby Unit Mortgagee within thirty (30) days of its receipt of the applicable Default Notice. The parties agree that Grantee or any Lobby Unit Mortgagee may request that the arbitrators enumerate the manner or ways in which the Applicable Standard shall not have been met in the operation of the 157 Chambers Property if such is relevant. Notwithstanding the provisions of Article 13 of this Agreement, the prevailing party in such arbitration shall be entitled to have all of its reasonable attorneys' fees, out-of-pocket expenditures and fees of the arbitrators paid by the losing party, as determined by the arbitrators.

2.3 (a) In the event that this Agreement is terminated pursuant to Section 2.2 above, Grantee shall upon request by Grantor, in Grantor's sole discretion, perform any or all of the following: (i) replace any demising walls or doorways which were removed from the Lobby Unit and Easement Area in connection with Grantee's Initial Work (as hereinafter defined) to enclose and separate (A) the Lobby Unit from the Easement Area (and, in the event that Grantee did not combine the Lobby Unit to be a single unit with one tax lot number, replace any demising walls necessary to separate the Lobby Unit into two separate Units, such that the Lobby Unit may be sold or otherwise conveyed separately from the Easement Area (which shall remain General Comment Elements pursuant to the Condominium Documents) and (B) the Easement Area from the 157 Chambers Building, such that the 157 Chambers Building shall no longer have any physical connection to the Easement Area and/or the 143 Reade Building, (ii) restore the Easement Area substantially to the condition existing on the date hereof, and/or (iii) replace, modify and/or restore any HVAC, utilities, electrical, mechanical, plumbing and other building systems servicing the Lobby Unit and the Easement Area so that the same may be separately operated and billed to the Lobby Unit and the 143 Reade Building (or any new Units created as a result of a Reconfiguration (as hereinafter defined)) and, as applicable, consumption thereof separately measured (the foregoing clauses (i), (ii) and (iii) are referred to herein, individually, collectively and in any combination as, a "**Reconfiguration**").

(b) If this Agreement has been terminated pursuant to Section 2.2 above, and Grantee has failed to complete the Reconfiguration in accordance with Section 2.3(a) above within ninety (90) days after approval of all necessary plans for the Reconfiguration by Grantor (Grantee agreeing to file such plans for approval by Grantor within no more than thirty (30) days following the termination of this Agreement pursuant to Section 2.2 above), Grantor or its nominee may, in Grantor's sole discretion, provided Grantor has provided to Grantee no less than thirty (30) days prior written notice, perform any or all part of a Reconfiguration. The costs and expenses of a Reconfiguration shall be borne solely by Grantee. Notwithstanding the foregoing, if such a Reconfiguration is performed by Grantor or its nominee as a result of Grantee failing to perform such Reconfiguration within ninety (90) days of the approval of Reconfiguration plans, as aforesaid, the costs and expenses of such Reconfiguration incurred by Grantor or its nominee shall constitute additional Common Charges which are immediately due and payable and shall be a lien on the Lobby Unit in favor of Grantor, and the aggregate amount to discharge such lien (including any delinquent Common Charges owed by Grantee to Grantor) shall be paid by Grantee or, if following a foreclosure, out of proceeds from a foreclosure sale. Following the termination of this Agreement, Grantee, or if following a foreclosure, Grantor or its nominee, shall be permitted to convey the Lobby Unit (or any new Units created as a result of

a Reconfiguration) to a third party purchaser to be used in any manner permitted under the Condominium Documents. In the event of a termination of this Agreement, the Applicable Standard shall no longer apply to the Lobby Unit (or any new Units created as a result of a Reconfiguration), the Lobby or the Entrance. The provisions of this Section 2.3 shall survive the termination of this Agreement.

ARTICLE 3. Intentionally Deleted.

ARTICLE 4. Grant of Easements of Access, Right of Way and Use of Amenities.

4.1. Grantor and Grantee covenant, acknowledge and grant the following as easements to the other, as may be required to effectuate the purposes hereof:

(a) Permitting Unit Owners and their respective Permitted Users (i) to enter, exit, pass over and pass through, the Entrance, so as to gain access, ingress and egress to and through and use of the Lobby and Easement Area, (ii) to use the General Amenities upon the same terms and conditions as and during the same times that 157 Chambers Unit Owners and the 157 Chambers Permitted Users are permitted to use such General Amenities, in each case, upon reasonable security terms and procedures established by the Board of Managers of the Artisan Lofts Condominium and uniformly enforced against all Unit Owners and 157 Chambers Unit Owners and their respective Permitted Users, and for no other purpose, and (iii) with respect to the 143 Reade Unit Owners and 143 Reade Permitted Users, notwithstanding any such terms and procedures, to enter, exit, pass over and pass through the Entrance and Lobby for all purposes related to the use and occupancy of 143 Reade Units including, without limitation, deliveries, access for domestic animals (to the extent domestic animals of 157 Chambers Unit Owners and 157 Chambers Permitted Users are permitted such access) and moving in or moving out of the 143 Reade Building, recognizing that the Entrance and Lobby constitute the sole entrance and means of access to the 143 Reade Units.

(b) Permitting 143 Reade Unit Owners and the 143 Reade Permitted Users to use the 143 Amenities upon the same terms and conditions as and during the same times that 157 Chambers Unit Owners and the 157 Chambers Permitted Users are permitted to use such 143 Amenities (except for the mail boxes, which are solely for use by the 143 Reade Unit Owners and the 143 Reade Permitted Users) are permitted to use such 143 Amenities, upon reasonable security terms and procedures established by the Board of Managers of the Artisan Lofts Condominium and uniformly enforced against all 143 Reade Unit Owners and 157 Chambers Unit Owners and their respective Permitted Users, and for no other purpose.

(c) No Unit Owner, including without limitation, no 143 Reade Unit Owner (or each of its respective Permitted Users), or Grantor, as the case may be, shall be obligated to pay as consideration for the use and enjoyment of the Amenities, any portion of the expenses of the Artisan Lofts Condominium attributable to the installation, operation, maintenance and repair of the Amenities. Notwithstanding the foregoing, each Unit Owner and each of its Permitted Users using the Amenities, to the extent applicable to and uniformly enforced against any 157 Chambers Unit Owner, shall be obligated to pay (i) any additional membership fees or special usage charges for the use and enjoyment of such Amenity (except for any common charges, special assessment or similar charges payable by 157 Chambers Unit Owners (in their capacity

as Unit Owners of 157 Chambers Units) under the Artisan Lofts Declaration), and (ii) the cost to repair any damage to or replace any Amenity arising from such Unit Owner's or 143 Reade Unit Owner's, as the case may be, gross negligence or willful misconduct in its use thereof to the same extent any 157 Chambers Unit Owner would be required to do so.

(d) Permitting residential 157 Chambers Unit Owners and their Permitted Users to enter, exit, pass over and through, the Entrance, to gain access, ingress and egress to and through and to use the Lobby and Easement Area, and for no other purpose.

(e) Permitting access to and through the Entrance, Lobby and Easement Area by Grantee and its Permitted Users for purposes of construction, maintenance, repair, inspection and operation of such areas, without the imposition by Grantor of any fee or charge for such access, subject to the terms and conditions of the Alteration Agreement, and for no other purpose.

(f) Except for the Entrance, Lobby and Easement Area, Unit Owners of the Artisan Lofts Condominium and the 157 Chambers Permitted Users are not permitted to access or enter upon any portion of the 143 Reade Building or the Condominium Property; and except for the Entrance, Lobby, Easement Area, General Amenities and 143 Amenities, and reasonable access-ways thereto, Unit Owners may not access or enter upon any portion of the 157 Chambers Building.

(g) Notwithstanding anything contained herein to the contrary, the easements granted above may not be used by and shall not inure to the benefit of any owner of a commercial unit or other non-residential unit of the Artisan Lofts Condominium or to a Permitted User of any such owner.

