

**CONDOMINIUM OFFERING PLAN
FOR THE SALE OF UNITS IN A CONDOMINIUM KNOWN AS
THE INDIGO CONDOMINIUM**



**125 WEST 21ST STREET
NEW YORK, NEW YORK 10011**

52 Residential Units (Including 1 Superintendent Unit)	\$ 74,760,000
30 Storage Bin Licenses	\$ 1,350,000
1 Commercial Unit	\$ 4,000,000
Total Offering	\$ 80,010,000

SPONSOR

**125 West 21st LLC
c/o Alchemy Properties Inc.
200 Madison Avenue, 20th Floor
New York, New York 10016
(212) 683-0044**

SELLING AGENT

**Alchemy Properties Inc.
200 Madison Avenue, 20th Floor
New York, New York 10016
(212) 683-0044**

The term of the initial offering of this Plan commenced on January 26, 2007 and expires on January 25, 2008 unless the said date is extended in a duly filed amendment.

THIS OFFERING PLAN IS THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. NEW YORK LAW REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL INFORMATION IN THIS PLAN AND TO FILE THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY CONDOMINIUM UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE CONDOMINIUM BOARD UNDER THE TERMS OF THIS PLAN. (SEE SPECIAL RISKS SECTION OF THE PLAN).

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

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PART I

SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

1. Sponsor will endeavor in good faith to sell all of the Residential Units in a reasonably timely manner to Purchasers for the personal occupancy of Purchasers or their immediate families. However, in the event that there is a significant decline in market values of at least ten (10%) percent from the prices listed in Schedule A as of the date the Plan is declared effective, the Sponsor reserves the right to rent the Units, rather than sell, until there is an upturn in the market. However, so long as Sponsor is able to achieve the purchase prices listed on Schedule as of the date the Plan is declared effective, Sponsor is committed to selling Residential Units which represent a majority of the Common Interest in the aggregate. Sponsor's good faith efforts to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to brokers and prospective purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities. Sponsor's construction lender has not placed any limitation on Sponsor's right to rent Units.

See Section of the Plan entitled "Rights and Obligations of Sponsor" for further detail.

2. 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.

3. At the time a Purchase Agreement is executed, a Purchaser is required to make a down payment in an amount equal to at least fifteen (15%) percent of the purchase price. Purchase Agreements entered into after the issuance of a temporary certificate of occupancy and the Plan has been declared effective will require a down payment that is at least 15% of the Purchase Price and a Closing Date that is the later of (i) forty-five (45) days after the execution of the Purchase Agreement or (ii) receipt of written notice of the time and place of the Closing to the Unit at least thirty (30) days prior to the Closing Date specified therein, unless otherwise negotiated with Sponsor. In the event a Purchaser defaults under his or her Purchase Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, cancel such Purchase Agreement and retain, as liquidated damages, the entire down payment made by the Purchaser, together with interest earned thereon, if any.

Additionally, if a Purchaser fails for any reason to close title to his or her Residential or Commercial Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the date preceding the originally scheduled Closing Date, and (b) the Purchaser will be required to pay to Sponsor an amount equal to 0.03% of the purchase price of his or her Residential Unit for each day that the Closing is adjourned.

Purchasers are further advised that if a Purchaser makes a Down Payment in excess of \$100,000 for the purchase of a unit, (i) such Down Payment will not be federally insured in

excess of \$100,000; and (ii) while the Down Payment is in the interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed \$100,000. Funds drawn on out-of-state or foreign banks will not be accepted as payment of the purchase for a Residential Unit unless otherwise agreed by Sponsor.

(See the Section entitled "Procedure to Purchase" for the further discussion of the foregoing.)

4. The Purchase Agreement is not contingent upon the Purchaser obtaining financing. Although a Purchaser may obtain financing from a lending institution of any other source, the Purchaser's obligation to purchase the Unit pursuant to the Purchase Agreement is not contingent upon obtaining financing for such purchase. Notwithstanding the above, if a Purchaser, who represents to the Sponsor that he or she intends to use the Unit for his or her own personal use, applies for financing through Park Avenue Mortgage Group, a New York State licensed mortgage broker, upon the conditions set forth in the Purchase Agreement (such as submitting all documentation and fees on a timely basis), then such Purchase Agreement will be contingent, for the period set forth in the Purchase Agreement, upon the Purchaser obtaining financing in an amount equal to eighty (80%) percent of the Purchase Price. Purchasers buying Units for investment purposes (as opposed to for their own personal use) will not be granted a mortgage contingency provision under any condition. See the Section entitled "Procedure to Purchase" and the terms of the Purchase Agreement in Part II. Although a Purchaser is free to apply to any lender Purchaser chooses for any financing, either directly or through a mortgage broker, the inability to obtain a mortgage loan commitment or mortgage loan shall not relieve a Purchaser of Purchaser's obligations under the Purchase Agreement unless the conditions set forth in the Purchase Agreement are met. If a Purchaser needs and fails or is unable to obtain a mortgage loan to purchase a Unit from a lender (except if an application is made with Park Avenue Mortgage Group pursuant to the terms of the Plan) and thereby is unable to close on the purchase of the Unit, Purchaser will be in default of the Purchase Agreement and Sponsor shall have the right to seek its legal remedies, which include, but are not limited to forfeiture of Purchaser's down payment. Time is of the essence with respect to Purchaser's obligations to perform all of Purchaser's obligations under the Offering Plan. Any and all costs, fees or expenses necessary or required to be paid in connection with any Purchaser's mortgage loan or mortgage loan commitment shall be borne solely by such Purchaser, no matter what the cause, including Sponsor's abandonment of the Offering Plan, and Sponsor shall not be responsible for paying any such costs, fees or expenses.

(See the Section entitled "Procedure to Purchase" for further details.)

5. In the event Purchaser, who represents to the Sponsor that he or she intends to use the Unit for their his or her own personal use, obtains a mortgage loan commitment through Park Avenue Mortgage Group pursuant to the conditions set forth in the Purchase Agreement to purchase a Unit, and (a) does not close on the purchase of the Unit before the expiration of the commitment, even if Sponsor is not ready to close on the Unit for any reason whatsoever, and (b) incurs any additional fees to extend the commitment (i.e., loan extension fees) or obtain a new commitment from the same or another lender, or incurs any additional fees, costs or expenses in connection with any delay in the anticipated or scheduled closing date (including, but not limited to, increases in interest rates or additional "points" or extension fees levied by the lender), or

loses its commitment, Purchaser must pay all such fees or costs incurred by or imposed upon Purchaser. Neither Sponsor, its principals, managers, members, agents, designees, employees, affiliates, selling agents, construction managers, contractors, subcontractors and/or counsel shall be responsible for the payment or reimbursement of any such fees or costs incurred by or imposed up on the Purchaser, or any other such loss as a result of any delay or adjournment of the closing date or Sponsor's abandonment of the Offering Plan.

6. Although Sponsor is obligated to complete the construction of the Units and the Common Elements, if any, as described in this Plan, and to obtain any applicable sign offs from the Department of Buildings, each Purchaser shall be obligated to close on the purchase notwithstanding that on the Closing Date the Sponsor has not completed construction of (a) details of the Unit or the Property, (b) other Units, or (c) the Common Elements which do not prevent Purchaser's legal occupancy of the Unit and a lawful means of access to the Unit, provided that Sponsor has obtained all applicable sign offs from the New York City Building Department, and all services required by law are being reasonably supplied or furnished to the Unit. Sponsor represents that currently its assets and funding sources are sufficient to meet its obligations under the Offering Plan, including, but not limited to, its obligation to complete the construction of the Building and to obtain all applicable sign offs from the New York City Building Department. No bond or other security will be given to secure Sponsor's obligations to complete construction and perform its other obligations, including but not limited to its obligation to pay Common Charges, assessments and real estate taxes with respect to unsold Units under this Plan. See "Rights and Obligations of Sponsor."

7. Prior to the closing of title to a Residential or Commercial Unit, the Purchase Agreement prohibits a Purchaser from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease. Purchasers are referred to the Purchase Agreement set forth in Part II of the Plan.

8. (a) Sponsor as the owner of Unsold Units will have voting control of the Condominium Board during the period which continues until the earlier to occur of: (i) the sale by the Sponsor of more than fifty (50%) percent of the Residential Units, or (ii) five (5) years after the First Closing (hereinafter referred to as the "Sponsor Control Period").

(b) During the period that Sponsor controls the Condominium Board, Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners and will determine the Residential Common Charges to be paid by all Residential Owners.

9. During the Sponsor Control Period, Sponsor will have control of the maintenance and operation of the Condominium and will, as controlling party on the Condominium Board, determine the Common Charges to be paid for all Unit Owners (including Sponsor); provided, however, Sponsor shall vote to authorize the expenditures set forth in Schedule B of this Offering Plan or any other expenditure required: (i) to comply with applicable laws or regulations, (ii) to remedy any notice or violations, or (iii) to remedy any work order by an insurer. Sponsor shall have sole discretion of all design choices and construction means and methods with respect to the completion of all aspects of the Building including, but not limited to, the Common Elements.

The By-Laws of the Condominium does not include a provision that after the Sponsor Control Period a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasers, i.e., purchase a home as opposed to an investment.¹⁰ Sponsor and its designees may exercise veto power over some actions of the Condominium Board. Sponsor may not exercise veto power over expenses in Schedule B, or expenses required to remedy any notice of violation, or to remedy any work ordered by an insurer. Until Sponsor and its designees have conveyed title to all Residential Units, but in no event later than five (5) years after the closing of the first Residential Unit, 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 Residential Unit, or (b) assess any General Common Charges, Residential Common Charges or Residential Limited Common Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as it 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 Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium (see the Section entitled "Control By Sponsor" for further details).

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

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

Residential Unit and the Commercial Unit. Please refer to the form of power of attorney set forth in its entirety in Part II of the Plan.

13. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical, structural and architectural systems. No assurance can be given by Sponsor with regard to the accuracy of any projected completion dates set forth herein. During the first year of Condominium operations, construction workers and related personnel will be at the Property from time to time making adjustments and performing various tasks related to the completion of construction with or without notice. Any and all systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevators, may require adjustments after any Unit Closing to regulate or complete. Although operable, these systems may need to be shut down temporarily from time to time. Various other adjustments, to windows and elevators and other systems, may require eighteen (18) months or more after the First Closing to complete. Sponsor may not fully complete the decoration of the Lobby or the corridors in the Building, including but not limited to installing light fixtures, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Residential Unit Owners. Please refer to the Section of the Plan entitled "Description of Property" in Part I of the Plan for further details.

14. Although the estimate of the real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations or taxes, when actually made or determined by the City of New York, may be lesser or greater. Accordingly, these estimates of assessed valuation are to be considered well-founded opinions and are not intended, and should not be construed as warranties as to future assessed valuations. The real estate tax estimates for each Residential Unit and for the Commercial Unit were calculated on the assumption that the real estate taxes for the residential portion of the Building payable with respect to each Residential Unit for the first year of Condominium operation will be allocated in proportion to each Residential Unit's and the Commercial Unit's percentage interest in the Common Elements. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's and the Commercial Unit's purchase price rather than its percentage interest in the Common Elements, and, if so, Residential Units having the same percentage interest may pay different real estate taxes. The real estate taxes payable the first year of the Condominium's operation is based on an assessment of the Building as complete for only a portion of half the year. Once the Building is fully assessed, the estimated real estate taxes will be higher, in accordance with the real estate tax analysis set forth in the Opinion of Lippman Krasnow Kelton & Schuman LLP and Mishkoff & Associates LLC. Neither the Sponsor nor its principals, managers, members, agents, designees, employees, affiliates or the Selling Agent make any representation that the Real Estate Taxes set forth in Schedule A will be the actual Real Estate Taxes finally determined by the City of New York. Please refer to the Section of the Plan entitled "Real Estate Taxes" and to the Opinion of Lippman Krasnow Kelton & Schuman LLP and Mishkoff & Associates LLC contained in Part I of the Plan for further details.

15. Sponsor reserves the right to sell blocks of Units as more fully described in the "Introduction" of the Plan and to designate the purchaser of such blocks of Units as "Sponsor" under this Plan and the Declaration, provided that such purchaser meets the definition of Sponsor

under the New York State Attorney General's Regulations Governing Newly Constructed, Vacant or Non-Residential Condominiums. The party so designated as a "Sponsor" or a Purchaser designated by Sponsor as a "Holder of Unsold Units" (as hereinafter defined) will have those additional rights and obligations of a "Sponsor" as more fully described in the Plan and such party shall be deemed to be a Sponsor with the obligations of a Sponsor in relations to the Units it owns.

16. Sponsor will apply for a partial exemption from real estate taxes attributable to the Units pursuant to Section 421-a of the New York Real Property Tax Law and anticipates obtaining a preliminary Certificate of Eligibility. Nevertheless, there can be no assurance that a Certificate of Eligibility will be granted. If for any reason the aforementioned application is not granted, there will be no exemption from real estate taxes on the Units. Such exemption, if granted, will be for a limited period of 10 years. After the initial period of ten (10) years, the exemption will be phased out progressively over years 11-15. (See Section of the Plan entitled "Opinion of Counsel's 421-a Real Estate Tax Exemption Benefits Opinion" for further details). Neither Sponsor, its principals, managers, members, agents, designees, employees, affiliates, Sponsor's counsel, Sponsor's tax counsel, the Selling Agent, the Managing Agent or any other person makes any warranty that the partial exemption from real estate taxes under Section 421-a will be granted or as to the amount, if any, of the minimum tax that will be assessed against the Units or the amount of real estate taxes payable at any time by any Unit Owner. Accordingly, neither Sponsor, its principals, managers, members, agents, designees, employees, affiliates, Sponsor's counsel, Sponsor's tax counsel, the Selling Agent, the Managing Agent shall have any liability to any Purchaser in the event the partial exemption in any form or amount from real estate taxes under Section 421-a is not granted.

17. The Commercial Unit may be used for any lawful use provided such use is not (a) noxious or immoral or a so-called "adult entertainment" facility under New York zoning laws, or for obscene or pornographic purposes or activities or the sale or distribution of any obscene or pornographic material, as such terms are defined in Section 235 of New York Penal Law; (b) for manufacturing use; (c) for the purpose of performing any abortions or providing any professional counseling or advice advocating abortions or family planning; or (d) as an off-track betting facility, all as more fully discussed in the Section of the Plan entitled "Commercial Unit". Except as set forth above, the Commercial Unit Owner may use the Commercial Unit for any lawful purpose, at its sole discretion and without the requirement of consent of the Condominium Board or anyone else, provided that such use is consistent with the applicable governmental regulations and with the Declaration and By-Laws of the Condominium, including, without limitation, the rules and regulations that are a part of the By-Laws. The Commercial Unit Owner has the right to freely sell the Commercial Unit, or to freely lease, divide or sell all or part of the Commercial Unit, as the case may be, without having to first obtain the approval of or offer the same for sale or lease to the Condominium Board. The Residential Unit Owners may not have control over the uses of the Commercial Unit except as restricted by the Zoning Resolution of the City of New York and the Declaration and By-Laws. (See "Commercial Unit" for further details) The use of the Commercial Unit may generate noise, restaurant or cooking-related consequences or other disturbances. The Commercial Unit Owner shall not be held liable for such noise or other disturbances, provided its use is in accordance with all New York City rules and regulations governing same. Neither the Declaration of Condominium nor its by-laws may

be amended in any matter whatsoever which would adversely affect the rights of the Commercial Unit Owner without its consent.

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

19. The exterior surface of all windows in the Residential Section if so determined by the Condominium Board shall be washed and cleaned by the Condominium Board and the cost and expense thereof shall be a Residential Common Expense. Otherwise, the exterior of all windows in the Residential Section shall be washed or cleaned at the cost and expense of the Residential Unit Owner. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Commercial Unit shall be washed and cleaned at the sole discretion of the Unit Owner or occupant thereof as such Unit Owner's sole cost and expense. Please refer to the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the subsection entitled "Repairs to and Maintenance of Units and Common Elements" in Part I of the Plan for further details.

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

21. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Wolf Haldenstein Adler Freeman & Herz LLP, in connection with the closing of title to Purchaser's Unit: (i) the sum of \$1,750 to reimburse Sponsor for its legal fees in handling the closing, (ii) the sum of \$350 for any adjournment of the Closing at the request of Purchaser (iii) if the Purchaser requests the Closing to occur other than at the offices of Wolf Haldenstein Adler Freeman & Herz LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of \$500 for each Closing held within Manhattan and \$750 for each Closing held in any borough outside Manhattan, (iv) 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, Purchaser shall pay the reasonable fees of

Sponsor's attorneys for preparation of an assignment agreement (but not in excess of \$2,000) and (iv) if Purchaser obtains title insurance from a title insurance company other than First American Title Insurance Company and Sponsor incurs additional legal fees and expenses.

22. The Building will run on actual expenses for the first six (6) months following the First Closing. During this period, each Unit Owner (including Sponsor) shall be required to pay the Common Charges set forth in the First Year's Budget. If during this period actual expenses are less than full Common Charges, the difference between actual expenses and full Common Charges, if any, may be refunded pro-rata to all Unit Owners (including Sponsor) in the form of either: (i) a credit against future Common Charges, or (ii) as a cash reimbursement to the Unit Owner (including Sponsor). The timing of the credit or reimbursement will be determined by the Condominium Board, in its sole discretion. Sponsor does not guarantee that actual expenses during the six (6) month period will be less than Common Charges or that any credit will be available to the Unit Owners. (See the "Notes to Schedule A" for further details)

23. Purchasers should note that pursuant to existing law and regulation Sponsor may declare the Plan effective after selling a minimum of fifteen (15%) percent of the Units offered for sale in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey Units with fewer than a minimum number of sales if purchasers counted towards effectiveness do not ultimately purchase a Unit. Please refer to the Section entitled "Effective Date" in Part I of the Plan for further details.