4.2 In establishing the terms, times, conditions for use and rules and regulations applicable to the General Amenities and the 143 Amenities, respectively, Grantee shall act reasonably and in good faith, and shall not take any action: (i) that would diminish or lessen the rights afforded to the residential Unit Owners with respect to the General Amenities compared to the rights afforded to the residential 157 Chambers Unit Owners with respect to the General Amenities, or (ii) that would diminish or lessen the rights afforded to the 143 Reade Unit Owners with respect to the 143 Amenities compared to the rights afforded to the residential 157 Chambers Unit Owners with respect to the 143 Amenities or rights of the residential 143 Reade Unit Owners under the 137 Reade Declaration (except that in the event there is a conflict between the rules and regulations established by the Board of Managers of the 137 Reade Condominium with the rules and regulations established by the Board of Managers of the Artisan Lofts Condominium, in so far as such rules and regulations relate to the General Amenities, 143 Amenities, Lobby, Entrance or Easement Area, the rules and regulations established by the Board of Managers of the Artisan Lofts Condominium shall control). Notwithstanding the foregoing, Grantee shall have the right, in its reasonable discretion, to the extent applicable to and uniformly enforced against the 157 Chambers Unit Owners, to discontinue certain General Amenities for a certain residential Unit Owner in the event such residential Unit Owner repeatedly violates the rules and regulations adopted by the Board of Managers of the Artisan Lofts Condominium for the use of such General Amenities after written notice of such repeated violations to such residential Unit Owner by the Board of Managers of

the Artisan Lofts Condominium, provided that, in no event, shall the Board of Managers of the Artisan Lofts Condominium have the authority to discontinue, impair or unreasonably limit access to and use of (a) the 143 Amenities for the benefit of the 143 Reade Unit Owners and the 143 Reade Permitted Users, or (b) the Entrance, Lobby and any other General Common Elements of the 137 Reade Condominium located in the Easement Area and Lobby Unit for the benefit of the residential Unit Owners and their Permitted Users.

4.3 The use and enjoyment of the Exclusive Amenities shall be limited to that by the 157 Chambers Unit Owners and their Permitted Users, and the Unit Owners shall have no right to use, access or enjoy the Exclusive Amenities. Grantee shall, from time to time, be permitted to offer additional amenities, services or security which it may characterize as "Exclusive Amenities" to any individual or all of the 157 Chambers Unit Owners, if Grantee determines, in Grantee's sole discretion, the offering of such additional amenities, services or security enhances the market value of the Artisan Lofts Condominium or are appropriate or necessary to enable Grantee to provide a first class level of amenities, services or security to the 157 Chambers Unit Owners, provided that, such additional Exclusive Amenities do not materially diminish or impair the Unit Owners' access to and use and enjoyment of the Amenities or the 143 Reade Unit Owners' access to and use and enjoyment of the 143 Amenities.

ARTICLE 5. Use, Operation and Maintenance of the Entrance, Lobby and Easement Area

5.1. Grantee covenants, acknowledges and agrees, at the Grantee's sole cost and expense, in order to effectuate the purposes of this Agreement, to perform the following in a first class manner consistent with residential condominium buildings with doormen in the Tribeca neighborhood of New York City built after 1999 and in compliance with all applicable legal requirements (the "**Applicable Standard**") (collectively, "**Grantee's Work**"):

(a) construct, alter, demise, improve, equip, and convert the Easement Area and Lobby Unit for the purposes set forth in this Agreement, so long as the structural integrity of the 143 Reade Building is not adversely affected, including but not limited to, physically separating and enclosing the Lobby Unit from the Retained Units, restoring the slab at the upper level of the Lobby Unit and removing of the stair connecting the ground floor portion and second floor portion of Unit 2C, and altering or modifying the exterior wall or relocating any portion of the façade, the existing doorway and frame or any windows of the ground floor of the 143 Reade Building facing Reade Street (including removal of one or more columns on the façade), in a manner that does not adversely effect the structural integrity of the 143 Reade Building or access to the 143 Reade Building by the 143 Reade Unit Owners and the 143 Reade Permitted Users for the purposes provided in Section 4.1 of this Agreement;

(b) decorate, furnish and finish the Lobby, Entrance, Easement Area and Lobby Unit;

(c) construct and install the Amenities;

(d) install HVAC, utilities, electrical, mechanical, plumbing and other building systems to service the Lobby Unit, Lobby, Entrance and the Easement Area, which

HVAC, utilities, electrical, mechanical, plumbing and other building systems shall be metered or sub-metered in a manner so that consumption of the same is measured separately for the Grantee and the 143 Reade Unit Owners, so long as the HVAC, utilities, electrical, mechanical, plumbing and other building systems of the 143 Reade Building are not adversely affected;

(e) install those meters and/or sub-meters described in subsection (d) above (Grantee's Work (as hereinafter defined) described in subsections (a) through (e) of this Section 5.1 are referred to herein collectively as, the "**Grantee's Initial Work**").

(f) maintain, repair and clean the Lobby, Entrance, Easement Area, Lobby Unit, 143 Amenities and General Amenities;

(g) maintain public liability and property damage insurance covering the Lobby, Entrance, Easement Area and Lobby Unit, subject to and in accordance with the terms and conditions of this Agreement;

(h) at all times Grantee provides the General Amenities to the 157 Chambers Unit Owners, provide the General Amenities to the Unit Owners;

(i) provide the 143 Amenities to the 143 Reade Unit Owners and the 143 Reade Permitted Users (unless and until a reasonable, alternative security and/or intercom system(s) and mail boxes satisfying the Applicable Standard have been provided to the 143 Reade Unit Owners and 143 Reade Permitted Users);

(j) maintain, repair and/or replace the HVAC, utilities, electrical, mechanical, plumbing and other building systems and any meters or sub-meters installed by Grantee to measure consumption of the foregoing;

(k) maintain, keep clean, repair and/or replace any of the decoration, furnishings, equipment or fixtures installed by Grantee in the performance of Grantee's Work, the signs or plaques installed by Grantee pursuant to Section 5.2(c) of this Agreement, the canopy or awning installed by Grantee pursuant to Section 5.2(d) of this Agreement and the lighting fixtures installed by Grantee pursuant to Section 5.2(e) of this Agreement, from time to time as determined in the sole discretion of Grantee, provided that the same is appropriate and consistent with (i) the Applicable Standard and (ii) the nature, character and design of the 157 Chambers Building, and if required pursuant to this Agreement, subject to the terms and conditions of the Alteration Agreement;

(l) keep free from snow, ice, dirt and rubbish the sidewalks and curbs directly in front of the 143 Reade Building and keep clean, maintain and repair the ground floor portion of the exterior walls of 143 Reade Building;

(m) remove all trash and rubbish produced or discarded by 157 Chambers Unit Owners or 157 Chambers Permitted Users or as a result of the operation of the General Amenities, 143 Amenities, Exclusive Amenities, the Lobby or the Entrance, through an exit to be located in the 157 Chambers Building onto Chambers Street. (Grantee's Work described in subsections (f) through (m) of this Section 5.1 are referred to herein collectively as, "**Grantee's**

Maintenance Obligations"). As used herein, "**Grantee's Work**" shall include Grantee's Initial Work and Grantee's Maintenance Obligations.

5.2 Grantee, in its capacity as Unit Owner of the Lobby Unit, other than as set forth in this Agreement, shall have the rights of a Commercial Unit Owner as set forth in Article 10D of the 137 Reade Declaration and By-laws and shall only be permitted to use the Lobby Unit as set forth herein. In addition to such enumerated rights, and notwithstanding any provisions of the 137 Reade Declaration and By-laws to the contrary, for such time as this Agreement shall remain in full force and effect, Grantee shall, at Grantee's sole cost and expense, in a manner that is consistent with the Applicable Standard, have the right to take the following actions subject to the terms of this Section 5.2 and Section 8.4 of this Agreement and the Alteration Agreement:

(a) alter or modify the exterior wall or relocating any portion of the façade, the existing doorway and frame or any windows of the ground floor of the 143 Reade Building facing Reade Street (including removal of one or more columns on the façade), so long as neither the structural integrity of the 143 Reade Building nor the ability of the 143 Reade Unit Owners and the 143 Reade Permitted Users to access the 143 Reade Building for the purposes provided in Section 4.1 of this Agreement is adversely affected;

(b) alter or modify any portion of the Easement Area so long as such alteration or modification does not materially adversely affect the structure of the 143 Reade Building or impair the ability of 143 Reade Unit Owners or 143 Permitted Users to access the 143 Reade Building, the 143 Reade Amenities or their respective 143 Reade Units and appurtenant Common Elements (unless reasonable, alternative access or entranceway is provided for the duration of such construction);

(c) affix and install one or more signs or plaques on the exterior wall of the 143 Reade Building facing Reade Street, listing the name and address of the Artisan Lofts Condominium, the leasing agent, sales agent, managing agent, or manager of the Artisan Lofts Condominium, and such other identifying information as Grantee shall determine, provided that, all such signs or plaques shall at all times identify and display the street address of the 143 Reade Building and, further provided that, no such signs or plaques shall be lit by neon or flashing lights;

(d) affix and install a canopy or awning and supports thereof on the exterior wall of the 143 Reade Building facing Reade Street, so long as such canopy or awning does not extend above the top of the ground floor of the 143 Reade Building;

(e) affix and install lighting fixtures on the exterior wall of the 143 Reade Building facing Reade Street, so long as such lighting fixtures do not direct light above the top of the first floor of the 143 Reade Building and are not installed above the top of the ground floor of the 143 Reade Building;

Prior to taking any of the foregoing actions, Grantee shall submit to Grantor drawings, plans and specifications and a description of the scope of such work for Grantor's review and approval with respect only to the scope of such work and to confirm its compliance with the Applicable Standard, the terms of this Agreement and the Alteration Agreement.

Grantee shall pay to Grantor the reasonable costs of review of the drawings, plans and specifications in connection with Grantee's Work. Provided that Grantor approves of the scope of Grantee's Work, such approval not to be unreasonably withheld or delayed, and confirms the proposed work complies with the foregoing standards, Grantee shall have the right to proceed with such work in accordance with the drawings, plans and specifications submitted to Grantor for its approval, and to select, in Grantee's sole discretion without seeking any further approval of Grantor, the materials, methods and design of such work.

5.3 Notwithstanding anything contained herein to the contrary, this Section 5.3. shall not be intended or construed to impose or make due from Grantee, in its capacity as the owner of the Lobby Unit and as beneficiary of the easements granted herein, any condominium common charges, assessments or similar charges other than those Common Charges (as defined in the 137 Reade Declaration) allocated to the Lobby Unit in accordance with its percentage interests in the Common Elements as set forth in the 137 Reade Declaration and those additional Common Charges provided for in Sections 2.3 and 8.4 of this Agreement. Grantor shall not amend the 137 Reade Declaration or by-laws in a manner that would materially adversely affect or impose any condominium Common Charges, assessments or similar charges on Grantee (unless and to the extent that such condominium Common Charges, assessments or similar charges are applicable to and uniformly collected from Unit Owners in accordance with their percentage interests in the Common Elements) as the Unit Owner of the Lobby Unit or impair or restrict Grantee's use of the Lobby Unit and Easement Area as the Entrance, Lobby, General Amenities and 143 Amenities. No use of the Lobby Unit and Easement Area, other than the use as an Entrance, Lobby and the location of certain Amenities or as otherwise permitted under the Condominium Documents, shall be permitted.

5.4 Notwithstanding anything contained herein to the contrary, Grantee shall not be obligated to (a) reimburse, indemnify or hold harmless Grantor or any Unit Owners or its Permitted Users for any repairs and replacements to the sidewalks, sidewalk beams, vaults and curbs directly in front of the 143 Reade Building or in front of or adjacent to any other Building of the 137 Reade Condominium resulting from conditions that existed prior to the date hereof, unless Grantee by its acts or omissions worsens any condition existing prior to the date hereof, (b) repair or replace the sidewalks, sidewalk beams, vaults and curbs directly in front of the 143 Reade Building or in front of or adjacent to any other Building of the 137 Reade Condominium occurring after the date hereof, unless Grantee by its acts or omissions worsens any condition existing prior to the date hereof, or (c) to keep free from snow, ice, dirt and rubbish the sidewalks, sidewalk beams, vaults and curbs in front of or adjacent any Building of the 137 Reade Condominium other than the 143 Reade Building.

ARTICLE 6. <u>Agreement Runs with the Land</u>.

6.1. This Agreement, and the rights, covenants and obligations of the parties hereunder, is intended to and shall run with the real property benefited and burdened hereby, and shall bind and inure to the benefit of, the parties and their respective successors and/or assigns.

6.2 In the event of any conveyance or divestiture of title to the Lobby Unit and the simultaneous assignment of the rights, covenants and obligations under this Agreement by Grantee (or its permitted successor or assign), Grantee shall be entirely freed and relieved of the

rights, covenants and obligations accruing hereunder if and to the extent that Grantee (or its permitted successor or assign) would also be freed and relieved of such rights, covenants and obligations as a Unit Owner under the 137 Reade Declaration. In the event of a conveyance or divestiture of title to the Lobby Unit and the simultaneous assignment of the rights, covenants and obligations under this Agreement, such transferee shall be deemed to have assumed all of the rights, covenants and obligations of Grantee (or its permitted successor or assign) hereunder until such transferee is freed and relieved therefrom pursuant to the first sentence of this Section 6.2, other than with respect to (i) liability which may arise from any defects in Grantee's Initial Work or the reconstruction, repair, reinstallation or replacement of any of Grantee's Initial Work which was reconstructed, repaired, reinstalled or replaced within one (1) year after the completion of Grantee's Initial Work, or (ii) Grantee's failure to perform any of Grantee's Maintenance Obligations prior to the date of such conveyance or divestiture of title (the foregoing clauses (i) and (ii) are referred to herein, individually and collectively as, "**Grantee's Retained Obligations**") (none of which shall be assumed by such transferee). Grantee shall remain liable for Grantee's Retained Obligations for a period of one (1) year from the date of such conveyance or divestiture of title. In no event, shall the Board of Managers of the Artisan Lofts Condominium be obligated for any liability arising from Grantee's Retained Obligations. The Board of Managers of the Artisan Lofts Condominium shall be obligated for any liability arising from (i) the reconstruction, repair, reinstallation, or replacement of any of Grantee's Initial Work performed after the date that is the one (1) year anniversary of this Agreement and (ii) the Board of Managers of the Artisan Lofts Condominium's failure to perform any of Grantee's Maintenance Obligations following the date of such conveyance or divestiture of title.

ARTICLE 7. Permitted Use of the 143 Reade Units and 157 Chambers Units.

7.1 Except with respect to the ground floor and cellar of the 157 Chambers Building for the location of certain General Amenities and Exclusive Amenities, Grantee, or any permitted successor and/or assign of Grantee, (a) shall not, and shall not permit the Board of Managers of the Artisan Lofts Condominium to, provide in the Artisan Lofts Declaration for any 157 Chambers Unit to be used other than for residential and Permitted Home Occupation (as defined in the Second Amendment) purposes, (b) shall apply for residential certificates of occupancy for the 157 Chambers Units upon completion of construction of the same, and (c) shall not amend or modify the Artisan Lofts Declaration to permit any 157 Chambers Unit to be used other than for residential and Permitted Home Occupation purposes or to permit any 157 Chambers Unit Owner to apply for or amend an existing certificate of occupancy to provide for a non-residential use of a 157 Chambers Unit.