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

25. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall be obligated to correct, repair, or replace any and all defects relating to construction of the Units, the Common Elements and the Limited Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates will warrant the materials or workmanship of any Unit or any of the Common Elements. The Housing Merchant Implied Warranty Law (GBL Article 36-B) is not applicable to this offering. To the extent Sponsor has obtained same, Sponsor shall deliver to Purchaser any manufacturer's warranties obtained with respect to equipment and appliances installed in the Unit, and upon receipt by the Sponsor of the applicable warranty shall deliver to the Condominium Board any written warranties with respect to equipment and appliances installed in Common Elements. If any warrantor or guarantor is unable to perform under its warranty or guaranty due to inability, unwillingness, bankruptcy, failure to continue as a viable enterprise or any other reason whatsoever, neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall under any circumstances be considered

or deemed a successor warrantor or guarantor under said warranty or guaranty. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates has obligations or responsibilities with respect to such warranties, or the work or item warrantied, even if the warrantor goes out of business, declares bankruptcy or simply fails to fulfill the conditions of the warranty. Recourse is only to the warrantor or guarantor and not to Sponsor or any of its principals, managers, members, agents, designees, employees or affiliates. Notwithstanding the foregoing, Sponsor must comply with all obligations imposed by the Offering Plan, approved building plans and specifications, applicable statutes and regulations, building codes and locally accepted building practices.

26. The Condominium Board, at the request of Sponsor will enter into a recognition agreement with any tenant with which Sponsor has entered into a lease for the Commercial Unit or any portion thereof or for any Sponsor owned Unit. Under the terms of the recognition agreement, the tenant will acknowledge that its lease is subject and subordinate to the Declaration and the Condominium Board will agree that the rights of the tenant under the lease will not be disturbed in the event of a default by the Commercial Unit Owner, except to the extent that the Condominium is entitled to demand that such tenant pay to the Condominium the Common Charges attributable to the Commercial Unit. Please refer to the Section of the Plan entitled "Commercial Units" for further details.

27. In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of any Board, Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one or more such Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering the boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit in such Unsold Residential Unit, (c) designate a Residential Common Element as part of a newly created Residential Unit or Commercial Unit or designate all or part of a Residential Unit as a newly created Commercial Unit, Residential Common Elements, Commercial Common Element or Commercial Limited Common Elements, and (d) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests. Please see the Section of the Plan entitled "Changes in Prices and Units" for further details.

28. Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of ten (10) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall, at such Unit Owner's expense and responsibility, install the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law in any event, without full knowledge of the Managing Agent. Please see the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Boards of Managers" for further details. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall be responsible for supplying Unit Owners with window guards for the windows of the Unit nor

shall any of the foregoing assume liability in any manner whatsoever if a Unit Owner fails to install window guards. Each Purchaser hereby agrees that upon acceptance of its deed to the Unit, he or she shall be deemed to expressly ratify this provision.

29. Terraces appurtenant to certain Residential Units, as described in Schedule A and the Floor Plans set forth in Part II of the Plan, will be Residential Limited Common Elements available for the exclusive use of the Residential Unit Owners of such Residential Units. A Residential Unit Owner who has a Terrace appurtenant to his or her Residential Unit shall have the exclusive use of same, subject to the right of the Condominium Board to regulate its use and to use it for making repairs to the exterior of the Building, and such Residential Unit Owner shall be responsible for all normal maintenance, repairs and replacements thereto, including resurfacing and waterproofing. However, the costs and expenses of any structural repairs or repairs or replacements caused by the need for such structural repairs to any Terrace, shall be charged to all Residential Unit Owners as a Residential Common Expense (unless the need for the repair is caused by its Residential Unit Owner, in which case that Residential Unit Owner shall be responsible for the cost). Cooling towers and other mechanical equipment necessary for the maintenance and operation of the Building and the Units will be located on the roof. The Condominium Board will be responsible for ensuring that the mechanical equipment is operated in accordance with Law, including requirements governing acceptable levels of noise and odor emissions. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates are responsible for or are they making any guarantees regarding the level or noise or odors resulting from the operation of the Building or the Units.

30. At or after the First Closing, Sponsor will sell Unit 2B or such other unit as the Sponsor may designate at its sole discretion provided, however, that if another Unit is selected, the purchase price and other costs will be the same (the "Superintendent's Unit") to the Condominium, which will own such Unit on behalf of all Unit Owners and will use the same for the residence of the Superintendent. The purchase price for the Superintendent's Unit will be \$500,000.00, inclusive of all Closing expenses. At or after the First Closing the Condominium will execute a promissory note in the amount of \$500,000 along with a first mortgage which will secure said promissory note. The promissory note will mature three (3) years from the First Closing (the "Maturity Date") and will accrue interest at a rate of seven (7%) percent per annum with a default rate of interest at the maximum rate permitted by law. The entire amount of principal and accrued interest will be due and payable on the Maturity Date and the Condominium will be required to pay said note on the Maturity Date. In order to do so, the Condominium will either have to assess Unit Owners for the amount equal to pay off the promissory note or arrange for a loan to satisfy said promissory note. No representation is made by Sponsor with respect to the Condominium's ability to repay or otherwise refinance or extend the note and mortgage at such time. Purchasers are advised that in the event the Condominium is unable to refinance or extend the note and mortgage at the Maturity Date, the Condominium may have to assess all Unit Owners in proportion to their respective Common Interests. In the event of a default under the note and mortgage, the holder may foreclose on the Superintendent's Unit with any deficiency being the obligation of the Unit Owners. In the event of such foreclosure, alternate arrangements would have to be made to relocate the Superintendent as allowed by applicable law. The common charges for each Unit set forth in Schedule A include the costs of paying the Common Charges and Real Estate Taxes on the Superintendent's Unit. The Condominium shall pay all transfer taxes, mortgage recording taxes, and title premiums in

connection with the conveyance of the Superintendent's Unit. No Working Capital Fund Contribution, as such term is defined below, shall be required in connection with this transaction. In addition, in the event a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act in connection with this transaction, such credit will inure solely to the benefit of Sponsor.

31. There is no provision for a specific reserve fund for the Condominium for the purpose of paying the cost of future capital repairs, replacements or improvements to the Premises (except that each Purchaser of a Unit, other than the Superintendent's Unit, shall pay into the Working Capital Fund of the Condominium a sum to equal to two (2) months of Common Charges for the Unit being purchased at closing). Unit Owners shall be obligated to pay their share of the cost of repair, replacements and improvements to the Common Elements as the need for the same arises, unless there is sufficient Working Capital or other funds available. As the Building will be newly built, Sponsor does not anticipate the imminent need for such capital repairs, replacements or improvements; however, no assurance or guaranty is given by the Sponsor or any of its principals, managers, members, agents, designees, employees or affiliates that such needs shall not arise in the future. See "Rights and Obligations of Unit Owners and the Board of Managers."

32. Sponsor anticipates that the Condominium will qualify as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended, pursuant to counsel's tax opinion dated August 7, 2006, a copy of which is provided herein. Assuming the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion included in Part I of the Plan, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. The Budget for the First Year of Condominium Operation included as Schedule B in Part I of the Plan does not contemplate any income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by regulations relating to entity classification, which were adopted by the United States Treasury Department on December 17, 1996. 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 Wolf Haldenstein Adler Freeman & Herz LLP, as counsel to Sponsor, bases its opinion, will not change. In no event will Sponsor, its principals, managers, members, agents, designees, employees, affiliates, Wolf Haldenstein Adler Freeman & Herz LLP, the Selling Agent, the Managing Agent or any other person connected with this offering be liable if at any time it is held that the Residential Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any

Units offered under this Plan, and no one has been authorized to give any warranties. Please refer to the Attorney's Income Tax Opinion and the Section entitled "Taxes-Deductions to Residential Unit Owners and Tax Status of Condominium" in Part I of the Plan for further discussion.

33. No representation or warranty is made and no assurance is given by Sponsor, its principals, managers, members, agents, designees, employees or affiliates that the security systems and procedures of the Residential Section and of the overall Condominium will prevent personal injury or damage to or loss of personal property. While Unsold Residential Units are being offered for sale or lease by Sponsor or its designees and deeming the period in which Purchasers are commencing occupancy of Units they purchase there will be a greater number of visitors to the Residential Section than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor, its principals, managers, members, agents, designees, employees, agents, Selling Agent, its principals and agents, nor the Managing Agent, its principals and agents, shall be liable or responsible, except for gross negligence, for any personal injury or for any loss or damage to personal property which may result from the failure of the Residential Section's or the Condominium's security systems and procedures, if any, including, without limitation, those procedures with regard to any delivery of packages or repairs or modifications to systems or work within the Units. Please refer to the Section of the Plan entitled "Description of Property and Improvements" under the subsection entitled "General" for further details.

34. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates make any representation or warranty (express or implied) that any noise, heat, odors, fumes or vibrations, if any, emanating from any plumbing, electrical, mechanical equipment, mechanical systems or roof elements belonging to the Condominium located on any basement or roof, in the cellar or in other Common Elements of the Condominium, or emanating from any neighboring buildings or the Commercial Unit will or will not disturb occupants of the Units, and neither Sponsor, its principals, managers, members, agents, designees, employees or affiliates shall have any liability whatsoever for any such disturbance to any Unit Owner or occupant. Notwithstanding the foregoing, Sponsor must comply with all obligations imposed by the Offering Plan, approved building plans and specifications, applicable statutes, regulations, and building codes.

35. The square footage of each Unit and Storage Bin is calculated from the exterior face of the exterior walls (perimeter and mechanical pipes are not deducted) to the centerline of demising walls, common corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements. These measurements significantly exceed the actual floor area of each Unit and Storage Bin. Measured vertically, each Unit and Storage Bin will consist of the volume from the top of the concrete floor slab below (located under the finish flooring and sub-floor materials) to the underside of the concrete slab above. All dimensions shown on Unit Floor Plans and Storage Bin Floor Plan are approximate and subject to square footage and construction variations, including alterations necessitated by structural or mechanical changes performed during renovation, in the Sponsor's sole and absolute discretion; however, no substantial change to a Unit Floor Plan will be made to a Unit which is the subject of a purchase agreement without the purchaser's consent. Square footage as calculated in Schedule A and on the Unit Floor Plans and Storage Bin Floor Plans in Part II is described in "Footnotes to Schedule A" and is greater

than usable square footage. No such variation will affect a Purchaser's obligations under a Purchase Agreement or the Plan unless the net footage area of the Unit is diminished by more than 5% as determined in the sole discretion of Sponsor's architect. In the event Sponsor's architect determines that the net square footage of the Unit is diminished by more than 5%, Purchaser shall have the right to submit a written request to Sponsor to rescind the transaction. Upon receipt of said rescission notice from Purchaser, Sponsor's sole obligation shall be to refund to Purchaser the Down Payment made under the Purchase Agreement and any interest earned thereon. Sponsor has no obligation to refund any additional fees incurred by Purchaser, including but not limited to any fees imposed by Purchaser's lender or attorneys' fees.

36. A Unit Owner may not commence any alteration, addition, or improvement which would require a construction, alteration or building permit issued by the NYC Department of Buildings, including but not limited to, the combination of two or more Units, or the finishing of any space in a Unit, nor may any work be undertaken by a Purchaser (as Unit Owner) which will alter the layouts, electrical, structural, mechanical or plumbing systems of a Unit from the original configuration as completed by the Sponsor without Sponsor's prior written consent. Sponsor is responsible for obtaining the permanent Certificate of Occupancy for the Building. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates make any representation or guarantee that the Department of Buildings will issue a permanent certificate of occupancy for the Building within two (2) years or more after the First Closing. In the event that a closing takes place prior to the issuance of a permanent Certificate of Occupancy for the Unit, Sponsor shall maintain all deposits and funds in the special escrow account required by Section 352-e(2)(b) of the New York General Business Law unless the Sponsor's engineer or architect certifies that a lesser amount will be necessary to complete the work necessary to obtain a permanent Certificate of Occupancy for the Unit, in which case the sum exceeding the amount so certified by the Sponsor's engineer or architect may be released from escrow. Alternatively, Sponsor may deposit with the escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, in which event same will be reflected by duly filed amendment to the Plan. Any amount held in escrow, in excess of the amount certified as reasonably necessary to complete the work needed to obtain the permanent Certificate of Occupancy, can be released from escrow from time to time upon the receipt by Escrow Agent of a request by Sponsor. See "Rights and Obligations of Sponsor" and "Rights and Obligations of the Unit Owners and the Board of Managers."

37. Purchasers are expressly prohibited from assigning Purchase Agreements prior to Closing.

38. Sponsor is not required or obligated to perform any special or custom work, upgrades or extras in Units whatsoever. However, in the event that Sponsor agrees in writing to perform any special work, payments made for such special or custom work, upgrades or extras ordered by Purchasers, if any, must be paid for in full at the time an agreement is entered into by the Sponsor and the Purchaser with respect to any special or custom work, extras or upgrades. This payment must be made directly to Sponsor or as Sponsor directs, is not to be held in escrow and is not refundable under any circumstances, unless the funds have not been spent by the Sponsor in which case the unspent sums shall be refundable if the Purchaser is entitled to rescind the Purchase Agreement. Such work, if agreed to, will be performed based upon the standards set forth in this Plan. As a result, even in the event a Purchaser is entitled to rescission of the

Purchase Agreement, the Purchaser will not receive a refund of any funds used for the upgrades or extras. Purchasers are expressly prohibited from assigning any agreement with Sponsor for the performance of special or custom work and any and all punchlist agreements with Sponsor.

39. Purchasers shall not be permitted to perform any work in the Unit or arrange for any deliveries to the Unit prior to Closing.

40. As set forth in the Description of Property in Part II of the Plan, there are will be lot line windows along the East and West property lines in accordance with the requirements of the New York City Building. Lot line windows will be glazed with insulated Low-E glass units (same as the typical glazing) but with tempered glass at the outermost pane of glazing. In the event that a building is built on the adjacent property above the height of the existing lot line window, it is possible that this lot line window may be required to be removed, and the opening in the wall completely closed (in compliance with all governing code requirements). It is also possible that unprotected lot line windows may be required to be protected in compliance with applicable codes. Neither Sponsor, its principals, managers, members, agents, designees, employees, affiliates, the Selling Agent, the Managing Agent shall have any liability to any Purchaser in the event any lot line window(s) must be removed and/or converted. In the event the lot line windows are required to be closed up, the Purchasers of such Units shall be responsible for all costs associated therewith.

All costs associated with the removal of a lot line window, and/or the conversion of a lot line window from an unprotected to a protected unit, including the providing of sprinkler heads, the enclosing of the opening in the exterior wall, will be borne solely by the owner of the Unit and not by the Sponsor. The cost to properly close a lot line window in the future will vary widely and is based upon a number of factors, including but not limited to, the location of the window, its accessibility, the location of the sprinkler piping in proximity to the window, whether or not New York City Department of Buildings demands certain types of filings/inspections, what type of interior finishes are in the Unit, etc. It is estimated that based upon present value construction costs, the cost to seal a lot line window would be approximately \$5,000.00 per window.

41. All incoming mail will be delivered by the United States Postal Service to the mail boxes of each Unit Owner located in the mail room off the main lobby. No mail delivery will commence until at least twenty-five (25%) of Unit Owners are residing in the Building. Until such time, all mail will be delivered to the local post office. Unit Owners will have to arrange for their own respective mail pickup. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates make any representation as to the timeliness of mail deliveries or whether mail delivery services will be available to any Unit Owner upon their initial occupancy.

42. The budget is based upon current fuel prices. Due to market volatility, purchasers are advised that this may affect the Condominium budget. If the actual or anticipated date of commencement of the operation of the Condominium is to be delayed by more than six (6) months from the budget year projected herein, the Offering Plan will be amended to include a revised budget disclosing the then current projections. If such amended projections exceed the original aggregate projections by twenty-five (25%) percent or more, Sponsor will offer all

Purchasers, the right, for a period of time of not less than fifteen (15) days, to rescind their Agreements and have their deposits refunded.

43. At each Closing, Sponsor will deliver a bargain and sale deed with covenants against grantor's acts (which deed shall be substantially in the form set forth in Part II of the Plan) conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances.

44. There are thirty (30) Storage Bins located in the cellar of the Building which will be used for storage by Unit Owners who purchaser Storage Bins Licenses. The price for each Storage Bin License is 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. Sponsor reserves the right to designate at Closing the Storage Bin which will be subject to each License. In addition, Sponsor has the right to limit the number of Licenses sold to any single Purchaser of a Residential Unit or to make bulk sales, as it deems fit. Storage Bins may only be used for the uses set forth in the Plan and cannot be licensed independently of the ownership of a Residential Unit. The Storage Bins will be fully completed and available for use with the issuance of the temporary certificate of occupancy for the cellar portion of the Building. It is anticipated that the temporary certificate of occupancy will be issued at the same time the first Unit Closings occur. However, if the certificate of occupancy for the cellar is not issued until later, Sponsor will escrow any monies due for the storage bins or not charge fees for them until the temporary certificate of occupancy is issued for that portion of the Building.