7.2 Intentionally Omitted.

7.3 Each of the Unit Owners, including, but not limited to, the 143 Reade Unit Owners, shall, and shall cause each of its Permitted Users to, observe the rules and regulations lawfully adopted by the Board of Managers of the Artisan Lofts Condominium with respect each of its use of the Lobby Unit, Easement Area, the General Amenities and the 143 Amenities, as the case may be, provided that 157 Chambers Unit Owners are subject to the same rules and regulations and that such rules and regulations are uniformly enforced. In the event of any conflict between the rules and regulations established by the Board of Managers of the 137 Reade Condominium with the rules and regulations established by the Board of Managers of the

Artisan Lofts Condominium, in so far as such rules and regulations relate to the General Amenities, 143 Amenities, Lobby, Entrance or Easement Area, the rules and regulations established by the Board of Managers of the Artisan Lofts Condominium control, provided that such rules and regulations do not adversely affect, impair or unreasonably limit access to and use of the Amenities for the benefit of the Unit Owners and their Permitted Users and provided further that, the 143 Reade Unit Owners and the 143 Reade Permitted Users shall have the rights of use and access provided for in Section 4.1, notwithstanding any provision to the contrary.

ARTICLE 8. Maintenance and Repairs.

8.1. Grantor shall be solely responsible for all repairs, alterations and maintenance with respect to the Condominium Buildings and the Condominium Property pursuant to 137 Reade Declaration (except for Grantee's Maintenance Obligations with respect to the Lobby, Entrance, Lobby Unit, Easement Area, General Amenities and 143 Amenities), whether ordinary or extraordinary, foreseen or unforeseen, structural or nonstructural. Grantee (or its permitted successor or assign as set forth in Section 6.2 of this Agreement) shall be solely responsible for Grantee's Maintenance Obligations and all repairs, alterations and maintenance with respect to the 157 Chambers Building and the 157 Chambers Property pursuant to this Agreement and, as of the date of recording of the Artisan Lofts Declaration, the Artisan Lofts Declaration, whether ordinary or extraordinary, foreseen or unforeseen, structural or nonstructural. No consents or approval of the other party shall be required in connection with such repairs, alterations and maintenance. Nothing contained herein shall absolve any Unit Owner or 157 Unit Owner, as applicable, to repair, alter and maintain its respective Unit or 157 Chambers Unit, as applicable, pursuant to the 137 Reade Declaration or the Artisan Lofts Declaration, as applicable.

8.2 (a) Grantor shall have no right to alter, repair, maintain or replace furnishings, decorations, equipment or fixtures in, the Easement Area, Entrance or the Lobby, except to the extent Grantee has failed to perform any of Grantee's Maintenance Obligations pursuant to this Agreement and such failure continues for [thirty (30)] days after written notice of same by Grantor (each, a "**Work Notice**") or pursuant to Section 8.2(b) of this Agreement. Grantee shall be entitled to an extension of such thirty (30) day period for such time as may reasonably be required to complete the performance of such Grantee's Maintenance Obligations, provided that, Grantee has commenced the work reasonably promptly after becoming aware of such condition and thereafter has been diligently pursuing the same to completion. Grantee may, within five (5) business days of receiving a Work Notice, deliver a written notice of objection to Grantor to such alterations, repairs or maintenance work, setting forth the reasons therefor. In the event Grantee fails to timely deliver such written notice of objection, Grantee shall be deemed to have waived its right to so object. In the event Grantee timely delivers to Grantor such a written notice of objection, and there exists no Emergency Condition (as hereinafter defined) in the reasonable discretion of Grantor, and the reasonable estimate of the cost of the repairs or maintenance set forth in such Work Notice is greater than $50,000 (which amount shall be increased by 3.0% per annum commencing on the first anniversary of this Agreement and each anniversary thereafter) no such repairs or maintenance may be performed unless and until the matter has been resolved independently by the parties or by arbitration in accordance with the dispute resolution provisions of Article 13 of this Agreement.

(b) (i) If Grantor determines in its reasonable discretion that it is necessary to remove all or any portion of Grantee's Work in order to conduct a repair or routine maintenance and upkeep of the 143 Reade Building for which Grantor is responsible under the terms of the Condominium Documents which is not an Emergency Condition (as hereinafter defined), Grantor shall provide Grantee notice at least ten (10) days in advance of such removal (each, a "**Removal Notice**"). Notwithstanding the foregoing, if such repair or routine maintenance or upkeep is to the Retained Units, the General Common Elements located in the 143 Reade Building or any other portion of the 143 Reade Building which is not a part of the Easement Area, and such removal would not cause Grantee to be in breach of its obligations under this Agreement or under the Artisan Lofts Declaration, Grantor shall not be obligated to provide any advance notice of the same to Grantee. In the event Grantee reasonably objects in writing within the ten (10) day period after it receives a Removal Notice prior to Grantor's commencement of the repair or maintenance work described in such Removal Notice, Grantor shall not commence such removal of Grantee's Work until the earlier of (y) Grantee, in its reasonable discretion, has delivered to Grantor its written approval of the same, or (z) the matter has been resolved independently by the parties or by arbitration in accordance with the dispute resolution provisions of Article 13 of this Agreement.

8.3 Notwithstanding the provisions of Section 8.2 above, if there exists an emergency when the giving of prior notice is impractical or may imminently endanger the health or safety of any person or property (an "**Emergency Condition**"), Grantor shall not be obligated to deliver a Work Notice or Removal Notice, as the case may be, to Grantee of its intent to cure such Emergency Condition, provided that Grantor shall immediately thereafter advise Grantee of the Emergency Condition and Grantor's cure thereof.

8.4 (a) Grantee shall reimburse Grantor for (i) its reasonable costs and expenses in connection with Grantor's performance of any alterations, repairs or maintenance work pursuant to Sections 8.2(a) or 8.3 above, and (ii) any costs and expenses resulting from Grantor's employing methods designed to avoid or reduce the removal of Grantee's Work, and/or any incremental costs and expenses incurred in connection with or removal, repair, or routine maintenance and upkeep, or subsequent replacement, restoration and reinstallation of any unique furnishing, decoration, equipment or fixture installed by Grantee permitted pursuant to Section 8.2(b) above. At any time Grantor requests reimbursement for the foregoing, it shall provide Grantee with any invoices or other reasonable documentation as may be requested by Grantee. If within ten (10) days following written demand (accompanied by such documentation) Grantee fails to pay to Grantor the amounts described above, such amounts shall constitute additional Common Charges with respect to the Lobby Unit which are then immediately due and payable.

(b) In the event that any repairs, alterations or maintenance to the Easement Area or Lobby Unit are required to be performed, whether structural or non-structural, ordinary or extraordinary, as a result of the negligence or intentional misuse by Grantor, the cost of such repair or restoration work shall be borne solely by Grantor.

8.5 (a) All repairs, alterations or maintenance work in the Entrance, Lobby, Lobby Unit and Easement Area including without limitation, Grantee's Work, shall at all times be governed by the terms and conditions of this Agreement and the Alteration Agreement, regardless of whether performed by Grantee or Grantor. The commencement of any work by

Grantee in the Entrance, Lobby, Easement Area or Lobby Unit which does not constitute Grantee's Maintenance Obligations shall be conditioned upon the execution by Grantor and Grantee of a separate agreement regarding such work in the same form and substance as the Alteration Agreement, it being agreed, however, that Section 11 of the Alteration Agreement and Exhibit C thereof may be modified from time to time in the reasonable discretion of Grantor to reflect either the scope of the particular work to be performed or the passage of time since the execution of this Agreement. In the event of a conflict between the terms and conditions of this Agreement and the Alteration Agreement, the Alteration Agreement, as the same may be amended, shall govern.

(b) Any repairs, alterations or maintenance work in the Entrance, Lobby, Lobby Unit and Easement Area performed by either party (each, a "**Performing Party**") shall be performed at the times reasonably provided for in the rules and regulations lawfully adopted by the Board of Managers for the Artisan Lofts Condominium uniformly applicable to work performed by such Board of Managers and uniformly enforced against the 157 Chambers Unit Owners and 143 Reade Unit Owners.

(c) Any repairs, alterations or maintenance work in the Entrance, Lobby, Lobby Unit and Easement Area performed by a Performing Party shall be completed with reasonable diligence and in accordance with all applicable legal requirements and conducted and undertaken in such manner as not to impose any additional unreasonable expenses on the other party resulting from the construction, maintenance, cleaning, repair, safety, management, security or operation of the other party's Building or Property or any part thereof, and so as not to unreasonably interfere with, or cause unreasonable interruption of, the operation and maintenance of the other party's Building or Property, or any part thereof, or cause unreasonable interference with, the use and occupancy by residents of the other party's Building or Property. Prior to commencing any such work, the Performing Party shall deliver to the other party evidence of insurance in commercially reasonable amounts naming the other parties, the managing agent of the 137 Reade Condominium (which as of the date hereof is Sandra Greer Real Estate Inc.), the 157 Chambers Unit Owners and the 137 Reade Unit Owners, and specifically naming the individual 143 Reade Units Owners (which as of the date hereof is Byron E. Lewis, Sr.), as additional insureds.

(d) The Performing Party shall, at its sole cost and expense, within thirty (30) days of receipt of notice from the other party or otherwise acquiring knowledge thereof, promptly procure the cancellation or discharge of all liens or notices of violations issued by any public or governmental authority asserting jurisdiction arising from or otherwise connected with the its performance of any work in the Entrance, Lobby, Easement Area or Lobby Unit; however, nothing herein shall prevent a party (a "**Contesting Party**") from contesting in good faith and at its own cost and expense any such notice of violation or lien, provided that: (i) neither the other party nor any Unit Owner nor any 157 Chambers Unit Owner shall by reason thereof be subject to criminal penalty or to prosecution for a crime, nor shall the 143 Reade Building or any part thereof be subject to foreclosure, condemnation or vacation, nor shall the certificate(s) of occupancy for the 143 Reade Building or any portion thereof be suspended or threatened to be suspended by reason of non-compliance or otherwise by reason such as contest; (ii) before the commencement of each such contest, the Contesting Party shall furnish to the other party either (1) a bond, in form and substance reasonably satisfactory to the other party, of a surety company

reasonably satisfactory to the other party, in an amount equal 125% of the cost of such compliance (as reasonably estimated by an architect retained by the Contesting Party), or (2) other security reasonably satisfactory in all respects to the other party; (iii) neither such non-compliance nor such contest shall constitute or result in any violation of the terms of this Agreement; and (iv) the Contesting Party shall keep the other party regularly advised as to the status of such proceedings. Notwithstanding the foregoing, in the event Grantee, as the Contesting Party, has posted a bond or other security to its Permitted Mortgagee in connection with its contesting in good faith any such violation or lien, it shall not be obligated to post a bond or other security pursuant to clauses (1) or (2) above, provided that Grantor is named as an additional beneficiary of such bond or other security. If a Performing Party shall fail to so discharge any such lien within such thirty (30) day period, the other party shall have the right, but not the obligation, to discharge any such lien or violation at the expense of Grantee and such expenditure shall be deemed as the sole expense of the Performing Party, and payment enforceable against the Performing Party as provided in Article 9 herein.

ARTICLE 9. Indemnification.

9.1 Grantee shall indemnify and hold harmless Grantor and any Unit Owner, during Grantee's performance of Grantee's Work, if, as a result of Grantee's Work, there occurs:

(a) any failure or interruption of any utility or other similar service in any Unit or any other portion of the 143 Reade Building, excluding the Entrance, Lobby and Easement Area, for a period exceeding ten (10) consecutive days;

(b) any injury, loss, or damage to any individual or property, in or upon the Entrance, Lobby, Easement Area in the performance of Grantee's Work.

9.2 (a) Any party entitled to defense and indemnity pursuant to the provisions of this Article 9, shall first look to any insurance coverage maintained by the indemnifying party for any such recovery. Each of (i) Grantor and (ii) from and after the date hereof until the creation of the Artisan Lofts Condominium and subsequent assignment of the rights, covenants and obligations of this Agreement by Grantee to the Board of Managers of the Artisan Lofts Condominium pursuant to Article 10 hereof, Grantee, and thereafter, the Board of Managers of the Artisan Lofts Condominium, shall each maintain with respect to the Lobby Unit and the Easement Area, at least the same insurance coverages required or elected to be maintained by the respective Board of Managers pursuant to the 137 Reade Declaration and/or the Artisan Lofts Declaration, as applicable.

(b) Each insurance policy maintained by Grantee or the Board of Managers of the Artisan Lofts Condominium, as the case may be, with respect to the Grantee's Work and obligations hereunder shall contain a waiver of subrogation clause, so that no insurer shall have any claim over or against Grantee, or the Board of Managers of the Artisan Lofts Condominium, as the case may be, by way of subrogation or otherwise, with respect to any claims which are insured under any such policy.

(c) Grantee hereby releases Grantor, Grantor's managing agent, Grantor's architect, the Unit Owners and all employees and agents of the Condominium from any and all

liability for loss or damage to any of Grantee's property that may result from or in any way be connected with Grantee's Work, to the extent that the same is covered by insurance as is required to be maintained hereunder.

ARTICLE 10. Assignment.

This Agreement may not be assigned, delegated, otherwise transferred or encumbered by Grantee without the written consent of Grantor. Notwithstanding the foregoing, Grantee may assign its rights, covenants and obligations under this Agreement without obtaining the prior written consent of Grantor to (a) an entity which is a subsidiary of or under substantially common ownership with Grantee or Tribeca Associates LLC (a "**Grantee Related Party**"), (b) the Board of Managers of the Artisan Lofts Condominium, (c) any Lobby Unit Mortgagee or any successor or assignee of such Lobby Unit Mortgagee, including the purchaser at any foreclosure sale related to the lien held by such Lobby Unit Mortgagee, or (d) in the event 157 Chambers Street is not converted to a condominium form of ownership, to any Person which succeeds Grantee as the owner of 157 Chambers Street and the Lobby Unit (regardless of whether of not such successor owner of 157 Chambers Street is a Grantee Related Party) conditioned upon satisfaction of the following: (i) such assignee shall continue to use the 157 Chambers Property primarily for residential purposes and maintain the same in accordance with the Applicable Standard and (ii) the Lobby Unit and the rights of Grantee under this Agreement shall be owned by the same party, (iii) such assignee is a reputable, prudent and professional property manager or developer with experience managing or developing properties in the Borough of Manhattan, State of New York, comparable to the 157 Chambers Building, and Grantor shall have received evidence of the same reasonably satisfactory to Grantor, (iv) such assignee has creditworthiness equal to that of Tribeca Associates LLC on the date hereof, and Grantor shall have received evidence of the same reasonably satisfactory to Grantor, and (v) in any such case, the Grantee Related Party, the Board of Managers of the Artisan Lofts Condominium or such other permitted successor and/or assign shall have assumed in writing the rights, covenants and obligations of Grantee under this Agreement by executing and delivering to Grantor an instrument evidencing the same in recordable form and otherwise in form and substance reasonably satisfactory to Grantor.

ARTICLE 11. No Oral Modifications.

This Agreement, and any amendment, restatement, modification or supplement hereto shall be in writing, signed by both parties and duly recorded and filed in the Register's Office and indexed against the Condominium Property and the 157 Chambers Property.

ARTICLE 12. Governing Law.

This Agreement shall be governed by the laws of the State of New York, without regard to its conflict of laws principles.

ARTICLE 13. Dispute Resolution.