45. The Condominium may not be fully staffed as of the date of the First Closing. Sponsor will provide the staffing as provided in the budget but such staff will be phased in as more Purchasers close and move-in to their respective Units.

46. The Commercial Unit Owner, without the consent of the Condominium Board, may make any alteration, addition, improvement or repair in or to any Commercial Unit or the Commercial Common Elements, including the subdivision of the Commercial Unit, provided that the work is performed by the Commercial Unit Owner in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. In addition, Sponsor and the Commercial Unit Owner may erect, maintain, repair and replace, or permit their tenants to erect, maintain, repair or replace, from time to time, one or more signs on the Property for the purpose of advertising the availability of the Commercial Unit for sale or rent or the operation of any business of a tenant or occupant of the Commercial Unit including, but not limited to, signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building.

47. Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on Purchaser obtaining financing for such purchase. Notwithstanding the above, if a Purchaser, who represents to the Sponsor that he or she is purchasing the Unit for his or her own use, applies for financing through Park Avenue Mortgage Group, a New York State licensed mortgage broker, upon the conditions set forth in the Purchase Agreement (such as submitting all documentation and fees on a timely basis), then such Purchase Agreement will be contingent, for

the period set forth in the Purchase Agreement, upon the Purchaser obtaining financing in an amount equal to not more than eighty (80%) percent of the Purchase Price. Purchasers buying Units for investment purposes only (as opposed to for their own personal use) will not be granted a mortgage contingency clause. Please refer to Section entitled "Procedure to Purchase" in Part I of the Plan for further details.

48. The balconies and/or terraces appurtenant to a Unit may not be used for any type of occupancy, including but not limited to, dining, sleeping, living room, recreation, office, etc. To do so may result in a violation against the Building being issued by the Department of Buildings.

49. Each Unit Owner must notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Residential unit Owner shall install at the Residential Owner's expense, the required Window Guards in all windows of the Unit and shall not remove them until permitted by applicable law in any event, without the full knowledge of the Managing Agent.

INTRODUCTION

125 West 21st LLC, a Delaware limited liability company ("Sponsor"), hereby presents this offering plan (the "Plan") for the establishment of condominium ownership of certain real estate consisting of approximately 9,475 square feet on the north side of 21st Street between Avenue of the Americas (6th Avenue) and Seventh Avenue (the "Land") in the Borough of Manhattan, including an thirteen (13) story building plus the upper portion of each Penthouse unit (the "Building") containing 52 residential units, 30 Storage Bin licenses, and one commercial unit. The 52 residential units in the Building are referred to collectively as the "Residential Units". The Storage Bins will be referred to as the "Storage Bins." The Commercial Unit will be referred to as the "Commercial Unit." The Land and the Building are collectively referred to herein as the "Property". The condominium will be known as "The Indigo Condominium" and is called the "Condominium" in this Plan.

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor of the 52 Residential Units and 28 Storage Bin License Agreements. The Sponsor will also be selling the Commercial Unit, which consists of approximately 6,956 square feet on the Cellar and First Floor of the Building. See the section called the "Commercial Unit" for a more complete description of the Commercial Unit. Sponsor reserves the right to alter or divide the Commercial Unit and may do so without the consent of the Condominium's Board. Sponsor may from time to time amend or supplement the Plan by filing an amendment with the New York State Department of Law (the "Department of Law") and serving such amendment on Purchasers and Unit Owners.

The Plan is presented in two parts (in one volume) which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the Property, a sample Purchase Agreement, certifications of Sponsor and Sponsor's architect, certifications of an expert selected by Sponsor concerning the adequacy of the budget for the first year of Condominium operation and certain agreements to which the Condominium will be bound. In addition, Sponsor has filed exhibits to the Plan with the Department of Law, which are presented as Parts A (Certifications), B (General), C (Engineering) and D (Other Information). The Plan, including all Schedules set forth herein in Parts A, B, C and D of the exhibits, contains all of the material terms of the transaction and constitutes the entire offer of Sponsor. Copies of the Plan and the exhibits are available for inspection by prospective purchasers and their attorneys, without charge, at the on site sales office or at the offices of the Sponsor, or may be borrowed upon payment of one hundred (\$100) dollar deposit, which amount will be fully refunded after either (i) the prompt return of all borrowed materials in good condition or (ii) the execution by the borrower of a Purchase Agreement subsequently accepted by Sponsor. Copies of the Plan and exhibits will also be available for inspection and copying at a reasonable fee at the Department of Law, 120 Broadway, 23rd Floor, New York, New York. All of these documents are important and should be carefully read by prospective purchaser. Prospective Purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. All capitalized terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Certain Definitions", unless otherwise indicated.

The Condominium

On August 18, 2004, the Sponsor acquired fee title to the Land and related structures thereon. The Sponsor is constructing the Building on the Land which will be subject to Temporary Certificate of Occupancy and a Certificate of Occupancy thereafter. The Building to be constructed on the Land will contain ten thirteen (13) stories above grade plus the upper portion of each penthouse apartment. The floors in the Building are named (from bottom to top): Cellar, First Floor, and Floors 2-12 and Penthouse.

As more particularly described herein, the Building will include (a) a Residential Section containing the Residential Units, approximately 28 Storage Bins to be located in the cellar and the Residential Common and Limited Elements, (b) a Commercial Section, which will contain one (1) Commercial Unit and the Commercial Common and Limited Common Elements, and (c) the General Common Elements.

There will be available to occupants of the Residential Section, certain residential services, including, but not limited to, a 24-hour lobby attendant, automatic elevators and cable television service at an additional charge.

The Commercial Section will initially be comprised of one (1) Commercial Unit and the Commercial Common Elements. The Commercial Unit consists of approximately 6,956 square feet on the Cellar and First Floor of the Building and may be used for any lawful purpose under the New York City Zoning Resolution, subject to certain restrictions more fully set forth in the Section of the Plan entitled "Commercial Units".

Storage Bins

Sponsor hereby offers Purchasers of Residential Units the opportunity to purchase the right to the use of a Storage Bin pursuant to a license agreement and can only be licensed by a Residential Unit Owner. Sponsor reserves the right to release the Storage Bins for sale after the release of some or all of the Units. Accordingly, some Purchasers may enter into a Purchase Agreement for the sale of the Storage Bin after entering into a Purchase Agreement for the sale of a Unit. The price for each Storage Bin License is 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. Sponsor reserves the right to designate at Closing the Storage Bin which will be subject to each license. In addition, Sponsor has the right to limit the number of licenses sold to any single Purchaser of a Unit or to make bulk sales, as it deems fit. Storage Bins may only be used for the uses set forth in the Plan and cannot be licensed independently of the ownership of a Residential Unit.

Features of Condominium Ownership

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

Certain Residential Unit Owners have the exclusive use of Terraces appurtenant to their Residential Units, and such Unit Owners are responsible for all normal maintenance, repairs and replacements thereto. Terraces appurtenant to Residential Units are shown on the Residential Unit Floor Plans included in Part II of the Plan. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Terrace caused by the need for such structural repairs (unless caused by a Residential Unit Owner in which case that Residential Owner shall be responsible for such repairs) 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 the rights of Unit Owners to paint and decorate Terraces shall be subject to the prior written approval of the Condominium Board. Any planting or other installations to be placed on Terraces shall be subject to the rules and regulations promulgated by any New York City and Department of Buildings regulations, including, but not limited to, any applicable weight restrictions. The Condominium Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants. The Condominium Board does not have the right to approve or disapprove of purchasers. Inasmuch as there is no limit on the number of owners who may purchase for investment rather than for personal occupancy, there is a possibility that there may always be a substantial percentage of owners who are non-residents.

Each Unit Owner is obligated to comply with the Declaration and By-Laws, rules and regulations, and any other requirements of the Condominium Board. The Condominium Board has the authority to manage the Condominium and the Residential Units. The Residential Unit Owners have the right to vote for members of the Condominium Board.

Subject to certain conditions contained in the By-Laws, each Residential Unit Owner may mortgage his or her Residential Unit(s) with such lender and in such amount as he or she chooses. However, neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates make any representations about whether a Purchaser will be able to finance the purchase of any Residential Unit. There are no limitations or restrictions upon the rights of the Commercial Unit Owner to mortgage the Commercial Unit. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

A Residential or Commercial Unit Owner may decorate the interior of his or her Residential Unit in any way desired except as otherwise provided in the By-Laws and Rules and Regulations and law, and will be solely responsible for the cost of maintenance and interior repairs to his Residential or Commercial Unit after Closing.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Please refer to the opinion of Wolf Haldenstein Adler Freeman & Herz LLP, counsel to Sponsor, set forth in full in Part I of the Plan, for a discussion regarding the deductibility for United States, New York State and New York City income tax purposes, of real estate taxes and the interest paid on a mortgage, if any, on a Residential Unit. Neither Sponsor, its principals, managers, members, agents, designees, employees, affiliates, Sponsor's counsel, Sponsor's tax counsel, the Selling Agent, its principals

and agents, nor the Managing Agent shall have any liability to any Purchaser in the event the United States Treasury Department amends its regulations relating to entity classification and such amendment(s) have a materially adverse impact upon the tax treatment of the Condominium.

With certain exceptions (for example, Sponsor and its designee and any "Holder of Unsold Units" are not required to give the Condominium Board a right of first refusal with respect to any Unsold Residential Units or the Commercial Unit), 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. The Commercial Unit Owner may sell or lease all or any portion of the Commercial Unit, without any restriction or limitation imposed pursuant to the Declaration or the By-Laws. For a more complete discussion of the foregoing, see the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers – Sales and Leases of Units".

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

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

Matters affecting the Residential Section, the Commercial Section, both the Residential and Commercial Sections or affecting the General Common Elements will be decided by the Condominium Board, which shall be comprised of four (4) representatives elected by the Residential Unit Owners, and one (1) representative designated by the Commercial Unit Owner. Sponsor shall not hold a majority of seats on the Condominium Board after the earlier to occur of (i) five (5) years from the date of the First Closing, or (ii) that date upon which the Sponsor and its designees own less than fifty (50%) percent of the Residential Units. (the "Initial Control Period"). The Commercial Unit Owner or Owners shall always be entitled to designate one member to the Condominium Board. Please refer to the Section of entitled "Control by Sponsor" in Part I of the Plan for further details.

As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Residential Common Expenses and the amount of General Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Residential Unit Owners for Residential Common Charges to meet Residential Common Expenses and the Condominium Board's pro rata share of General Common Charges. Such charges will be assessed against Residential Unit Owners in proportion to their respective Common Interests except as otherwise determined by the Condominium Board in accordance with the Condominium Act, Sections 339-(i) and (m). As set forth in Schedule B - "Projected Budget for First Year of Condominium Operation" the Commercial Unit Owner shares the costs for a portion of the payroll (superintendent and handyperson); repairs, supplies and maintenance; insurance; management; administration; costs to maintain the Superintendent's Unit; other expenses; and the contingency based upon its Common Interests. Other costs such as the cost for labor and service contracts, are not borne at all by the Commercial Unit Owner because such utilities and/or services are either separately metered or submetered or not used by the Commercial Unit Owner.

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

After the closing of title to a Residential Unit, a Residential Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment and personal property situated within his Residential Unit, as well as liability insurance with respect to occurrences in or about his Residential Unit. The Sponsor, its principals and members, shall not be liable for Unit Owners' personal property within each Unit under any circumstances. The By-Laws require that each Unit Owner maintain such insurance coverage. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. See the Section entitled "Rights and Obligations of Unit Owners and the Boards of Managers" for a more complete discussion of the foregoing.

There are no limitations on who may purchase Residential Units. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity which is permitted to take title pursuant to New York law. The Sponsor or its designee may also sell the Units in blocks to investors without the Board of Manager's consent or without obtaining a waiver of right of first refusal. Notwithstanding the foregoing, Sponsor, its designees or any Holder of Unsold Units is not obligated to offer or sell any Residential Units and may, if it chooses, withhold one or more Residential Units for future sale for any reason whatsoever, without the consent of any of the Boards, any Residential Unit Owner, or mortgagee, to refuse to approve and execute (a) a Purchase Agreement for any Residential Unit, and (b) a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Residential Unit to any one person or entity; provided, however, that, in either event, Sponsor shall not discriminate against any person because of his or her race, creed, color, sex, disability, material status, age, ancestry, national origin or other ground proscribed by law. No binding obligation will arise for the sale of a Residential Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor, has been exchanged and Sponsor has collected the funds constituting Purchaser's required Down Payment thereunder (see the Section entitled "Procedure to Purchase" for more details). Sponsor will not accept an offer of purchase from an individual younger than eighteen (18) years of age or an incompetent under law.

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

Offering of Units for Sale

Sponsor hereby offers 52 Residential Units, 30 Storage Bin Licenses, and one Commercial Unit, to Purchasers for sale under the Plan. The prices for each of the Residential Units and the Commercial Unit offered under the Plan are listed in Schedule A entitled "Purchase Prices and Related Information for the Projected First Year of Condominium Operation." The prices for the Storage Bin Licenses are set forth in Schedule A entitled "Prices for Storage Bin Licenses." **THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENT AGENCY.**

The estimated Residential Common Charges for each Residential Unit and Commercial Common Charge for the Commercial Unit for the first year of operation of the Property as a condominium are also set forth in Schedule A. In the event Sponsor makes a bulk sale of all or some of the Unsold Units, the transferee successor "Sponsor" shall be bound by Sponsor's representation regarding its commitment to sell Units. The Sponsor's financing contains minimum release prices set by lender and a required minimum payment per sale which must be made to the lender in order for the lender to release its lien from the unit being sold.

Sponsor will endeavor in good faith to sell all of the Residential Units in a reasonably timely manner to Purchasers for the personal occupancy of Purchasers or their immediate families. However, in the event that there is a significant decline in market values of at least ten (10%) percent from the prices listed in Schedule A as of the date the Plan is declared

effective, the Sponsor reserves the right to rent the Units, rather than sell, until there is an upturn in the market. However, so long as Sponsor is able to achieve the purchase prices listed on Schedule as of the date the Plan is declared effective, Sponsor is committed to selling Residential Units which represent a majority of the Common Interest in the aggregate. Sponsor's good faith efforts to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to brokers and prospective purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities. Sponsor's construction lender has not placed any limitation on Sponsor's right to rent Units. See Section of the Plan entitled "Rights and Obligations of Sponsor" for further detail.

Each Purchaser of a Residential Unit and the Commercial Unit will be required to make a contribution to the Working Capital Fund. Such contribution by a Residential Unit, to be made at the time of Closing of the Residential Unit (with the exception of the Superintendent's Unit), shall be in an amount equal to two (2) months' Residential Common Charges in effect at the time of closing for each Residential Unit purchased. Such contribution by the Commercial Unit, to be made at the time of Closing of the Commercial Unit, shall be in an amount equal to two (2) months' Commercial Common Charges in effect at the time of closing for the Commercial Unit. (See the Section entitled "Working Capital Fund and Apportionments").

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

The charges for electricity consumed by each Residential Unit Owner individually will be separately metered or submetered and billed to each Unit Owner by Con Ed. Water charges and sewer rents, assessed by The City of New York, will be billed to the Residential Section as a Residential Common Expense. The costs and expenses of central heat and gas with respect to the Residential Section will be included in Residential Common Charges; Residential Unit Owners will be required to pay charges for electricity consumed by the incremental HVAC Units for each Residential Unit which provides air conditioning and heating to each Residential Unit. Electricity, gas and water and sewer provided to the Commercial Unit will be separately metered or submetered. In the event a utility is submetered, the Condominium shall bill the Commercial Unit Owner for same on a monthly basis. Schedule A sets forth estimates of the amounts of real estate taxes which will be payable with respect to each Residential Unit. See the Notes to Schedule A with respect to the bases of such estimates.

CERTAIN DEFINITIONS

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

"Adversely affect", or "adverse effect", as used in the Condominium Documents, shall mean, with respect to any action or proposed change and with respect to any Unit Owner or Owners, that such action or change could, if realized, (i) material increase the Common Charges

payable by such Unit Owner or Owners, (ii) materially interfere with such Unit Owner's access to its Unit or Units, (iii) obstruct or degrade the view from the windows of such Unit Owner's Unit or (iv) otherwise materially diminish such Unit Owner's use and enjoyment of its Unit or Units.

"Building" refers to the structures and improvements including above and below grade segments, known as "The Indigo Condominium" located at 125 West 21st Street, New York, New York in which the Units of the Condominiums are located.

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

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

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

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

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

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

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

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

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

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

"Commercial Unit" refers to the Commercial Unit located on the Cellar and First Floor of the Building, and, to the extent the Commercial Unit is divided, the Commercial Unit shall refer to all of the Commercial Units resulting from the subdivision of the Commercial Unit.

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

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

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

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

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

"Condominium" refers to The Indigo Condominium.

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

"Condominium Board" refers to the board of managers representing the Residential Unit Owners and the Commercial Unit Owner.

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

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

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

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

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

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

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

"Holder(s) of Unsold Units" shall mean the owner of an "Unsold Unit" (as hereinafter defined).

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

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

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

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

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

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

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

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

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

"Property Deed" refers to the deed dated August 18, 2004 pursuant to which the Sponsor acquired fee title to the Property.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Selling Agent" refers to Alchemy Properties Inc., or any successor selling agent at the time in question

"Sponsor" refers to 125 West 21st LLC, a Delaware limited liability company, and its successors and assigns.