In the event of any dispute arising out of this Agreement, the parties agree to appoint one representative from each respective party, who shall meet as soon as practicable, in order to attempt to reach resolution of any such dispute. In the event that such meeting fails to resolve

the dispute, as determined by either party, the parties agree to submit such dispute to binding arbitration with the American Arbitration Association, or its successor, in New York City, for determination under the Expedited Procedures of the Commercial Arbitration Rules of the American Arbitration Association then in effect, or such comparable procedures as may be adopted by the successor to the American Arbitration Association. Except as provided otherwise in Section 2.2 of this Agreement, the parties agree to share equally in the arbitrators' fees. Any determination in such arbitration shall be final and binding upon the parties, whether or not a judgment shall be entered in any court. In making their determination, the arbitrators shall not subtract from, add to, or otherwise modify any of the provisions of this Agreement. The parties acknowledge that the provisions of this Agreement (and the obligations of the parties to comply with the provisions of this Agreement and the Condominium Documents) shall continue during the course of any such arbitration. Nothing herein contained shall limit the rights of Grantor under the 137 Reade Declaration with respect to disputes arising with Grantee as owner of the Lobby Unit.

ARTICLE 14. Estoppel Certificates.

At either party's request, from time to time, the other party shall execute, acknowledge and deliver a written statement (each, an "**Estoppel Certificate**") within ten (10) business days of request therefore, which Estoppel Certificate shall certify whether, to the best of the certifying party's knowledge, and subject to any reasonable qualifications set forth in such Estoppel Certificate:

(a) this Agreement is valid and in full force and effect, and such party has no setoffs, claims or defenses to enforcement of this Agreement;

(b) such party has no claim, demand or cause of action against the other party arising out of or by virtue of this Agreement; and

(c) the other party is not in default in the performance of its obligations under this Agreement, and the certifying party has not given any notice of default to the other party.

ARTICLE 15. Notices.

All notices required or permitted to be given by one party to the other under this Agreement shall be in writing and shall be sent by U.S. certified mail or commercial messenger service to the following addresses:

TO GRANTOR:

Board of Managers of 137 Reade Street Condominiums
137-139 Reade Street
New York, New York 10013
Attention: President

With a copy sent by like method to:

Balber Pickard Battistoni Maldonado & Van Der Tuin, PC
1370 Avenue of the Americas
New York, New York 10019
Attention: Robin T. Silberzweig, Esq.

With an additional copy sent by like method to:

Sandra Greer Real Estate Inc.
201 East 77th Street
New York, New York 10128
Attention: President

TO GRANTEE:

Artisan Lofts Development Owner LLC
c/o Tribeca Associates, LLC
321 Greenwich Street
New York, New York 10013
Attention: Elliott Ingerman

With a copy sent by like method to:

Starr Associates LLP
245 Fifth Avenue, Suite 1102
New York, New York 10016
Attention: Jane Rosenberg, Esq.

With an additional copy sent by like method to:

Greenberg Traurig, LLP
The Metlife Building
200 Park Avenue
New York, New York 10166
Attention: Howard R. Shapiro, Esq.

Grantor and Grantee may change the address for notices by sending written notice of such changed address to the other party by the aforesaid method of service.

ARTICLE 16. Miscellaneous.

16.1. This Agreement may be signed in counterparts, which taken together, shall constitute a single agreement or in multiple copies, each of which shall be deemed a duplicate original. A signature transmitted by facsimile shall be considered an original for purposes of this Agreement.

16.2. The rights and obligations set forth in this Agreement shall survive any expiration or termination of this Agreement to the degree necessary to permit their complete fulfillment or discharge.

16.3. The failure of a party hereto to enforce any provision of this Agreement shall not be construed to be a waiver of such provision or of the right of such party to thereafter enforce such provision. In the event that any term, clause or provision of this Agreement shall be construed to be or adjudged invalid, void or unenforceable, such term, clause or provision shall be construed as severed from this Agreement, and the remaining terms, clauses and provisions shall remain in effect. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof.

16.4. Nothing in this Agreement shall be construed to diminish (or derogate) the title of either party in or to its Building or to revise or amend in any fashion, or to terminate, or to effect any merger of estates with respect to, the deeds by which either party acquired title to its Building (or any real property of either party).

16.5. Neither party shall promulgate, pass or implement rules, regulations or by-laws which are inconsistent with the terms of this Agreement. In the event of any conflict between such rules, regulations or by-laws, the terms of this Agreement shall control.

16.6. Grantor and Grantee shall take such actions, and sign and deliver such other instruments and documents, as may be reasonable, necessary or appropriate to effectuate the transactions completed under this Agreement; provided, however, that the taking of such acts and/or the execution of such documents will not result in any additional cost or liability to the party taking such act or signing and delivering any such instrument or document.

16.7. Nothing in this Agreement is intended, nor shall anything herein be construed, to deem Grantor and Grantee, and/or any Person, to be joint venturers, partners or associates with respect to the 157 Chambers Property, the Condominium Property or any other activity whatsoever.

16.8. In entering into this Agreement, the Grantor is acting strictly in its capacity as agent for the Unit Owners, and the members of the Board of Managers of the 137 Reade Condominium shall have no personal liability hereunder, save for such liability, if any, that may have in their capacity as individual Unit Owners.

ARTICLE 17. Rights of Lobby Unit Mortgagees.

17.1 Amendments of this Agreement

The terms of this Agreement shall not be modified without the prior written consent of the Lobby Unit Mortgagee. The terms of any Alteration Agreement entered into by the parties hereto shall not be materially modified without the prior written consent of the Lobby Unit Mortgagee. In each case, the consent of the Lobby Unit Mortgagee shall not be unreasonably withheld.

Every request for consent sent to the Lobby Unit Mortgagee pursuant to this Section 17.1 (together with a copy of the proposed amendment) shall be forwarded to the Lobby Unit Mortgagee together with the applicable modification request (in bold typeface) that states **"YOUR FAILURE TO RESPOND TO THIS NOTICE AND REQUEST FOR APPROVAL WITHIN TWENTY (20) DAYS OF YOUR RECEIPT OF THIS REQUEST**

MAY CONSTITUTE YOUR DEEMED CONSENT TO THE MATTERS DESCRIBED IN OR THAT ARE THE SUBJECT OF THIS REQUEST". If the Lobby Unit Mortgagee fails to respond to such notice, then the Lobby Unit Mortgagee's consent to the proposed request to modify this Agreement or the Alteration Agreement that is the subject of such notice shall be deemed granted.

Notices to the Lobby Unit Mortgagee shall be sent to Morgan Stanley Mortgage Capital Inc., 1221 Avenue of the Americas, 27th Floor, New York, New York 10020, Attention: James Flaum and Kevin Swartz, Facsimile No. (212) 762 9494 (with a copy to: Cadwalader, Wickersham & Taft LLP, One World Financial Center, New York, New York 10281, Attention: John M. Zizzo, Esq., Facsimile No. (212) 504 6666) and to Mezzanine Lender at Fillmore Capital Partners, LLC, Four Embarcadero Center, Suite 710, San Francisco, CA 94111, Attention: Michael O. Reinardy, Facsimile No. (415) 834-1475 (with a copy to Dechert LLP, 30 Rockefeller Plaza, New York, New York 10112, Attention: Lawrence A. Ceriello, Esq., Facsimile No. (212) 698-3599) or to such other address as such party may hereafter specify in accordance with the provisions hereof.

17.2 Notice of Lobby Unit Mortgage

. Any Institutional Lender who (a) holds a Lobby Unit Mortgage on the Lobby Unit, (b) specifically provides in such Lobby Unit Mortgage (or in the assignment documents related to such Lobby Unit Mortgage) that it is and shall at all times be subordinate to all liens for Common Charges of the 137 Reade Condominium, and (c) files an Acquisition Notice in accordance with Section 17.5 of this Agreement shall be, and shall be entitled to the rights of, a "**Lobby Unit Mortgagee**" so long as such Person continues to hold such Lobby Unit Mortgage. The parties hereto hereby acknowledge and agree that Morgan Stanley Mortgage Capital, Inc., together with its successors and assigns, is a Lobby Unit Mortgagee and a mortgagee of a Unit Owner requiring notices pursuant to Article VII of the By-Laws. Grantor shall enter the name and address of Morgan Stanley Mortgage Capital, Inc. in its records pursuant to Section 1 of Article VII of the By-Laws.

17. 3 Default Notices

. A copy of any notice of (a) breach or default by Grantee hereunder, (b) the existence of any event giving rise to the right to terminate this Agreement, or (c) default by Grantee under the Declaration, By-Laws or any documents related thereto (including non-payment of Common Charges) (in each case, a "**Default Notice**") sent by the Board of Managers shall be sent in the manner required under Section 17.5 of this Agreement to the Lobby Unit Mortgagee, simultaneously with any such notice sent to Grantee, which shall thereafter have the opportunity to cure such breach or default as provided for below. Any notice to Grantee which is not, simultaneously, sent to the Lobby Unit Mortgagee shall be ineffective as against both Grantee and the Lobby Unit Mortgagee.

17.4 Lobby Unit Mortgagee's Cure Period

. (a) After a Lobby Unit Mortgagee receives a Default Notice, such Lobby Unit Mortgagee shall have a period of ten (10) business days beyond the time available to the Grantee

within which to cure any monetary breach or default by Grantee and one hundred and twenty (120) days beyond the time available to the Grantee in which to cure or commence to cure (excluding the exercise of remedies to allow such Lobby Unit Mortgagee to effect such cure) any non-monetary default. No Lobby Unit Mortgagee shall have any obligation to cure (nor any liability or obligation for not curing) any breach or default by Grantee.

(b) Notwithstanding any of the provisions of this Agreement to the contrary, no breach or default by Grantee under this Agreement, the Declaration or the By-Laws shall be deemed to exist as long as a Lobby Unit Mortgagee within the periods set forth in Section 17.4(a) above shall have delivered to the Grantor its written agreement to take the action described in clause (i) or (ii) herein and thereafter, in good faith, shall have commenced promptly either (i) to cure the breach or default and to prosecute the same to completion, or (ii) if possession of the Lobby Unit is required in order to cure the default, to institute foreclosure proceedings and obtain possession directly or through a receiver, and to prosecute such proceedings with diligence and continuity and, upon obtaining such possession, commence promptly to cure the breach or default and to prosecute the same to completion with diligence and continuity, provided that during the period in which such action is being taken (and any foreclosure proceedings are pending), all of the other obligations of Grantee under this Agreement, to the extent they are reasonably susceptible to being performed by the Lobby Unit Mortgagee, are being performed. However, at any time after the delivery of the aforementioned agreement, the Lobby Unit Mortgagee may notify Grantor, in writing, that it has relinquished possession of the Lobby Unit, or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued or will discontinue them, and in such event, the Lobby Unit Mortgagee shall have no further liability under such agreement from and after the date it delivers such notice to Grantor, and, thereupon, Grantor shall have the unrestricted right to terminate this Agreement and to take any other action it deems appropriate by reason of any default. Notwithstanding anything herein contained to the contrary, provided such Lobby Unit Mortgagee shall have otherwise complied with the provisions of this Section 17.4(b), such Lobby Unit Mortgagee shall have no obligation to cure any defaults which are not susceptible of being cured by such Lobby Unit Mortgagee.

17.5 Notices. In the event that any person or entity (the "**Acquiring Party**") shall acquire a mortgage or deed of trust interest in the Lobby Unit subject to this Agreement, or any portion thereof, the Acquiring Party shall file with the Board of Managers by certified mail, return receipt requested, a statement setting forth the name of the Acquiring Party, the address of the Acquiring Party to which all notices for the purposes of this Agreement may be sent, the nature of the interest held by the Acquiring Party, and the date that such interest was acquired (the "**Acquisition Notice**"). Any change of address shall require the mailing of a new Acquisition Notice. It is understood and agreed that the provisions of this Section 17.5 regarding the recordation of the Acquisition Notice are satisfied with respect to Morgan Stanley Mortgage Capital, Inc.

[The Remainder of this Page Has Been Intentionally Left Blank]

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be signed in their name by their duly authorized agents as of the date first written above.

GRANTOR:

137 READE STREET CONDOMINIUMS,
acting through its Board of Managers

By: _____
Name:
Title:

GRANTEE:

ARTISAN LOFTS DEVELOPMENT OWNER LLC,
a Delaware limited liability company

By: _____
Name: Elliott Ingerman
Title: Authorized Signatory

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

On the 8th day of February in the year 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Elliott Ingerman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity of authorized signatory of Artisan Lofts Development Owner LLC, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Andrea M Madori
Notary Public

ANDREA M. MADORI
Notary Public - State of New York
No. 01MA6072657
Qualified in Westchester County
Commission Expires April 16, 2010

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

On the 8 day of February in the year 2007, before me, the undersigned, a Notary Public in and for said State, personally appeared Steven Bronstein, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity of _____ of 137 Reade Street Condominiums, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

ROBERT P. SCHROEDER
Notary Public, State of New York
No. 41-4603170
Qualified in Queens County
Commision Expires 7/31/10

EXHIBIT A

Description of the Condominium 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:

BEGINNING at a point on the southerly line of Reade Street, distant 123 feet 1-1/4 inches westerly from the corner formed by the intersection of the westerly line of Hudson Street with the southerly line of Reade Street;

RUNNING THENCE southerly on a line forming an angle of 90 degrees 34 minutes 10 seconds on its easterly side with the southerly line of Reade Street, 75 feet 9 inches;

THENCE westerly along a line forming an angle of 90 degrees 48 minutes 00 seconds on its northerly side with the preceding course, 25 feet 2 inches;

THENCE northerly along a line forming an angle of 89 degrees 35 minutes 00 seconds on its easterly side with the preceding course, 0 feet 3-1/4 inches;

THENCE westerly along a line forming an angle of 89 degrees 50 minutes 40 seconds on its southerly side with the preceding course, 74 feet 10-3/4 inches;

THENCE northerly along a line forming an angle of 89 degrees 22 minutes 00 seconds on its easterly side with the preceding course, 75 feet 6-1/2 inches to the southerly line of Reade Street;

THENCE easterly along the southerly line of Reade Street, 99 feet 11-1/4 inches to the point or place of BEGINNING.

EXHIBIT B

Description of the 157 Chambers 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:

BEGINNING at a point on the northerly side of Chambers Street, distant 132 feet 0.07 inch easterly from the corner formed by the intersection of the said northerly side of Chambers Street with the easterly side of Greenwich Street;

RUNNING THENCE northerly and on a line forming an interior angle of 89 degrees 35 minutes with the northerly side of Chambers Street, 76 feet 5-1/4 inches to the center line of the block between Chambers Street and Reade Street;

THENCE easterly along said center line of the block, 100 feet to a point opposite the center of a party wall;

THENCE southerly to and through the center of said party wall, 76 feet 2-7/8 inches to the northerly side of Chambers Street; and