"Sponsor and/or its designee(s)", "Sponsor or a designee of Sponsor" or similar terms refers to Sponsor and any designee of Sponsor.

"Sponsor Control Period" refers to the period during which members of the Condominium Board designated by Sponsor constitute a majority of the members of the Board.

"Storage Bins" refers to the bins to be located in the cellar of the Building which will be used for storage by Unit Owners who purchase Storage Bin Licenses.

"Superintendent's Unit" refers to the apartment in the Building in which the Condominium's Superintendent will reside. The Sponsor anticipates that the Superintendent's Unit will be Unit 1B, however, the Sponsor reserves the right to substitute another Unit as the Superintendent's Unit.

"Terrace(s)" refers to terraces and/or balconies appurtenant to certain Residential Units which are Residential Limited Common Elements.

"Unavoidable Delays" refers to construction delays or delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, terrorist acts, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or lightning, earthquake, fire, storm, hurricane, flood, explosion, act of God, any delays in governmental approvals in connection with the construction or any cause similar to any of the causes hereinabove state; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

"Unit" or "Condominium Unit" refers to space designated as a Residential Unit or a Commercial Unit in the Declaration, consisting, generally, of either a specific residence or a portion of the Commercial space in the Building, together with an appurtenant proportionate undivided interest in the General Common Elements and, as the case may be, in the Residential Common Elements, the Residential Limited Common Elements or in the Commercial Common Elements. All of such Units are collectively referred to as "Units".

"Unit Owner" refers to any Residential Unit Owner or Commercial Owner, and all of such Residential Unit Owners and Commercial Unit Owner are collectively referred to as the "Unit Owners".

"Unsold Commercial Unit" refers to (a) any Commercial Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor, its designee, successor or assigns or a Commercial Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of their principals, is a member or (b) any Commercial Unit for which there is a signed Purchase Agreement but for which Closing has not yet occurred.

"Unsold Residential Unit" refers to (a) any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained,

by Sponsor, its designee, successor or assigns or a Residential Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of their principals, is a member or (b) any Residential Unit for which there is a signed Purchase Agreement but for which Closing has not yet occurred.

All other capitalized terms used in Part I of the Plan not separately defined in Part I shall have the meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Construction of the Building

The Building will contain a Commercial Section consisting of one (1) Commercial Unit, the Units, the Commercial Common Elements and Commercial Limited Common Elements. The Building also will contain a Residential Section consisting of the fifty-two (52) Residential Units, the thirty (30) Storage Bins, the Residential Common Elements and Residential Limited Common Elements. The Common Elements of the Building refers to the General Common Elements, the Commercial Common and Limited Common Elements and the Residential Common and Limited Common Elements.

The Building, including the individual Units therein, is being constructed in accordance with the Plans and Specifications and all applicable zoning and building laws, regulations, codes and other government requirements. No Asbestos Containing Material will be present in insulating or fire-proofing material contained in the Building. Following completion of the Building, Temporary Certificates of Occupancy for individual Units and the Building and/or a permanent Certificate of Occupancy for the Units and the Building will be issued by the Department of Buildings of the City of New York and copies of the Plans and Specifications for the Building will be filed with the Department of Buildings of the City of New York.

Under the present construction schedule it is anticipated that, except for finishing work to stairways, hallways, and other areas of the Building which are not intended for the exclusive use of any particular Unit Owner and work, if any, which Sponsor performs, at its discretion, in individual Residential Units, including but not limited to work performed by Sponsor pursuant to a "punch list" for an individual Residential Unit executed at Closing, certain Residential Units will be substantially completed on or about November 15, 2007 and a Temporary Certificate of Occupancy with respect to portions of the Building will be obtained on or about December 15, 2007, both subject to Unavoidable Delays. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates, however, warrant or guarantee the foregoing completion or occupancy dates for the Building. The first Temporary Certificate of Occupancy may be issued for some but not all of the Residential Units and Sponsor may complete construction of certain Residential Units before others.

Sponsor has engaged FX Fowle Architects ("Sponsor's Architect") as architects for the Building, Dagher Engineering, as the mechanical engineer for the Building and Severud Associates Consulting Engineers P.C. as the structural engineer for the Building. 21st Construction LLC is the construction company responsible for the construction of the building and is affiliated with the Sponsor. Construction of the Building is being financed by HSBC Bank, USA (the "Construction Lender"), which financing is secured by, among other things, mortgages and security agreements.

Sponsor and its principals, managers, members, agents, designees, employees and affiliates reserve the right to amend or modify the Plans and Specifications in any way or manner not material to this offering or in a manner disclosed in this offering, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth therein or in the "Description of Property" set forth in Part II of the Plan and to

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

The Property was acquired by the Sponsor by Bargain and Sale deed dated August 18, 2004 (the "Property Deed").

Residential Units

Subject to the rights of Sponsor and its designee to change the number of Residential Units, there will be a total of 52 Residential Units (including the Superintendent's Unit) situated in the Building. Detailed descriptions of the Residential Units including a finish schedule are set forth in the "Description of Property" in Part II of the Plan. See also the Section entitled "Changes in Prices and Units." Please refer to Schedule A, "Prices of Units and Related Information" for further details.

Except as otherwise agreed by the parties, the Residential Units will be delivered to Purchasers with a primer plus one finish coat of paint. Each Purchaser will be obligated to do all other painting and decorating of his or her Residential Unit at his or her own cost and expense.

Included in the sale of each Residential Unit are the following: refrigerator/freezer, wine refrigerator, kitchen cabinets, microwave, gas range, automatic dishwasher, washing machine and dryer and individually controlled heating and cooling. The manufacturer, model number and specifications for the foregoing appliances and equipment are set forth in the "Description of Property", subject to substitution by Sponsor of comparable equipment. As more fully set forth under the Section entitled "Description of Property and Improvement – Construction of the Building," these fixtures, appliances and equipment are subject to change by Sponsor. Sponsor may negotiate to make modifications or changes in any Residential Unit or to do special work therein to provide different or additional appliances, equipment furnishings or decorations, provided that Sponsor is paid in full prior to ordering same and provided that Sponsor shall not be bound to do so unless agreed to by Sponsor in a written instrument which is incorporated as an addendum to the Purchase Agreement.

Sponsor and its designee or successor reserve the right, without prior notice or amendments to the Plan, to use Unsold Residential Units on any floor of the Building as sales and leasing offices and model apartments. In the event Sponsor or its designee or successor, thereafter, elects to sell such Unsold Residential Units, Sponsor or its designee or successor may offer the purchaser the right to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unsold Residential Unit, such amounts as Sponsor determines.

A Residential Unit Owner may only use his or her Residential Unit for a purpose consistent with the local zoning ordinance, as amended from time to time, any other applicable ordinance or statute, and any regulation of a governmental authority with jurisdiction over the Condominium, including, but not limited to, local building codes and the Multiple Dwelling

Law, as such statutes, ordinances and regulations may be amended from time to time, but in no event may a Residential Unit Owner use his Residential Unit for a use violative of the By Laws or the Deed Restrictions which are described in the Section of the Plan entitled "Commercial Unit".

Storage Bins

There will be approximately 30 Storage Bins, located in the cellar of the Building. The Storage Bins may be used only for storage purposes only by Unit Owners, provided that no materials which pose a health or safety threat or which otherwise create a nuisance may be stored therein, and further provided that Sponsor shall have the right to use any Unsold Storage Bin for any lawful purpose or to change the permitted use of any Unsold Storage Bin, subject, however, to the provisions of the By-Laws. Except for Sponsor, no Unit Owner may own a Storage Bin independently of a Residential Unit.

Terraces

As indicated in Schedule A, Terraces are appurtenant to certain Residential Units and are included in the purchase prices therefor. A Residential Unit Owner who has a Terrace appurtenant to his or her Residential Unit shall have the exclusive use of same, subject to the right of the Condominium Board to regulate its use, and shall be responsible for all normal maintenance, repairs and replacements thereto. However, the costs and expenses of any structural repairs or repairs or replacements caused by the need for such structural repairs to any Terrace, which are Residential Limited Common Elements, (unless caused by its Residential Unit Owner) shall be charged to all Residential Unit Owners as a Residential Common Expense.

Any plantings, structures or other improvements installed by Unit Owners on the Terraces must be approved by the Condominium Board, and shall be subject to any applicable New York City and Department of Buildings rules and regulations, including, but not limited to, any applicable weight restrictions. The Condominium Board shall have the right, even if same was previously approved, to require a Unit Owner to remove plantings and other installations which have been placed on the Terraces if the Condominium Board determines, in its reasonable discretion, that such plantings or other installations adversely affect the integrity of the roof or structural or mechanical systems. The Condominium Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants. Neither the Sponsor nor its principals, managers, members, agents, designees, employees, or affiliates make any representation as to what may or may not be legally placed on the Terraces by any Unit Owner.

Commercial Section

As more particularly described in the Section of the Plan entitled "Commercial Units", in the Declaration and the "Description of Property," the Commercial Section will be situated on portions of the Cellar and First Floor of the Building and the Commercial Common Elements. The Commercial Units consist of one (1) Commercial Unit.

The Commercial Unit may be used for any lawful purpose under the zoning resolution, subject to certain limitations more fully discussed in the Section of the Plan entitled "Commercial Unit".

The Condominium Board may adopt rules or approve changes relating solely to the Commercial Unit, including rules of operation. No rules affecting the operation of the Commercial Unit may be adopted or modified by the Condominium Board without the written consent of the Commercial Unit Owner. No changes to the Declaration of Condominium or the By-Laws may be enacted without the consent of the Commercial Unit Owner. All or any part of the Commercial Unit may be leased or subleased by the Commercial Unit Owner, as more fully set forth in the Declaration. Subject to compliance with all applicable laws and governmental rules and regulations, if any, the Commercial Unit may be sold without prior notice. The Commercial Unit may be divided by the Commercial Unit Owner. The Residential Unit Owner will have no interest in the rents, profits or revenues from the rental or use of any space in the Commercial Unit.

No representation is made by Sponsor, its principals, managers, members, agents, designees, employees or affiliates with respect to the continued ownership by Sponsor of all or any portion of the Commercial Unit or as to who the tenants or occupants of any portion of the Commercial Unit may be at any time or as to the uses to which any portion of the Commercial Unit may be put at any time (except that the Commercial Units may be used for any lawful purpose or as otherwise limited by the Plan). The use of the Commercial Unit may generate noise or other disturbances over which the Residential Unit Owners will have no control.

General Common Elements

Generally, the General Common Elements consist of all Common Elements other than the Residential Common Elements, Residential Limited Common Elements and Commercial Common Elements and Commercial Limited Common Elements and include, among other things, the following: (a) the Land; (b) all foundations, footings, columns, girders, concrete floor slabs and ceilings (except to the extent included as the Residential Common Elements, or Residential Limited Common Elements), beams, supports, and interior load bearing walls, together with those portions of the exterior walls of the Building, (c) corridors and all fire staircases, landings and stairs which are not Residential Common Elements, or Residential Limited Common Elements or part of any Unit; (d) meter rooms, electrical rooms, gas meter room, pump room, domestic hot water room, and janitorial toilet and sink; (e) general illumination fixtures and security systems; (f) all passages, hallways, stairs, corridors, mechanical and other rooms, areas and spaces located in the Building serving both the Residential Section and Commercial Section, which are not Residential Common Elements, Residential Limited Common Elements, Commercial Common Elements, Commercial Limited Common Elements or part of any Unit; (g) the water tower, if any; (h) the exterior façade of the Building; and (i) all other parts of the Building and the apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance or safety of both the Commercial Section and the Residential Section. A detailed description of the General Common Elements is set forth in the Declaration.

Residential Common Elements

Generally, the Residential Common Elements include, among other things, the following: (a) elevator (including their shafts, pits, machinery and appurtenant facilities); (b) for cleaning purposes, the exterior glass surfaces of all Residential Section windows; (c) the lobby, vestibule, package room, bathroom, elevator lobby, lobby attendant station, service vestibule and service corridor and the entrances and mailroom on the first floor of the Building; (d) the space in which the Storage Bins are constructed in the cellar of the Building; (e) passages, hallways, stairs and corridors to the extent any of the same are for the exclusive use of the Residential Section; (f) electric panels, closets, feeders and risers serving the Residential Section; (g) the service vestibule and trash chutes servicing each of the Floors and the compactor room in the cellar; (h) the roof of the Building; (i) all mechanical space and other rooms, areas and spaces located in the Building serving exclusively the Residential Units, the Residential Common Elements and the Residential Limited Common Elements and which are not General Common Elements, Commercial Common Elements, or part of any Unit; and (j) all other apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit exclusively the Residential Units. A detailed description of the Residential Common Elements is contained in the Declaration.

Residential Limited Common Elements

The Residential Limited Common Elements include those portions of the Building available for the exclusive use of some but not all Residential Unit Owners. At the present time, the Residential Limited Common Elements consist of the Terraces appurtenant to certain Residential Units.

Commercial Common Elements

Generally, the Commercial Common Elements include, among other things, all apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits, and lines) which serve or benefit exclusively the Commercial Units or the Commercial Unit Owners. A detailed description of the Commercial Common Elements is set forth in the Declaration. The Commercial Unit Owner will have the right to grant easements permitting access between any Commercial Common Element or other portion of the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the Commercial Units (to the extent the Commercial Unit is subdivided) and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building and such work is performed in accordance with the Building Code of the New York City Department of Buildings.

Commercial Limited Common Elements

The Commercial Limited Common Elements include those portions of the Building, if any, available for the exclusive use of the Commercial Unit Owner or, in the event that the Commercial Unit is subdivided, is available for the exclusive use of some but not all of the Commercial Units. The costs of maintaining and operating the Commercial Limited Common

Elements shall be borne by the Commercial Unit Owner having exclusive access thereto or utilizing or benefiting from the same.

Superintendent's Unit

The Superintendent's Unit will be occupied by the superintendent of the Building. Unit 2B is being designated as the Superintendent's Unit, however, Sponsor reserves the right to substitute another Unit at its sole discretion, provided, however, that if another Unit is selected, the purchase price and other costs will be the same. This Unit will be purchased by the Condominium Board on behalf of the Unit Owners at or after the First Closing for a purchase price of \$500,000, inclusive of all Closing costs. A contribution to the Working Capital Fund equal to two (2) months' common charges shall not be required at Closing. At or after the First Unit Closing the Condominium will execute a promissory note in the amount of \$500,000 along with a first mortgage which will secure said promissory note. The promissory note will mature three (3) years from the First Closing (the "Maturity Date") and will accrue interest at a rate of seven (7%) percent per annum with a default rate of interest at the maximum rate permitted by law. The entire amount of principal and accrued interest will be due and payable on the Maturity Date and the Condominium will be required to pay said note on the Maturity Date. In order to do so, the Condominium will either have to assess Unit Owners for the amount equal to pay off the promissory note or arrange for a loan to satisfy said promissory note. No representation is made by Sponsor, its principals, managers, members, agents, designees, employees, or affiliates with respect to the Condominium's ability to repay or otherwise refinance or extend the note and mortgage at such time. Purchasers are advised that in the event the Condominium is unable to refinance or extend the note and mortgage at the Maturity Date, the Condominium may have to assess all Unit Owners in proportion to their respective Common Interests. In the event of a default under the note and mortgage, the holder may foreclose on the Superintendent's Unit with any deficiency being the obligation of the Unit Owners. In the event of such foreclosure, alternate arrangements would have to be made to relocate the Superintendent as allowed by applicable law. The Common Charges and Real Estate Taxes for the Superintendent's Unit will be included in the Common Charges payable by Unit Owners, and each Unit Owner will be individually liable therefore to the extent of his, her, or its percentage of Common Interest. The Condominium shall pay all transfer taxes, mortgage recording taxes, and title premiums in connection with the conveyance of the Superintendent's Unit. All Common Charges on the Superintendent's Unit including utilities, real estate taxes, costs of repairs, alterations and improvements shall be borne by all Unit Owners as a Common Expense. (See the Sections of the Plan entitled "Schedule B - First Year's Budget" and "Agreements Affecting Building Operations" for further details.) No Working Capital Fund Contribution shall be required in connection with this transaction. In addition, in the event a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act in connection with this transaction, such credit will inure solely to the benefit of Sponsor.