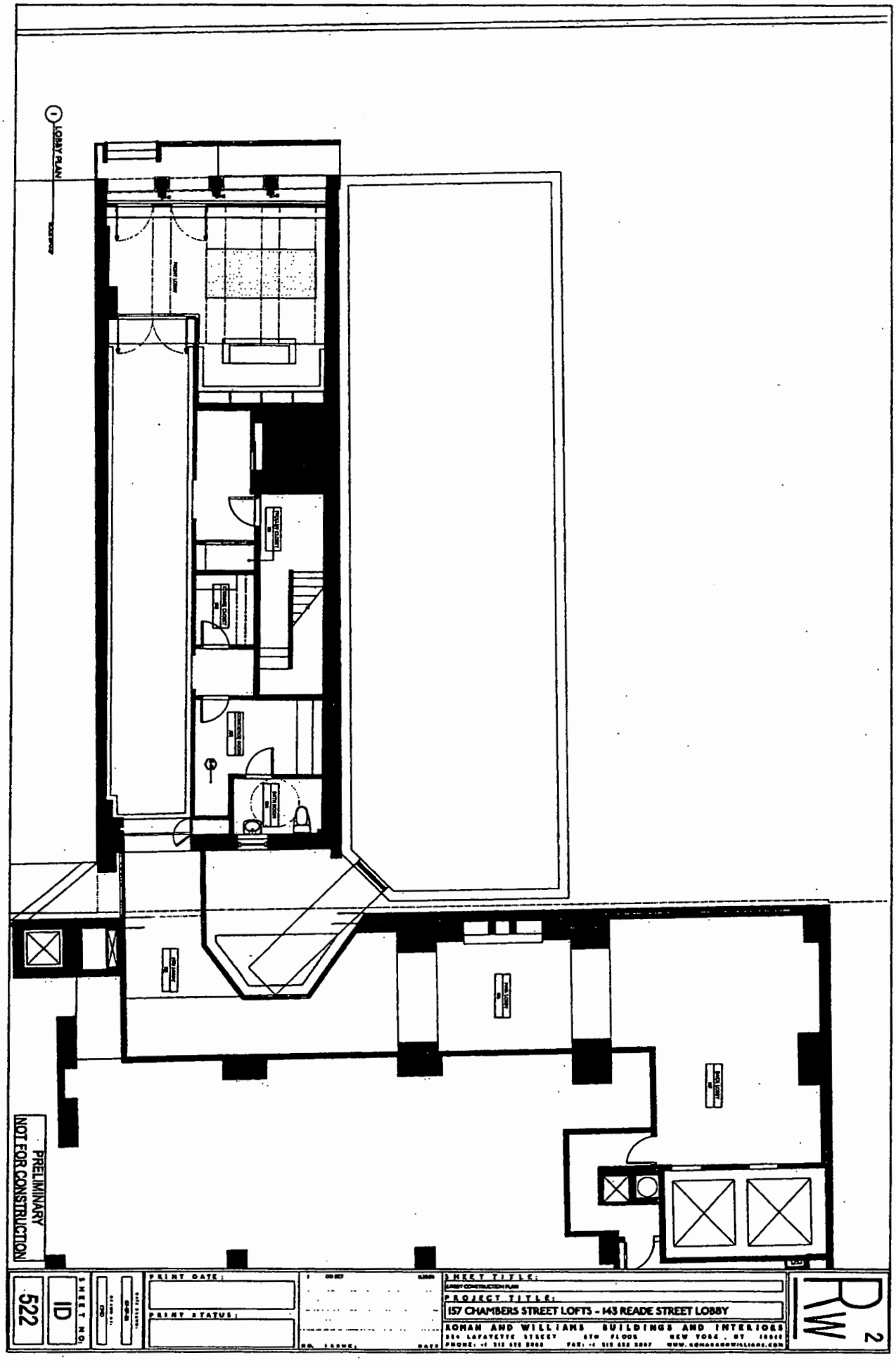
THENCE westerly along the northerly side of Chambers Street, 100 feet to the point or place of BEGINNING.

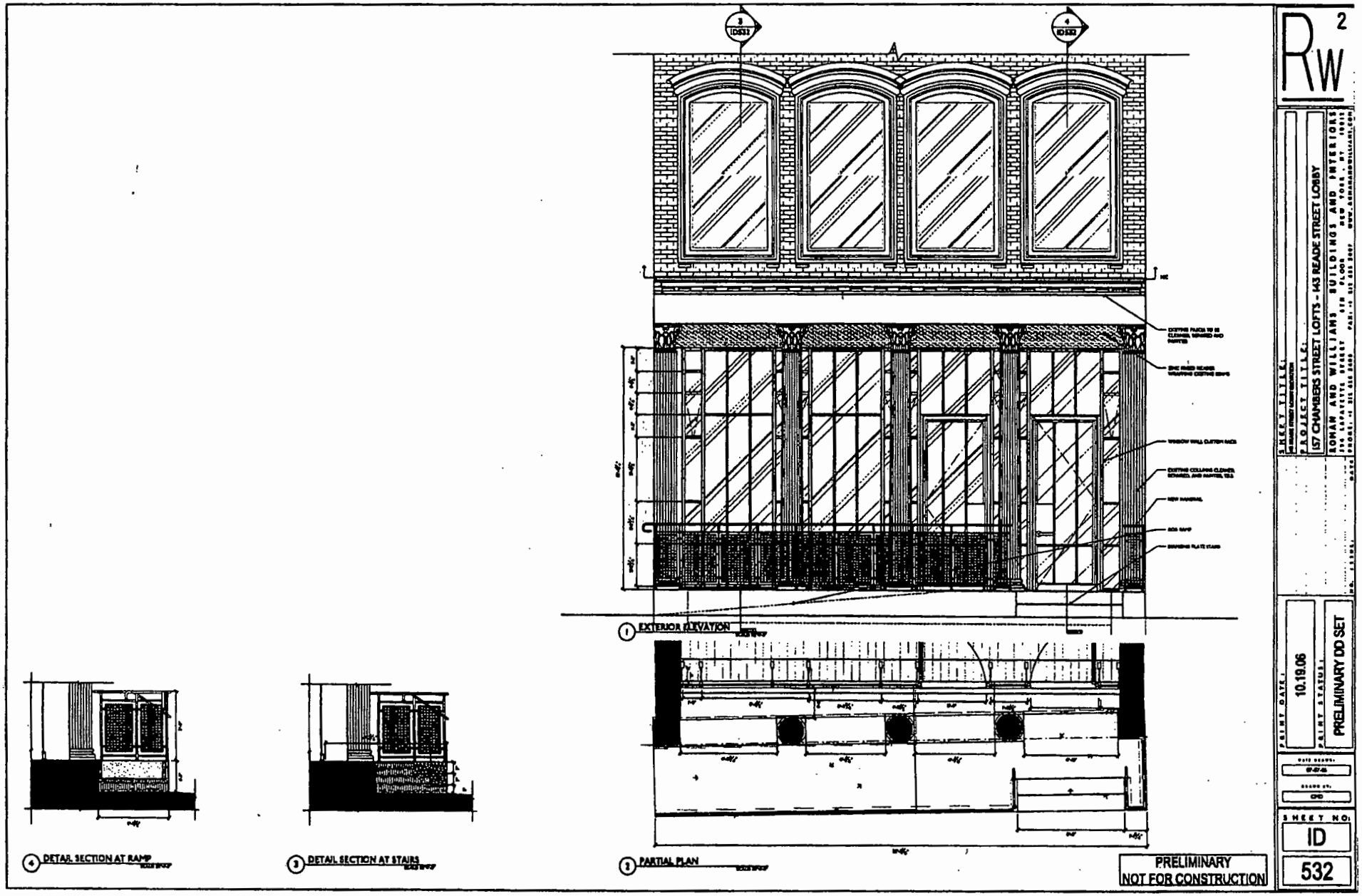
Together with the benefits, if any, of that certain Agreement made between Nestward Trading Co., Inc. and Hudson-Chambers Corporation dated February 29, 1968 and recorded April 8, 1968 in Reel 293 page 1.

EXHIBIT C

Floor Plan/ Diagram of the Easement Area

[attached hereto]


1 LOBBY PLAN
PRELIMINARY
NOT FOR CONSTRUCTION
PRINT DATE:
PRINT STATUS:
SHEET NO:
522
ID
SHEET TITLE:
PROJECT TITLE:
157 CHAMBERS STREET LOFTS - 143 READE STREET LOBBY
ROMAN AND WILLIAMS BUILDINGS AND INTERIORS
RW 2



3 ID532
4 ID532
1 EXTERIOR ELEVATION
2 PARTIAL PLAN
3 DETAIL SECTION AT STAIRS
4 DETAIL SECTION AT RAMP
PRELIMINARY
NOT FOR CONSTRUCTION
Rw 2
SHEET TITLE:
PROJECT TITLE:
157 CHAMBERS STREET LOFTS - 143 READE STREET LOBBY
ROMAN AND WILLIAMS BUILDINGS AND INTERIORS
PRINT DATE:
10.19.06
PRINT STATUS:
PRELIMINARY DD SET
SHEET NO:
ID
532

557