Services and Facilities

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

a. **Entrance**

The entrance to the Building will be on West 21st Street between Avenue of the Americas and Seventh Avenue.

b. **Attendant**

It is anticipated that an attendant will be on duty at the Lobby of the Building twenty-four (24) hours a day, seven (7) days a week.

c. **Elevator Service**

Two (2) automatic passenger elevators will be in service, twenty-four (24) hours a day, seven (7) days a week, for the exclusive use of Unit Owners residing in the Building. Notwithstanding the foregoing, both passenger elevators service the Cellar of the Building.

d. **Cable Television Service**

A cable television system will be available for the use of the Unit Owners through wiring provided from a central patch panel in the Cellar to a single location within each Condominium Unit. Each Unit will have distribution wiring from that location to cable connectors in various locations within the Unit. The charges for primary connections and any fees related to the service will be determined by, and payable directly to the cable company. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates make any representation that cable television service will be available to any Unit Owner upon their initial occupancy of a Unit. The Condominium will own and maintain the internal conduit system in which all cable facilities are located.

e. **Electrical Systems Telephone Service and Internet Access**

Electrical service for Units will be metered and separately billed to each Unit Owner by Con Edison or a similar service provider. Local and long distance telephone service will be offered by Verizon and other telephone service providers. In each case, such services will be separately billed to each Unit Owner. Each Residential Unit Owner is responsible for arranging for telephone service in his individual Residential Unit. Each Residential Unit will be prewired for telephone service. Internet service will be available for all Units. All charges for internet service (including activation, installation and subscription charges) will be paid by each Unit Owner who subscribes directly to the internet service provider. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates make any representation as to when or if the local service provider will connect such telephone or internet services.

f. Mail

All incoming mail will be delivered by the United States Postal Service to the mail boxes of each Residential Unit Owner located in the mail room off the main lobby. No mail delivery will commence until at least twenty-five (25%) of Unit Owners are residing in the Building. Until such time, all mail will be delivered to the local post office. Unit Owners will have to arrange for their own respective mail pickup. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates make any representation as to the timeliness of mail deliveries or whether mail delivery services will be available to any Residential Unit Owner upon their initial occupancy.

g. Laundry

Each Residential Unit will contain a washer and dryer. There will be no public laundry room facilities in the Building.

h. Refuse Disposal

There will be one refuse chute on each floor serving the Residential Units leading directly to the compactor room.

i. Storage Bins in the Basement

There will be storage bins located on the cellar of the Building, which will be available for the exclusive use of Residents subject to availability and subject to a license. The Condominium Board will establish rules for the use of the storage bins. Notwithstanding, neither Sponsor nor its principals, managers, members, agent, designees, employees or affiliates make any representations that the Storage Bins will be available to any Residential Unit Owner upon their initial occupancy of a Residential Unit.

j. Common Area Terrace

A common area terrace will be provided at the second floor in the rear of the Building above the Commercial Unit. Mechanical equipment used by the Commercial Unit Owner may be located on the common area terrace.

General

All determinations with respect to the continuance of any of the foregoing services, if initially made available, will be made by the Condominium Board, which will be controlled by Sponsor during the Sponsor Control Period. (See the Section entitled "Control by Sponsor"). Please refer to the Description of the Property set forth in its entirety in Part II of the Plan for further details regarding services and facilities at the Property.

Neither Sponsor, its principals, managers, members, agents, designees, employees, affiliates, the Managing Agent nor the Board will in any event be liable for the availability, interruption, discontinuance or quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person other than Building personnel, or for

any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, except to the extent that any such injury to person or damage to property occurs as a result of the gross negligence of Sponsor, the Managing Agent or the Board, as the case may be.

Security Procedures

The Condominium Board is vested with the responsibility of devising and carrying out security procedures with respect to the Residential Section. Such procedures may be adopted and from time to time changed by the Condominium Board as such Condominium Board, in its discretion, determines to be appropriate to secure the Residential Section. It is anticipated that the security procedures will be as follows:

a. **Entrances and Elevators**

An attendant will supervise admissions to the Residential Lobby subject to the Rules and Regulations established by the Board of Managers. The Sponsor or its principals, managers, members, agents, designees, employees or affiliates have no responsibility nor liability for the implementation of these policies. All elevators in the Residential Section will be equipped with a two-way communication facility connected to the communication facility service company and an alarm signal.

b. **Intercom System**

All Residential Units will be wired for a video intercom facility through the telephone system providing direct communication from the Residential Unit to the attendant

c. **Smoke Detectors and Carbon Monoxide Detectors**

Smoke detectors and carbon monoxide detectors shall be provided in each Unit in compliance with applicable codes. It will be responsibility of each individual Unit Owner to test and maintain the smoke detectors and carbon monoxide detectors located in such Unit Owner's Unit. Sponsor or its principals, managers, members, agents, designees, employees or affiliates shall have no responsibility nor liability in the event such Unit Owners fail to test and maintain the detectors.

No representation or warranty is made and no assurance is given by Sponsor or its principals, managers, members, agents, designees, employees or affiliates that the security systems and procedures of the Residential Section and of the Condominium will prevent personal injury or damage to or loss of personal property. While Unsold Residential Units are being offered for sale or lease by Sponsor or its designees there will be a greater number of visitors to the Residential Section than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee, members or principals nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Residential Section's or the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any

delivery of packages. Please refer to the Description of Property set forth in its entirety in Part II of the Plan for further details regarding security procedures.

LOCATION AND AREA INFORMATION

Location and Services

The Condominium is located in the Chelsea section of Manhattan on the West Side in the City of New York on the north side of 21st Street between Sixth Avenue and Seventh Avenue.

New York City is the largest city in the United States, as well as one of the principal urban centers of the world. Manhattan is the center of New York City, containing numerous business and financial centers, excellent regional transportation, cultural activities, recreational and open-space park areas, educational facilities, superb medical centers and a vast array of restaurants.

New York is the nation's principal financial center. It is the home of the New York Stock Exchange, the American Stock Exchange and the National Over-the-Counter Stock Market. Manhattan is the corporate headquarters for six of the eight largest banks in the United States with combined assets of approximately four hundred billion dollars. Over seventy of the country's "Fortune 500" industrial corporations have their principal corporate headquarters in Manhattan; almost a quarter of the nation's 400 major law firms, and the "big four" accounting firms maintain offices in Manhattan. Manhattan is also recognized as the national center of the advertising, communications, broadcasting, publishing and garment industries.

The New York city area is well served by transportation facilities of every kind. Taxi and limousine service is readily available. Railroad service is provided by Long Island Railroad and Metro North. Passenger railroad service is provided from Grand Central Station and Pennsylvania Station. The subway rail systems and bus routes afford travel throughout Manhattan, Brooklyn, Queens and the Bronx. New York City is served by three major airports located within close proximity of the Condominium. Kennedy International and LaGuardia Airports are located in New York City and Newark Liberty International Airport is located in Newark, New Jersey. These three airports provide air service to nearly all major destinations in the United States and the world.

Excellent educational facilities are within close proximity to the Condominium. The educational facilities within close proximity to the Condominium are diverse enough to satisfy every age group, from young to adult interested in post-graduate classes, and include private schools, public schools (P.S. 33 located at 281 Ninth Avenue and Eleanor Roosevelt High School located at 333 West 17th Street) and parochial schools on the elementary, middle school, and high school levels.

The area is served by several hospitals, among them Tisch Hospital/NYU Medical Center, located at 530 First Avenue, and Cabrini Medical Center, located at 227 East 19th Street, and NYU Downtown, located at 170 William Street.

There are several houses of worship of most major denominations in the vicinity of the Condominium and it is located within blocks of a police station, a fire station, shopping facilities, public transportation and public recreation. Police and fire protection and road maintenance services (including snow removal from the street but excluding snow removal from the sidewalk)

are provided by the City of New York. Water charges for the Residential Units will be paid by the Residential Unit Owners as a Residential Common Expense of the Condominium.

The local police is the 13th Precinct located at 230 East 21st Street and the local fire department is Engine 3, Ladder 12 located at 149 West 19th Street.

Zoning and Use

The Property is located in a C6-3A zoning district, which permits all residential, commercial and community facility uses.



SCHEDULE A
PRICES OF UNITS AND RELATED INFORMATION



SCHEDULE A
OFFERING PRICES AND RELATED INFORMATION

The Indigo Condominium
125 West 21st Street
New York, NY 10011

10/25/2006

First Year of Condominium Operation
Estimated to be January 1, 2008 to December 31, 2009

Unit Number	Approximate Area	Bdms/ Baths	Terrace/ Balcony	Total Sq. Ft.	Purchase Price	Percentage Interest in the Common Elements	Estimated Common Charges for 1st Year		Estimated Real Estate Taxes for 1st Year Without 421A		Estimated Real Estate Taxes for 1st Year With 421A		Total Estimated Carrying Charges for 1st Year Without 421A (Common Charges and Real Estate Taxes)		Total Estimated Carrying Charges for 1st Year With 421A (Common Charges and Real Estate Taxes)	
							Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
Comm	6,956			6,956	\$ 4,000,000	10.67%	\$ 2,325.43	\$ 27,905.16	\$ 5,460.29	\$65,523.51	\$606.79	\$7,281.42	\$ 7,785.72	\$ 93,426.67	\$2,932.22	\$35,186.58
1 2-B (Super)	992	1/2		992	\$ 500,000	1.51%	\$ 767.99	\$ 9,215.93	\$85.87	\$1,030.45	\$ 767.99	\$ 9,215.93	\$85.87	\$1,030.45	\$85.87	\$1,030.45
2 2A	1,749	3/2.5	273 T	2,022	\$ 1,705,000	2.67%	\$ 1,607.52	\$ 19,290.19	\$ 1,362.28	\$ 16,347.31	\$151.84	\$1,822.06	\$ 2,969.79	\$ 35,637.50	\$1,759.35	\$21,112.25
3 2C	605	Studio/1		605	\$ 585,000	0.92%	\$ 556.06	\$ 6,672.71	\$ 470.85	\$ 5,650.25	\$52.32	\$627.83	\$ 1,026.91	\$ 12,322.95	\$608.38	\$7,300.53
4 2D	961	1/1.5		961	\$ 1,000,000	1.46%	\$ 883.26	\$ 10,599.13	\$ 749.71	\$ 8,996.51	\$83.03	\$996.33	\$ 1,632.97	\$ 19,595.63	\$966.29	\$11,595.48
5 2E	1,159	2/2	236 T	1,395	\$ 1,295,000	1.77%	\$ 1,065.24	\$ 12,782.92	\$ 905.14	\$ 10,861.64	\$100.66	\$1,207.88	\$ 1,970.38	\$ 23,644.56	\$1,165.90	\$13,990.80
6 3A	1,758	3/2.5		1,758	\$ 1,940,000	2.68%	\$ 1,615.79	\$ 19,389.45	\$ 1,371.42	\$ 16,457.02	\$152.41	\$1,828.89	\$ 2,987.21	\$ 35,846.48	\$1,788.19	\$21,218.34
7 3B	992	1/2		992	\$ 1,065,000	1.51%	\$ 911.75	\$ 10,941.03	\$ 772.57	\$ 9,270.79	\$85.87	\$1,030.45	\$ 1,684.32	\$ 20,211.82	\$997.62	\$11,971.49
8 3C	605	Studio/1		605	\$ 610,000	0.92%	\$ 556.06	\$ 6,672.71	\$ 470.85	\$ 5,650.25	\$52.32	\$627.83	\$ 1,026.91	\$ 12,322.95	\$608.38	\$7,300.53
9 3D	973	1/1.5		973	\$ 1,065,000	1.48%	\$ 894.29	\$ 10,731.48	\$ 758.85	\$ 9,106.22	\$84.17	\$1,009.98	\$ 1,653.14	\$ 19,837.70	\$978.45	\$11,741.46
10 3E	1,157	2/2		1,157	\$ 1,330,000	1.76%	\$ 1,063.41	\$ 12,760.86	\$ 900.56	\$ 10,806.78	\$100.09	\$1,201.06	\$ 1,963.97	\$ 23,567.64	\$1,163.49	\$13,961.92
11 4A	1,758	3/2.5		1,758	\$ 1,990,000	2.68%	\$ 1,615.79	\$ 19,389.45	\$ 1,371.42	\$ 16,457.02	\$152.41	\$1,828.89	\$ 2,987.21	\$ 35,846.48	\$1,788.19	\$21,218.34
12 4B	992	1/2		992	\$ 1,090,000	1.51%	\$ 911.75	\$ 10,941.03	\$ 772.57	\$ 9,270.79	\$85.87	\$1,030.45	\$ 1,684.32	\$ 20,211.82	\$997.62	\$11,971.49
13 4C	605	Studio/1		605	\$ 660,000	0.92%	\$ 556.06	\$ 6,672.71	\$ 470.85	\$ 5,650.25	\$52.32	\$627.83	\$ 1,026.91	\$ 12,322.95	\$608.38	\$7,300.53
14 4D	973	1/1.5		973	\$ 1,090,000	1.48%	\$ 894.29	\$ 10,731.48	\$ 758.85	\$ 9,106.22	\$84.17	\$1,009.98	\$ 1,653.14	\$ 19,837.70	\$978.45	\$11,741.46
15 4E	1,157	2/2		1,157	\$ 1,370,000	1.76%	\$ 1,063.41	\$ 12,760.86	\$ 900.56	\$ 10,806.78	\$100.09	\$1,201.06	\$ 1,963.97	\$ 23,567.64	\$1,163.49	\$13,961.92
16 5A	1,758	3/2.5		1,758	\$ 2,015,000	2.68%	\$ 1,615.79	\$ 19,389.45	\$ 1,371.42	\$ 16,457.02	\$152.41	\$1,828.89	\$ 2,987.21	\$ 35,846.48	\$1,788.19	\$21,218.34
17 5B	992	1/2		992	\$ 1,115,000	1.51%	\$ 911.75	\$ 10,941.03	\$ 772.57	\$ 9,270.79	\$85.87	\$1,030.45	\$ 1,684.32	\$ 20,211.82	\$997.62	\$11,971.49
18 5C	605	Studio/1		605	\$ 685,000	0.92%	\$ 556.06	\$ 6,672.71	\$ 470.85	\$ 5,650.25	\$52.32	\$627.83	\$ 1,026.91	\$ 12,322.95	\$608.38	\$7,300.53
19 5D	973	1/1.5		973	\$ 1,115,000	1.48%	\$ 894.29	\$ 10,731.48	\$ 758.85	\$ 9,106.22	\$84.17	\$1,009.98	\$ 1,653.14	\$ 19,837.70	\$978.45	\$11,741.46
20 5E	1,157	2/2		1,157	\$ 1,410,000	1.76%	\$ 1,063.41	\$ 12,760.86	\$ 900.56	\$ 10,806.78	\$100.09	\$1,201.06	\$ 1,963.97	\$ 23,567.64	\$1,163.49	\$13,961.92
21 6A	1,758	3/2.5		1,758	\$ 2,040,000	2.68%	\$ 1,615.79	\$ 19,389.45	\$ 1,371.42	\$ 16,457.02	\$152.41	\$1,828.89	\$ 2,987.21	\$ 35,846.48	\$1,788.19	\$21,218.34
22 6B	992	1/2		992	\$ 1,140,000	1.51%	\$ 911.75	\$ 10,941.03	\$ 772.57	\$ 9,270.79	\$85.87	\$1,030.45	\$ 1,684.32	\$ 20,211.82	\$997.62	\$11,971.49
23 6C	605	Studio/1		605	\$ 735,000	0.92%	\$ 556.06	\$ 6,672.71	\$ 470.85	\$ 5,650.25	\$52.32	\$627.83	\$ 1,026.91	\$ 12,322.95	\$608.38	\$7,300.53
24 6D	973	1/1.5		973	\$ 1,140,000	1.48%	\$ 894.29	\$ 10,731.48	\$ 758.85	\$ 9,106.22	\$84.17	\$1,009.98	\$ 1,653.14	\$ 19,837.70	\$978.45	\$11,741.46
25 6E	1,157	2/2		1,157	\$ 1,450,000	1.76%	\$ 1,063.41	\$ 12,760.86	\$ 900.56	\$ 10,806.78	\$100.09	\$1,201.06	\$ 1,963.97	\$ 23,567.64	\$1,163.49	\$13,961.92
26 7A	1,758	3/2.5		1,758	\$ 2,080,000	2.68%	\$ 1,615.79	\$ 19,389.45	\$ 1,371.42	\$ 16,457.02	\$152.41	\$1,828.89	\$ 2,987.21	\$ 35,846.48	\$1,788.19	\$21,218.34
27 7B	992	1/2		992	\$ 1,165,000	1.51%	\$ 911.75	\$ 10,941.03	\$ 772.57	\$ 9,270.79	\$85.87	\$1,030.45	\$ 1,684.32	\$ 20,211.82	\$997.62	\$11,971.49
28 7C	605	Studio/1		605	\$ 785,000	0.92%	\$ 556.06	\$ 6,672.71	\$ 470.85	\$ 5,650.25	\$52.32	\$627.83	\$ 1,026.91	\$ 12,322.95	\$608.38	\$7,300.53
29 7D	973	1/1.5		973	\$ 1,165,000	1.48%	\$ 894.29	\$ 10,731.48	\$ 758.85	\$ 9,106.22	\$84.17	\$1,009.98	\$ 1,653.14	\$ 19,837.70	\$978.45	\$11,741.46
30 7E	1,157	2/2		1,157	\$ 1,500,000	1.76%	\$ 1,063.41	\$ 12,760.86	\$ 900.56	\$ 10,806.78	\$100.09	\$1,201.06	\$ 1,963.97	\$ 23,567.64	\$1,163.49	\$13,961.92
31 8A	1,758	3/2.5		1,758	\$ 2,100,000	2.68%	\$ 1,615.79	\$ 19,389.45	\$ 1,371.42	\$ 16,457.02	\$152.41	\$1,828.89	\$ 2,987.21	\$ 35,846.48	\$1,788.19	\$21,218.34
32 8B	992	1/2		992	\$ 1,190,000	1.51%	\$ 911.75	\$ 10,941.03	\$ 772.57	\$ 9,270.79	\$85.87	\$1,030.45	\$ 1,684.32	\$ 20,211.82	\$997.62	\$11,971.49
33 8C	605	Studio/1		605	\$ 810,000	0.92%	\$ 556.06	\$ 6,672.71	\$ 470.85	\$ 5,650.25	\$52.32	\$627.83	\$ 1,026.91	\$ 12,322.95	\$608.38	\$7,300.53
34 8D	973	1/1.5		973	\$ 1,190,000	1.48%	\$ 894.29	\$ 10,731.48	\$ 758.85	\$ 9,106.22	\$84.17	\$1,009.98	\$ 1,653.14	\$ 19,837.70	\$978.45	\$11,741.46
35 8E	1,157	2/2		1,157	\$ 1,530,000	1.76%	\$ 1,063.41	\$ 12,760.86	\$ 900.56	\$ 10,806.78	\$100.09	\$1,201.06	\$ 1,963.97	\$ 23,567.64	\$1,163.49	\$13,961.92
36 9A	1,684	3/2.5	76 T	1,760	\$ 2,060,000	2.57%	\$ 1,547.77	\$ 18,573.29	\$ 1,311.99	\$ 15,743.89	\$146.15	\$1,753.82	\$ 2,859.76	\$ 34,317.17	\$1,693.93	\$20,327.11
37 9B	984	1/2		984	\$ 1,215,000	1.50%	\$ 904.40	\$ 10,852.80	\$ 767.99	\$ 9,215.93	\$85.30	\$1,023.63	\$ 1,672.39	\$ 20,068.73	\$989.70	\$11,876.43
38 9C	625	Studio/1		625	\$ 830,000	0.95%	\$ 574.44	\$ 6,893.29	\$ 489.14	\$ 5,869.67	\$54.02	\$648.30	\$ 1,063.58	\$ 12,622.96	\$628.47	\$7,541.59
39 9D	962	1/1.5		962	\$ 1,215,000	1.47%	\$ 884.18	\$ 10,610.16	\$ 749.71	\$ 8,996.51	\$83.60	\$1,003.16	\$ 1,633.89	\$ 19,806.66	\$967.78	\$11,613.31
40 9E	1,157	2/2		1,157	\$ 1,570,000	1.76%	\$ 1,063.41	\$ 12,760.86	\$ 900.56	\$ 10,806.78	\$100.09	\$1,201.06	\$ 1,963.97	\$ 23,567.64	\$1,163.49	\$13,961.92
41 10A	1,361	2/2	745 2T	2,106	\$ 1,805,000	2.07%	\$ 1,250.90	\$ 15,010.83	\$ 1,060.56	\$ 12,726.77	\$117.72	\$1,412.61	\$ 2,311.47	\$ 27,737.60	\$1,368.62	\$16,423.44
42 10B	1,361	2/2.5	795 2T	2,156	\$ 1,875,000	2.07%	\$ 1,250.90	\$ 15,010.83	\$ 1,060.56	\$ 12,726.77	\$117.72	\$1,412.61	\$ 2,311.47	\$ 27,737.60	\$1,368.62	\$16,423.44
43 10C	945	1/1.5	386 T	1,331	\$ 1,295,000	1.44%	\$ 868.55	\$ 10,422.66	\$ 735.99	\$ 8,831.94	\$81.89	\$982.68	\$ 1,604.55	\$ 19,254.59	\$950.45	\$11,405.34
44 11A	1,361	2/2	67 B	1,428	\$ 1,740,000	2.07%	\$ 1,250.90	\$ 15,010.83	\$ 1,060.56	\$ 12,726.77	\$117.72	\$1,412.61	\$ 2,311.47	\$ 27,737.60	\$1,368.62	\$16,423.44
45 11B	1,361	2/2.5	156 B	1,517	\$ 1,795,000	2.07%	\$ 1,250.90	\$ 15,010.83	\$ 1,060.56	\$ 12,726.77	\$117.72	\$1,412.61	\$ 2,311.47	\$ 27,737.60	\$1,368.62	\$16,423.44
46 11C	945	1/1.5	67 B	1,012	\$ 1,240,000	1.44%	\$ 868.55	\$ 10,422.66	\$ 735.99	\$ 8,831.94	\$81.89	\$982.68	\$ 1,604.55	\$ 19,254.59	\$950.45	\$11,405.34
47 12A	1,361	2/2	67 B	1,428	\$ 1,745,000	2.07%	\$ 1,250.90	\$ 15,010.83	\$ 1,060.56	\$ 12,726.77	\$117.72	\$1,412.61	\$ 2,311.47	\$ 27,737.60	\$1,368.62	\$16,423.44
48 12B	1,361	2/2.5	156 B	1,517	\$ 1,815,000	2.07%	\$ 1,250.90	\$ 15,010.83	\$ 1,060.56	\$ 12,726.77	\$117.72	\$1,412.61	\$ 2,311.47	\$ 27,737.60	\$1,368.62	\$16,423.44
49 12C	945	1/1.5	67 B	1,012	\$ 1,265,000	1.44%	\$ 868.55	\$ 10,422.66	\$ 735.99	\$ 8,831.94	\$81.89	\$982.68	\$ 1,604.55	\$ 19,254.59	\$950.45	\$11,405.34
50 PH A	1,449	2/2	836 B/T	2,285	\$ 2,005,000	2.21%	\$ 1,331.78	\$ 15,981.41	\$ 1,129.13	\$ 13,549.62	\$125.68	\$1,508.15	\$ 2,460.92	\$ 29,531.03	\$1,457.46	\$17,489.56
51 PH B	1,419	2/2.5	1042 B/T	2,461	\$ 2,055,000	2.16%	\$ 1,304.21	\$ 15,650.53	\$ 1,106.26	\$ 13,275.33	\$122.84	\$1,474.03	\$ 2,410.49	\$ 28,925.86	\$1,427.05	\$17,124.56
52 PH C	1,010	1/1.5	873 B/T	1,883	\$ 1,600,000	1.54%	\$ 928.30	\$ 11,139.56	\$ 786.26	\$ 9,435.36	\$97.58	\$1,050.93	\$ 1,714.58	\$ 20,574.92	\$1,015.87	\$12,190.49
Total	65,623		1,382	71,465	\$ 74,760,000	100.00%	\$ 55,334.85	\$ 664,018.15	\$ 51,174.25	\$614,091.00	\$5,686.83	\$68,242.00	\$106,509.10	\$ 1,278,109.15	\$ 61,021.68	\$ 732,260.15

T=Terrace 2T=Two Terraces

B=Balcony

Notes

1. The amounts for the common charges for the Superintendent's Unit (Unit 2B), have been listed as \$0.00 as such unit's common charges are included in the Condominium Unit Owners' common charges on a pro rata basis. These charges are detailed in the Condominium Association's Budget (See Schedule B). The real estate taxes for the Superintendent's Unit are likewise included in the Condominium Association's Budget (See Schedule B) and are also to be paid for by the Condominium Unit Owners as part of the total common charges.

SCHEDULE A-1

**The Indigo Condominium
125 West 21st Street
New York, New York**

Storage Spaces, Sizes and Prices

<u>Unit Number</u>	<u>Approximate Square Feet</u>	<u>Purchase Price</u>
1	69	\$ 47,818
2	71	\$ 49,204
3	71	\$ 49,204
4	71	\$ 49,204
5	87	\$ 60,293
6	75	\$ 51,976
7	116	\$ 80,390
8	106	\$ 73,460
9	55	\$ 38,116
10	66	\$ 45,739
11	67	\$ 46,432
12	63	\$ 43,660
13	83	\$ 57,521
14	62	\$ 42,967
15	57	\$ 39,502
16	62	\$ 42,967
17	57	\$ 39,502
18	62	\$ 42,967
19	57	\$ 39,502
20	62	\$ 42,967
21	40	\$ 27,721
22	40	\$ 27,721
23	79	\$ 54,748
24	71	\$ 49,204
25	51	\$ 35,344
26	66	\$ 45,739
27	46	\$ 31,879
28	46	\$ 31,879
29	40	\$ 27,721
30	<u>50</u>	<u>\$ 34,651</u>
Total	1,948	\$ 1,350,000

Notes to Schedule A

1. Residential Unit Plans depicting layouts of Residential Units in this Schedule A appear in Part II of the Plan. The room count for each 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. The Each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. Purchasers should note that the square footage of each Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is approximate. The approximate indoor floor area of each Unit and Storage Space, taken horizontally, shall extend to: (i) the exterior face of any exterior walls directly enclosing the Unit, except that the Unit shall not extend beyond the property line; (ii) the centerline of any wall or partition separating the Unit from another Unit; and (iii) the centerline of any non-Unit side of any wall or partition separating the Unit from any corridor, stairs, mechanical equipment space or elevator shaft, where those elements do not exclusively serve the Unit. Measured vertically, each Unit will consist of the volume from the top of the concrete slab below (located under the finish flooring and sub-floor materials) to the underside of the concrete slab above. Purchasers should note that the actual square footage is greater than the usable square footage. The room count for each 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 and may change upon remeasurement. No such variation will affect a Purchaser's obligations under a Purchase Agreement or the Plan unless the net footage area of the Unit is diminished by more than 5% in the sole opinion of Sponsor's architect. Sponsor's sole obligation if the net square foot area is diminished by more than 5% and Purchaser delivers written notice to Sponsor of Purchaser's request to rescind the Purchase Agreement shall be to refund to Purchaser the Down Payment made under the Purchase Agreement and any interest earned thereon.
2. The purchase prices and other terms of sale of all Units may be negotiated by Sponsor and, therefore, may be changed. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale does not constitute a general offering or an advertised price but is rather the result of an individually negotiated transaction (see the section of the Plan entitled "Changes in Prices and Units"). In addition to the purchase price, Purchaser will be responsible at Closing for certain closing costs as explained in the Section entitled "Closing Costs and Adjustments" in Part I of the Plan including, without limitation, the obligation to contribute two (2) month's common charges to the working capital fund of the Condominium. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Units.
3. (a) The respective Percentage Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the New York Condominium Act, is based upon floor space, subject to the location of such space and the additional

factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. In the event that Sponsor negotiates with individual purchasers to change the layout or dimensions of their respective Residential Units and such changes involves the inclusion, in the Residential Unit, of areas formerly designated as Common Elements, or involves adding to the Common Elements, space that was previously incorporated in the Residential Units, the Common Elements of all of the Residential Units may change slightly. Any such change in the Common Elements prior to the recording of the Declaration shall not be deemed a material change and shall not give rise to a right of rescission on the part of any purchaser.

(b) The percent interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Common Interest of such Residential Unit bears to the aggregate Common Interests of all Residential Units.

(c) All equipment and materials installed will require maintenance and cleaning at least twice per year from the date of the First Closing and in accordance with the manufacturers' specifications at the cost of the Unit Owners or the Condominium.

4. The estimates contained in this schedule were computed by Sponsor's Condominium Budget Expert on the assumption that the first year of Condominium operation will be the year from January 1, 2008 through December 31, 2009, and are based on such Condominium Budget Expert's estimate of the receipts and expenses of the Residential Section for the projected year. The actual first year of Condominium operation may be earlier or later than such year. If the actual or anticipated date of commencement of condominium operation is delayed by more than six (6) months from the commencement of the projected first year of condominium operation, Sponsor will amend the Plan to include a revised budget disclosing current projections. If such amended projections in the aggregate exceed original projections by twenty-five (25%) percent or more, Sponsor will offer all purchasers the right to rescind for a period of fifteen (15) days after the date of the presentation of the amendment setting forth the right to rescind.

The estimated monthly Residential Common Charges for each Residential Unit are based on the Schedule B - Projected Budget for First Year of Condominium Operation prepared by Sponsor's Condominium Budget Expert. The estimated monthly Residential Common Charges include the cost of heating for the Units. Each individual Residential Unit is provided with incremental HVAC heating/air conditioning units which should be cleaned and maintained at least twice per year by the individual Unit Owner or the Condominium. The maintenance and operating cost of the HVAC units are borne by the individual Residential Unit Owners. Please refer to Schedule B-i "Energy Costs Projection" from Dagher Engineering, Consulting Engineers, for further information regarding estimated energy costs. In addition to these estimated payments, each Residential Unit Owner will be responsible for real estate taxes for such Residential Unit, mortgage payments under a loan or loans, if any, obtained to finance the purchase of the Residential Unit, the cost of electricity supplied to the Residential Unit which will be separately submetered and payable by the Unit Owner to the Condominium Board (or alternatively, directly metered for each Unit Owner), the insurance which must be carried

by each Residential Unit Owner with respect to liability and casualty to the contents of the Unit and the Storage Bins and the cost of interior repairs and decorations to the Residential Unit. Until the Units are separately assessed, real estate taxes shall be part of Common Expenses, as provided in the Condominium By-Laws. In addition, capital repairs, additions, improvements, alterations and restorations to Residential Section are Residential Common Expenses which will be borne solely by the Residential Unit Owners. The first year of operation may include a portion of the year in which the Buildings are not fully occupied or all services are not provided. Accordingly, the first year of operation may not be indicative of subsequent years.

5. After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, or subject to, any lien arising from the non-payment of, nor will the Unit be subject to, any lien arising from non-payment of taxes on other units. Assuming the Property does not receive any abatement from real estate taxes, it is estimated that the aggregate real estate taxes attributable to all Residential Unit Owners for the first year of Condominium operation will total approximately \$ 544,247, based on an opinion prepared by Lippman Krasnow Kelton & Schuman LLP, 380 Lexington Avenue, New York, New York 10168 dated October 20, 2006 which assumes (a) an average projected actual assessed valuation attributable to the residential portion of the Property of \$585,000 for the 2007/2008 and an estimated valuation of \$8,762,110 for the 2008/2009 fiscal years, (b) a projected tax rate of 12.959% per \$100 of assessed valuation for 2007/2008 and 13.348% for 2008/2009 and (c) a projected apportionment to the Residential Units of 100%. Assuming the Property does not receive any abatement from real estate taxes, the taxes during the second year of operation, and subsequent years will also be higher than the taxes during the first year of operation.

Sponsor will apply for a partial exemption from real estate taxes with respect to the Units pursuant to Section 421-a of the New York State Real Property Tax Law. Under the Section 421-a program, the real estate tax estimate for the first year of Condominium operation will be based upon the assessed valuation of the Property in the tax year prior to construction (2006/2007) which is common referred to as the "mini-tax." The final assessment roll published by the New York City Department of Finance effective as of July 1, 2006 indicates that the Property was identified as Block 797, Lot 24. The official records for the Department of Finance indicated that the taxable assessed valuation for the Property lot for fiscal year 2002/2003 is \$463,500. Assuming a tax rate of 12.959% per \$100.00, the estimated taxes for the Units for the first year of operation would be \$68,242. The estimate of the taxes for each Unit has been determined by multiplying the total taxes due with respect to the Unit by a percentage derived by dividing the projected sales price of each Unit as set forth in the most recent amendment to the Plan by the total aggregate projected sales price of all Units. Please refer to the Section of the Plan entitled "Real Estate Taxes" and the opinions of Wolf Haldenstein Adler Freeman & Herz LLP and Mishkoff Associates LLC as set for in Part I of the Plan for further discussion regarding real estate taxes for the residential portion of the Property.

Prior to the issuance of separate tax lots, the real estate tax estimates for each Residential Unit will be determined by multiplying the total taxes due with respect to the Residential

Units by a percentage derived by dividing the Common Interest of each Residential Unit by the total Common Interests of all Residential Units. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's percentage interest in the Common Elements rather than purchase price, or some combination of the two, and if so, Residential Units having the same percentage interest may pay different real estate taxes.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) that the New York City tax assessor will allocate individual Residential Unit assessments on the basis of each Residential Unit's percentage interest in the Common Elements; (ii) that the actual assessed value of the residential portion of the Property during the fiscal tax year years 2007/2008 will be \$585,000 and for fiscal tax year 2008/2009 will be \$8,762,110, or (iii) that the tax rate will be 12.959% per \$100 of assessed value in 2007/2008 and 13.348% in 2008/2009. Neither Sponsor, principals, managers, members, agents, designees, employees, affiliates or the selling agent make any warranties or guaranties of any real estate taxes to be assessed against the Unit as they have relied on the opinion of its counsel in making such estimates..

See the Section entitled "Income Tax Deductions to Residential Unit Owners and Tax Status of Condominium" and the Tax Opinion of Wolf Haldenstein Adler Freeman & Herz LLP in Part I of the Plan for a discussion concerning the deductibility of real estate taxes paid with respect to a Residential Unit.

The projected tax deduction (where applicable) may vary in future years due to changes in the interest rate on the Unit Owner's mortgage (if any) or from changes in the allocation of 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.

NEITHER SPONSOR, ITS PRINCIPALS, MANAGERS, MEMBERS, AGENTS, DESIGNEES, EMPLOYEES OR AFFILIATES NOR THE SELLING AGENT OR ITS PRINCIPALS, MANAGERS, MEMBERS, AGENTS, DESIGNEES, EMPLOYEES OR AFFILIATES MAKE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, THAT THE SPONSOR WILL OBTAIN THE 421-A EXEMPTION OR THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS, THE TAX RATE, OR THE ACTUAL ASSESSED TAXES WILL NOT BE CHANGED.

SCHEDULE B

**PROJECTED BUDGET FOR
FIRST YEAR OF CONDOMINIUM OPERATION**



SCHEDULE B
The Indigo Condominium
125 West 21st Street, New York, NY

Estimated Schedule of Receipts and Expenses
for Projected First Year of Condominium Operation
Beginning January 1, 2008

RECEIPTS:

Residential Common Charges	\$636,112
Commercial Common Charges (1A)	\$27,906
TOTAL:	\$664,018

EXPENSES:

Payroll (2)	\$271,142
Gas (Cooking, Heating and Hot Water) (3)	\$91,000
Electricity (4)	\$113,715
Water & Sewer (5)	\$14,390
Repairs, Supplies & Maintenance (6)	\$32,000
Service Contracts (7)	\$15,554
Insurance (8)	\$44,500
Management Fee (9)	\$27,500
Administration (10)	\$17,500
Superintendent's Unit CC/RE Taxes (11)	\$11,717
Other (12)	\$10,000
Contingency (13)	\$15,000
TOTAL:	\$664,018

(1) Common Charges - The expenses for the projected first year of Condominium operation were allocated among the Condominium Units based on the actual usage of the services and facilities of the Condominium by each type of Unit. The Common Charges projected herein are based upon estimated expenses for the twelve (12) month period commencing January 1, 2008.

(1A) The formula used to calculate the Commercial Unit's Common Charges is as follows:

Commercial Expenses (10.67% of Total Expenses):

	10.67%
Payroll (Super & Asst. Super ONLY)	\$11,023
Repairs, Maint., Supplies	\$3,414
Insurance	\$4,748
Management Fee	\$2,934
Administration	\$1,867
Super CC/RE Taxes	\$1,252
Other	\$1,067
Contingency	\$1,601
	\$27,906

If the actual or anticipated date of commencement of Condominium operation is to be delayed by more than six (6) months from the budget year projected herein, the Offering Plan will be amended to include a revised budget disclosing the then current projections. If such amended aggregate projections exceed the original aggregate projections by twenty-five (25%) percent or more, the Sponsor will offer all Purchasers the right, for a period of time of not less than fifteen (15) days, to rescind their Purchase Agreements and have their deposits refunded.

(2) Payroll & Employee Benefits - The Building staff will consist of one live-in superintendent, one full-time porter and Four (4) 24 hour shift non-union lobby attendants. Such level of staffing complies with all applicable housing and labor laws and the level of payment will meet or exceed state minimum wage laws. The benefits listed below inclusive of salary, benefits and health insurance:

A. ATTENDANT – Full Time 24 Hour Attendant

Four (4) Full time attendants as follows:

Salary	\$140,160.00
(\$16.00 Per Hour x 24 Hours x 365 Days)	
FICA Employer (7.65%)	\$ 10,052.00
N. Y. State Unemployment (7.00%)	\$ 9,198.00
Federal Unemployment (0.80%)	\$ 1,051.00
State Disability Insurance	\$ 160.00
Worker's Compensation (5.486%)	\$ 7,209.00
TOTAL:	\$167,830.00

B. SUPERINTENDENT/LIVE-IN

Salary	\$50,000.00
FICA Employer (7.65%)	\$ 3,825.00
N. Y. State Unemployment (7.00%)	\$ 3,500.00
Federal Unemployment (0.80%)	\$ 400.00
State Disability Insurance	\$ 38.00
Worker's Compensation (5.486%)	\$ 2,743.00
TOTAL:	\$60,506.00

C. FULL-TIME PORTER

Salary	\$35,360.00
(\$17.00 Per Hour x 40 Hours = \$680 x 52 Weeks)	
FICA Employer (7.65%)	\$2,705.00
N. Y. State Unemployment (7.00%)	\$2,475.00
Federal Unemployment (0.80%)	\$ 283.00
State Disability Insurance	\$ 43.00
Worker's Compensation (5.486%)	\$1,940.00
TOTAL:	\$42,806.00

SUMMARY (ANNUAL COSTS)

Four (4) Attendants:	\$167,830
Superintendent:	\$ 60,506
Full-Time Porter:	\$ 42,806
	\$271,142

Total = \$271,142.00

(3) Gas (Heating and Hot Water) – Gas is provided by a metered Consolidated Edison low pressure gas service. Gas service for all units will be collectively metered for cooking (apartment gas ranges) and heating

purposes.

Space heating and domestic hot water is provided by natural gas fired boilers and water heaters in a mechanical room in the basement (Concourse) and a direct gas fired corridor outside air unit on the roof. The space heating boilers supply hot water to hot water coils in packaged terminal air conditioning (PTAC) units serving the individual apartments and HVAC systems for the common areas to maintain code-required temperatures.

The Mechanical, Electrical, Plumbing (MEP) Consulting Engineer, Dagher Engineering, PLLC, 29 Broadway, NY 10006, has estimated the annual consumption of natural gas for space heating and domestic hot water will be 57,960 therms and 7,110 therms for cooking for a total of 65,070 therms.

At an average unit cost of \$1.40 per therm the total estimated annual cost is \$91,000.

Total = \$91,000.00

The budget amount for gas is derived from estimating consumption based on full occupancy and utilizing the most recent rates posted by Consolidated Edison for gas service Classification SC No. 2 (General – Heating).

It is believed that the projected figure should be sufficient to cover the cost of gas during the projected first year of Condominium operation. However, no warranty (expressed or implied) is made that the projection for gas costs will be in accordance with the actual cost during the first year of Condominium operation.

(4) Electricity – There is one main electric meter for the building common electrical requirements which will be billed as a common charge, and individual metering for each unit. There are 52 individual meters, one for each unit. All of the electric meters are located in the basement electrical distribution room. The Consulting Engineer has estimated that total annual building common electric consumption will be 598,500 kilowatt hours (KWH). At an average annual unit cost of \$0.19 per KWH the estimated annual electric cost is \$113,715.

Total = \$113,715.00

Estimated individual unit annual electrical costs for air conditioning are

presented in Attachment I.

The budget amount for electricity is based on the most recent rates posted by Consolidated Edison for electric service Classification No. 9 (General – Large).

Fuel shortages and other factors may raise the cost of electricity higher than current rates. It is believed that the projected figure should be sufficient to cover the cost of electricity during the first year of operation. However, no warranty (expressed or implied) is made that the projection for electricity costs will be in accordance with the actual cost during the first year of Condominium operation.

(5) Water & Sewer - The Consulting Engineer has estimated that annual water consumption will be 2,616,800 gallons. Based on a water (and sewer) rate of \$5.50 per 1000 gallons, the estimated annual cost is \$14,390.

Total = \$14,390.00

(6) Repairs, Supplies & Maintenance - Does not include repairs, painting, maintenance, or supplies for individual Units, all of which are the responsibility of the particular Unit Owners. The budgeted figure is based upon an estimate of repairs to the interior of the Building, the roof, the exterior of the Building (including walls), the plumbing and electrical systems, painting of public areas, foundations, the heating system (including pipes and control devices regulating distribution in the Building) and various supplies (such as cleaning supplies and materials, lubricants, bulbs, public area lighting fixtures, general and hardware supplies). No amount is included to cover the cost of any major capital expenditures in the Building. The budgeted amount is based on the Managing Agent's experience in operating buildings of comparable size and quality.

Plumbing	\$ 5,000.00
Electrical	\$ 5,000.00
Air Conditioning System	\$ 3,500.00
Painting Common Areas	\$ 2,500.00
Exterior Repairs	\$ 3,500.00
Interior Repairs	\$ 2,500.00
Heating System	\$ 2,500.00
Supplies	<u>\$ 7,500.00</u>

\$32,000.00

Total = \$32,000.00

(7) Service Contracts - Includes the cost for the following service contracts:

AFA Protective Systems, Inc.: \$1,000 per annum pursuant to a proposal from AFA Protective Systems, Inc., with offices at 155 Michael Drive, Syosset, NY 11791 (212) 279-5000 to the Condominium for service of the Fire Alarm Transmitter.

Sprinkler Inspection Service: \$420 per annum pursuant to a proposal from Big Apple Fire Sprinkler Company with offices at 64-20 Laurel Hill Blvd, Woodside, NY 11377 (718-205-8580).

Elevator Service: \$10,800 per annum pursuant to a proposal from New York Elevator, with offices at 519 Eighth Avenue, New York, NY 10018 (212-947-8800) to the Condominium for service of the elevators. The proposal is for \$900.00 per month (2 elevators at \$450.00 each) plus 8.325% sales tax.

Extermination Service: \$1,920 per annum pursuant to a proposal from Metro Pest Control, Inc. with offices at 70-09 73rd Place, Glendale, NY 11385 ((718)-803-0000) to the Condominium for extermination service. The proposal is for \$160 per month plus 8.325% sales tax.

The total cost of the service contracts listed above has been increased approximately ten (10%) percent to estimate the projected budget item.

Total = \$15,554.00

The Sponsor reserves the right to enter into service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium at commencement of Condominium operation. However, the Sponsor may not enter into any binding service or maintenance contract that will materially increase the first year's Common Expenses or that would be binding on the Condominium for more than two (2) years, unless disclosed in the Plan or in an amendment thereto or featuring a cancellation provision.

(8) Insurance - Insurance costs are based on an estimate provided by Fillmore Agency, 3128 Avenue U, Brooklyn, New York 11225, dated as of February 22, 2006.

Commercial Package Policy - Includes the following:

- (1) Real Property Building: Fire, Extended Coverage and "all risk" (subject to company form) on a newly rehabilitated residential condominium situated at 125 West 21st Street, New York, New York in an agreed amount of \$16,500,000 on the Building. Coverage includes replacement cost/agreed value with a \$5,000 deductible.
- (2) Commercial General Liability Insurance subject to a limit of \$1,000,000 per occurrence and \$2,000,000 Annual Aggregate for bodily injury, personal injury and property damage. Coverage includes \$1,000,000 Personal and Advertising Injury, \$1,000,000 non-owned and hired auto liability, \$5,000 on Medical Payments and \$50,000 Fire Damage legal liability is included.
- (3) \$1,000,000 Directors and Officers liability, with a \$2,500 Deductible.
- (4) Employee Dishonesty - \$100,000 commercial blanket bond with a deductible of \$1,000, including the managing agent rider.
- (5) Umbrella Liability subject to a limit of \$50,000,000 and in the aggregate annually excess of the underlying coverage.
- (6) Boiler & Machinery - Building limit for direct damage, business interruption and extra expense subject to a \$5,000 deductible for direct damage and a 12 hour waiting period for business interruption and extra expense.
- (7) Demolition & Increased Cost of Renovation: Coverage includes up to \$1,000,000
- (8) Flood & Quake: Coverage includes up to \$1,000,000 with a deductible of \$25,000.

The terms of the fire, casualty and general liability insurance will provide (i) that each Unit Owner is an additional insured, (ii) that there will be no cancellation without prior notice to the Board of Managers, (iii) a waiver of subrogation, (iv) a waiver of invalidity because of the acts of the insured and Unit Owners and (v) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

The insurance figures provided are adequate and acceptable to the insurance carrier in order to provide the agreed amount clause which meets the co-insurance requirement.

The Sponsor represents that it will deliver at the Condominium's expense, on or before the first closing of title to a Unit, a fire and liability binder or policy containing all the coverage described in this footnote and meeting the requirements of the Condominium By-Laws.

This coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of the Unit Owners. Unit Owners are required to obtain insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage for occurrences within the Unit as provided in the subsection of the Plan entitled "Insurance", in the section entitled "Rights and Obligations of the Unit Owners and the Board of Managers."

Total = \$44,500.00

(9) Management Fee- Based on a proposed agreement with Metro Management, Inc. The services of the managing agent will commence upon the conveyance of title by the Sponsor of the first Unit in the Condominium and shall continue until the first anniversary of such date. The annual management fees will be \$27,500. This management fee reflects the prevailing cost for similar services.

Total = \$27,500.00

For further details as to the responsibilities of the managing agent, see the section of the Plan entitled "Management Agreement, Contracts, and Leases".

(10) Administration - All Unit Owners are entitled to receive annually from the Condominium at the Condominium's expense an annual audited statement prepared by an independent certified public accountant. The following are estimates for the accounting and the legal costs:

Audit:	\$10,000.00
Legal:	\$7,500.00

Audit: the estimate for auditing services is based on a proposal from RSM McGladrey, 1185 Avenue of the Americas, New York, NY 10036-2602.

Legal: includes general business matters as well as any special collection matters that are not normally handled under the management agreement. This estimate is based on a proposal from Sponsor's counsel Wolf Haldenstein Adler Freeman & Herz LLP, 270 Madison Avenue, New York, NY, 10016. However, it is anticipated that the condominium association will choose its own legal counsel.

Total = \$17,500.00

(11) Superintendent's Unit CC/RE Taxes – This figure is for the yearly Common Charges and Real Estate Taxes allocated for Unit 2B.

Total = \$11,717.15

(12) Other- These expenses include telephone, office supplies, office equipment, postage, special communications and mailings to the Unit Owners, and annual meetings.

Total = \$10,000.00

(13) Contingency - This fund may be used at the discretion of the Board of Managers toward unforeseen expenses or other appropriate Condominium expenses. The purpose of the Contingency Fund is intended to provide for any unanticipated expenses or unanticipated increases in projected expenses. Such expenses may include minimum New York State and New York City Corporate Taxes in the event the Condominium does not qualify as or does not elect to be treated as a homeowner's association under IRC Section 528, as explained in Counsel's Tax Opinion in Part II and may include (in whole or in part) adjustments in favor of the Sponsor as of the First Closing, as set forth in paragraph 6(f) of the section of the Plan entitled Terms of Sale and Closing of Title to Units. The Contingency fund is separate and distinct from the Working Capital Fund (see the section of the Plan entitled "Working Capital Fund ") and from the "Capital Reserve Fund" (see above).

Total = \$15,000.00

In the opinion of Metro Management, Inc. (set forth in Part II as Certification of Sponsors Expert Concerning Adequacy of Budget), the projected receipts appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable Units similarly situated) to meet the

estimated expenses for the first year of Condominium operation, assuming such first year to be the year commencing January 1, 2008. The foregoing budget, however, is not intended and should not be taken as a guarantee or warranty by anyone that the annual Common Charges or other receipts or expenses for the first or any subsequent year of operation of the Property by the Condominium will be as set forth in said projected budget. It is likely that the actual expenses for the first year of Condominium operation will vary from the amounts shown in the projected budget.

DAGHER ENGINEERING, PLLC

29 BROADWAY, NEW YORK, NY 10006. TEL: (212) 480-2591 . FAX: (212) 480-2654 .
www.dagherengineering.com

125 West 21st Street AG Report - Schedule B Narrative

(a) Gas (Heating and Hot Water) – Gas is provided by a metered Consolidated Edison low pressure gas service. Gas service for all units will be collectively metered for cooking (apartment gas ranges) and heating purposes. The restaurant retail space will have a separate Consolidated Edison gas meter

Space heating and domestic hot water is provided by natural gas fired boilers and water heaters in a mechanical room in the Cellar and a direct gas fired corridor outside air unit on the roof. The space heating boilers supply hot water to hot water coils in packaged terminal air conditioning (PTAC) units serving the individual apartments and HVAC systems for the common areas to maintain code-required temperatures.

The Mechanical, Electrical, Plumbing (MEP) Consulting Engineer, Dagher Engineering, PLLC, 29 Broadway, NY 10006, has estimated the annual consumption of natural gas for space heating and domestic hot water will be 57,960 therms and 7,110 therms for cooking for a total of 65,070 therms.

At an average unit cost of \$1.40 per therm the total estimated annual cost is \$91,100.

Total = \$91,100.00

The budget amount for gas is derived from estimating consumption based on full occupancy and utilizing the most recent rates posted by Consolidated Edison for gas service Classification SC No. 2 (General – Heating).

It is believed that the projected figure should be sufficient to cover the cost of gas during the projected first year of Condominium operation. However, no warranty (expressed or implied) is made that the projection for gas costs will be in accordance with the actual cost during the first year of Condominium operation.

(4) Electricity – There is one main electric meter for the building common electrical requirements which will be billed as a common charge, and individual metering for each unit. There are 52 individual meters, one for each unit. There will be separate Consolidated Edison electric meters, one for each of the retail spaces. All of the electric meters are located in the

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February 7, 2006

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basement electrical distribution room. The Consulting Engineer has estimated that total annual building common electric consumption will be 598,500 kilowatt hours (KWH). At an average annual unit cost of \$0.19 per KWH the estimated annual electric cost is \$113,715.

Total = \$113,715.00

Estimated individual unit annual electrical costs for air conditioning are presented in Attachment I.

The budget amount for electricity is based on the most recent rates posted by Consolidated Edison for electric service Classification No. 9 (General – Large).

Fuel shortages and other factors may raise the cost of electricity higher than current rates. It is believed that the projected figure should be sufficient to cover the cost of electricity during the first year of operation. However, no warranty (expressed or implied) is made that the projection for electricity costs will be in accordance with the actual cost during the first year of Condominium operation.

(5) Water & Sewer - The Consulting Engineer has estimated that annual water consumption will be 2,616,800 gallons. Based on a water (and sewer) rate of \$5.50 per 1000 gallons, the estimated annual cost is \$14,390.

Total = \$14,390.00

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February 7, 2006

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ATTACHMENT I

125 West 21st Street
ESTIMATED RESIDENTIAL UNIT COSTS
FOR AIR CONDITIONING

Estimated electrical costs for air conditioning per apartment per year have been calculated estimating a rate of 19 cents per kilowatt-hour. (Con Edison conventional summer rate for residential occupancy).

Unit #	Annual Consumption (kWh)	Annual Cost (\$)
2-9A	8,086	\$1,536
2-9B	6,180	\$1,174
2-9C	2,724	\$518
2-9D	4,784	\$909
2-9E	6,026	\$1,145
10-12A	6,680	\$1,269
10-12B	9,545	\$1,814
10-12C	4,305	\$818
PENT. A	7,422	\$1,410
PENT. B	10,606	\$2,015
PENT. C	4,784	\$909



COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(i)



COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(i)

August 9, 2006

125 West 21st LLC
c/o Alchemy Properties Inc.
200 Madison Avenue
New York, New York 10016

Re: The Indigo Condominium
125 West 21st Street, New York, New York

Gentlemen:

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

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

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

Metro Management Development, Inc. has been in business for over twenty (20) years in the New York metropolitan area and is experienced in the management of residential properties. The company currently manages approximately 65 condominium or cooperative apartment buildings in New York City. David Baron, the principal of Metro Management Development, Inc. has experience in many phases of real estate including, specifically, management of residential apartment buildings in New York City

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

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

Very truly yours,

Metro Management Development, Inc.

By: David Baron

COMMERCIAL UNIT

The Condominium will contain one Commercial Section consisting of the Commercial Unit (referred to as the "Commercial Unit") and the Commercial Common Elements and the Commercial Limited Common Elements. The Commercial Unit consists of approximately 6,956 square feet on the Cellar and First Floor of the Building. The Commercial Unit is being offered for sale by Sponsor at this time. The Commercial Unit can only be used for any lawful purpose under the New York City Zoning Resolution provided such use is not (a) noxious or immoral or a so-called "adult entertainment" facility under New York zoning laws, or for obscene or pornographic purposes or activities or the sale or distribution of any obscene or pornographic material, as such terms are defined in Section 235 of New York Penal Law; (b) for manufacturing use; (c) for the purpose of performing any abortions or providing any professional counseling or advice advocating abortions or family planning; or (d) as an off-track betting facility. The Condominium Board may adopt rules or approve changes relating solely to the Commercial Unit, including rules of operation. No rules affecting the operation of the Commercial Units may be adopted or modified by the Condominium Board without the written consent of the Commercial Unit Owner. The Commercial Unit may be leased or subleased by the Commercial Unit Owner, or as more fully set forth in the Declaration subject to the restrictions set forth in the preceding paragraphs. Subject to compliance with all applicable laws and governmental rules and regulations, if any, the Commercial Unit may be sold without prior notice. The Residential Unit Owners other than Sponsor will have no interest in the rents, profits or revenues from the rental or use of the Commercial Unit.

The Commercial Unit Owner, without the consent of the Condominium Board, may make any alteration, addition, improvement or repair in or to any Commercial Unit or the Commercial Common Elements, including the subdivision of the Commercial Unit, provided that the work is performed by the Commercial Unit Owner in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. In addition, Sponsor and the Commercial Unit Owner may erect, maintain, repair and replace, or permit their tenants to erect, maintain, repair or replace, from time to time, one or more signs on the Property for the purpose of advertising the availability of the Commercial Unit for sale or rent or the operation of any business of a tenant or occupant of the Commercial Unit including, but not limited to, signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building.

No representation is made with respect to the continued ownership by Sponsor of all or any portion of the Commercial Unit or as to who the tenants or occupants of any portion of the Commercial Unit may be at any time or as to the uses to which any portion of the Commercial Unit may be put at any time (except that the Commercial Unit may be used for any lawful purpose or as otherwise limited by the Plan), and no assurance is given that such tenants, occupants or uses will not be objectionable to Residential Unit Owners or other parties. Neither the Commercial Unit Owner, Sponsor, its principals, managers, members, agents, designees, employees, or affiliates shall be held liable for such noise or other disturbances, provided its use is in accordance with all New York City rules and regulations governing same.

The basis for projecting the share of expenses attributable to the Commercial Unit is the Common Interest of such Units except that, as described below and in Schedule B, "Projected Budget for First Year of Condominium Operation" the Commercial Unit Owner shares the costs for a portion of the payroll (superintendent, lobby attendant and handyperson); repairs; supplies and maintenance; insurance; management; administration; costs to maintain the Superintendent's Unit; other expenses; and the contingency. Other costs such as the cost for labor and service contracts, are not borne at all by the Commercial Unit Owner because such utilities and/or services are either separately metered or submetered or not used by the Commercial Unit Owner.

As set forth in the opinion of Metro Management Development, Inc., the Common Charges projected to be payable by the owners of the Commercial Unit are sufficient to cover the Common Expenses fairly attributable to those Units. The Declaration and By-Laws authorize the special allocation and apportionment of profit and expenses or specific expense item based on special or exclusive use or availability or exclusive control of particular Units or Common Elements. Any dispute regarding such allocation or apportionment shall be resolved by arbitration in accordance with the By-Laws.

The Commercial Unit Owner has the right to freely sell the Commercial Unit, or to freely lease all or part of the Commercial Unit, as the case may be, without having to first offer the same for sale or lease to the Board.

Certain easements have been reserved to the Commercial Unit Owners and the Sponsor in the Declaration. The Commercial Unit Owners and the Sponsor and their successors and assigns to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property, including but not limited to signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building, for the purposes of advertising (i) the sale or lease of any of the Unsold Residential Units and all or any portion of the Commercial Units provided, however, that any such signs are in keeping with the architectural integrity of the Building, and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit, provided, that such signs are contained within the areas designated by the Sponsor for signs. The Commercial Unit Owner and its successors and assigns shall have an easement to erect, maintain, repair and replace from time to time, lights and lighting fixtures on the Common Elements of the Condominium.

The Condominium Board, at the request of Sponsor, will enter into a recognition agreement with any tenant with which Sponsor or its designee or the Commercial Unit Owner has entered into a lease for all or any of the Commercial Unit. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Board will agree that so long as there is no event of default under said lease, as would entitle Sponsor or the Commercial Unit Owner or any successor landlord under the lease to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Board's lien on a Commercial Unit for Common Charges or any other sums of any sort, and the Board shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Commercial Unit in question be interfered with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with

such lien or in the exercise of any rights of the Board, or, in case the Board takes possession of the Commercial Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that the Board or any other party succeeds to the interests of Sponsor under the lease the tenant will agree to be bound to the Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to the Board or party as its landlord.

Any insurance coverage obtained by the Condominium Board on the Commercial Units is subject to the approval of the owner of the Commercial Unit. Notwithstanding the foregoing, any insurance coverage obtained by the Condominium Board on the Building as a whole shall not require the approval of the Commercial Unit.

THE STORAGE BINS

Sponsor hereby offers 30 Storage Bin Licenses to Purchasers for sale under the Plan. The Storage Spaces are located in approximately 1,948 square feet of space in the Cellar of the Building. The prices for each Storage Space License offered under the Plan are listed in Schedule A. A person desiring to purchase a Storage Space License will be required to execute a Purchase Agreement in quadruplicate (i.e. four (4) original copies) which will be in the form set forth in Part II of the Plan. Except for the Sponsor, only Units Owners can license the Storage Spaces. At such time as a Unit Owner, who owns a Storage Space License, sells its Unit, it will be obligated to sell the Storage Space to a Unit Owner including the purchaser of the Unit. The Storage Spaces are part of the Unit and subject to the authority of the Board of Managers.

CHANGES IN PRICES AND UNITS

Changes in the Residential Section

Purchase prices for all Residential Units 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 Board, Unit Owner or mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Residential Unit, except that no such change with respect to any Residential Unit for which a Purchase Agreement is then in effect 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 Residential Unit affected thereby may pay more or less than other Purchasers under the Plan for similar Residential Units, but this will not affect any prior or subsequent sale of Residential Units which are not the subject of such change.

Sponsor reserves the right to negotiate with each Purchaser, the terms and conditions of the Purchase Agreement, including but not limited to: purchase price; the amount of the Down Payment; financing and other contingencies; the availability of financing; the payment of Purchaser's financing fees and other closing costs; work to be performed in the Unit (including,

but not limited to, punchlist items) or the revision of floor plans and the allocation and payment of costs therefor; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; and extensions of time periods within which to perform obligations under the Purchase Agreement. Sponsor also reserves the right to substitute any punchlist item for a credit or cash payment based on the estimated cost from Sponsor's own vendor to fix said punchlist item. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers without further amendment to this Offering Plan. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any rights of rescission under a Purchase Agreement.

In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of the Board, Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one or more such Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering any boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit, (c) designate a Residential Common Element or General Common Element as part of a newly created Residential Unit, Commercial Unit or Residential Limited Common Element or designate all or part of a Residential Unit as a newly created, Commercial Unit, Residential Common Element, Residential Limited Common Element, Commercial Common Element or Commercial Limited Common Element and (d) 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) - (d) 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 Residential Unit, will be made with respect to any Unsold Residential Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, finishes, common interest, dimension, floor space or layout of such Unsold Residential Unit. The Common Interest of a Unit may change if there is a change in the floor space or 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. No material change will be made in the size or quality of the Common Elements except by amendment to the Plan and, when applicable, by amendment to the Declaration. Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the Common Elements.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Residential Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest of any Unit be changed, unless, in each such event, the Declaration and

Floor Plans and this Plan are amended with the consent of each Unit Owner whose Unit is so changed. Sponsor will have the right to amend or to cause the Condominium Board to amend the Declaration to reflect any such change and to file such amendment and any necessary plans and specifications in connection therewith.

It should be noted that as long as the layout and dimensions of a Residential Unit conform substantially to the Residential Unit Plans, a Purchaser will not be excused from purchasing his Residential Unit and will not have any claim against Sponsor as a result of any insubstantial or immaterial change. No such variation will affect a Purchaser's obligations under a Purchase Agreement or the Plan unless the net footage area of the Unit is diminished by more than 5% as determined in the sole discretion of Sponsor's architect. In the event Sponsor's architect determines that the net square footage of the Unit is diminished by more than 5%, Purchaser shall have the right to submit a written request to Sponsor to rescind the transaction. Upon receipt of said rescission notice from Purchaser, Sponsor's sole obligation shall be to refund to Purchaser the Down Payment made under the Purchase Agreement and any interest earned thereon. Sponsor has no obligation to refund any additional fees incurred by Purchaser, including but not limited to any fees imposed by Purchaser's lender or attorneys' fees.

PROCEDURE TO PURCHASE

A person desiring to purchase a Residential Unit will be required to execute a Purchase Agreement in quadruplicate (i.e., four (4) original copies), which will be in the form set forth in Part II of the Plan.

Prospective Purchasers shall be afforded not less than three (3) business days to review the Plan and all amendments thereto prior to executing a Purchase Agreement. If a Purchaser has not received the Plan at least three (3) full business days prior to executing a Purchase Agreement or not fewer than seven (7) days after delivering an executed Purchase Agreement with the required deposit, a Purchaser shall have the right to rescind the Purchase Agreement within seven (7) days after the date of the Purchase Agreement. The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective Purchaser. Prospective 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 except where such provisions were requested by Purchaser and agreed to by Sponsor.

Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent on Purchaser obtaining financing for such purchase. Notwithstanding the above, if a Purchaser, who represents to the Sponsor that he or she is purchasing the Unit for his or her own use, applies for financing through Park Avenue Mortgage Group, a New York State licensed mortgage broker, upon the conditions set forth in Section 5 of the Purchase Agreement (such as submitting all documentation and fees on a timely basis), then such Purchase Agreement will be contingent, for the period set forth in the Purchase Agreement, upon the Purchaser obtaining financing in an amount equal to not more than eighty (80%) percent of the Purchase Price. Purchasers buying Units for investment purposes only (as opposed to for their own personal use) will not be granted a mortgage contingency clause. Although a Purchaser is free to apply to any lender Purchaser chooses for any financing, either directly or through a mortgage broker, the inability to obtain a mortgage loan commitment or mortgage loan shall not relieve a Purchaser of Purchaser's obligations under the Purchase Agreement unless the conditions set forth in the Purchase Agreement are met. If a Purchaser needs and fails or is unable to obtain a mortgage loan to purchase a Unit from a lender (except if an application is made with Park Avenue Mortgage Group) and thereby is unable to close on the purchase of the Unit, Purchaser will be in default of the Purchase Agreement and Sponsor shall have the right to seek its legal remedies, which include, but are not limited to forfeiture of Purchaser's down payment. Time is of the essence with respect to Purchaser's obligations to perform all of Purchaser's obligations under the Offering Plan. If Purchaser obligations are contingent on obtaining a financing commitment, provided such commitment does not expire at least sixty (60) days from the anticipated date of the First Closing, pursuant to the Offering Plan which may be amended, and such financing commitment lapses or expires prior to Closing, and Purchaser has made a good faith effort to extend the commitment, Sponsor will grant such Purchaser a right of rescission and a reasonable period of time to exercise the right. Any and all costs, fees or expenses necessary or required to be paid in connection with any Purchaser's mortgage loan or mortgage loan commitment and any extensions thereof shall be borne solely by such Purchaser, no matter what the cause, and neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall be responsible for paying any such costs, fees or expenses.

In the event Purchaser obtains a mortgage loan commitment through Park Avenue Mortgage Group pursuant to the conditions set forth in the Purchase Agreement to purchase a Unit, and (a) does not close on the purchase of the Unit before the expiration of the commitment, even if Sponsor is not ready to close on the Unit because of lack of a temporary certificate of occupancy or otherwise, and (b) incurs any additional fees to extend the commitment or obtain a new commitment from the same or another lender, or incurs any additional fees, costs or expenses in connection with any delay in the anticipated or scheduled closing date (including, but not limited to, increases in interest rates or additional "points" or extension fees levied by the lender), or loses its commitment, Purchaser must pay all such fees or costs incurred by or imposed upon Purchaser. Neither Sponsor, its principals, managers, members, agents, designees, employees, affiliates, selling agents, construction managers, contractors, subcontractors and/or counsel shall be responsible for the payment or reimbursement of any such fees or costs incurred by or imposed upon the Purchaser, or any other such loss. Purchase Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the prospective Purchaser. Sponsor will have thirty (30) days after delivery by Purchaser of an executed Purchase Agreement and the down payment required thereby, within which to accept or reject such Purchase Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by law.

If a Purchase Agreement is not accepted by Sponsor within the aforesaid thirty (30) day period, the Purchase Agreement shall be deemed to have been rejected and canceled and all sums theretofore deposited thereunder, without interest, shall be promptly returned to the prospective Purchaser. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of any Board, to refuse to approve and execute (a) a Purchase Agreement for any Unit, except as prohibited by law, and (b) a Purchase Agreement(s) for more than one Unit to any one person or entity.

The Purchase Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23A of the General Business Law of the State of New York.

At the time of execution of a Purchase Agreement, a Purchaser is required to make a payment in an amount equal to the sum of fifteen (15%) percent of the purchase price (the "Down Payment"). In the event the Purchaser defaults, the Sponsor shall have the right to retain the entire Down Payment. Purchase Agreements entered into after the construction of the building has been completed and the Plan has been declared effective will require a Down Payment that is 15% of the Purchase Price and a Closing Date that is the later of (i) forty-five (45) days after the execution of the Purchase Agreement or (ii) receipt of written notice of the time and place of the Closing to the Unit at least thirty (30) days prior to the Closing Date specified therein, unless otherwise negotiated with Sponsor. All Down Payment checks must be made payable to the direct order of "WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP, ESCROW AGENT". All checks delivered in payment of the Down Payment shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be canceled and of no further force or effect.

Each prospective Purchaser should note that Sponsor is only obligated to provide the equipment and fixtures described in the "Description of Property" set forth in Part II of this Plan. If a person desiring to purchase a Unit requests that Sponsor perform special work on such Unit, including, but not limited to, any deviation from the materials or specifications described in the "Description of Property", and Sponsor agrees to perform such special work, then a description of such work shall be inserted as an addition to the Purchase Agreement and Sponsor may require such person to pay for said special work in advance together with the cost of removing the special work if the Purchaser fails to close. However, Sponsor shall be under no obligation whatsoever to agree to perform any special work for a Purchaser, nor shall Sponsor have any obligation to allow a Purchaser or its agents to perform any special work prior to Closing. Any and all special or additional work which a Purchaser desires to be performed with regard to a Unit shall be done only upon Sponsor's written consent thereto and Sponsor's approval of all contractors and suppliers in connection therewith, which consent and approval are within the sole discretion of Sponsor. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Residential Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to Purchaser unless Purchaser agrees to pay Sponsor an amount solely determined by Sponsor in addition to the purchase price for such Residential Unit.

The balance of the purchase price shall be payable simultaneously with the delivery of the deed to the Residential Unit by an official bank check or an unendorsed certified check drawn on or issued by a New York bank or trust company which is a member of The New York Clearinghouse Association and shall be payable to the direct order of Sponsor, or otherwise if Sponsor should so notify Purchaser. The deed will be substantially in the form set forth in Part II of the Plan. Interest, if any, on Purchaser's Down Payment will be credited or paid to Purchaser at Closing.

TIME IS OF THE ESSENCE TO PURCHASER AS TO PURCHASER'S OBLIGATIONS PURSUANT TO THE PURCHASE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF THE BALANCE OF THE PURCHASE PRICE. FUNDS DRAWN ON OUT-OF-STATE OR FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE FOR A RESIDENTIAL UNIT UNLESS OTHERWISE AGREED BY SPONSOR.

After the Plan is declared effective, Purchasers will receive at least thirty (30) days' prior notice of the originally scheduled Closing Date and, in the event Purchaser fails to close on the designated date, then Purchaser will have a thirty (30) day period after notice within which to cure, time being of the essence, such default, following which Sponsor shall have the remedies set forth below. A Purchaser may waive notice of such Purchaser's Closing Date. In the event of any default by Purchaser under his or her Purchase Agreement, and if Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of default, Sponsor may, at its option, cancel such Purchase Agreement and retain the Down Payment made by Purchaser, together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate. In addition, Sponsor shall also be entitled to retain (i) any amount spent by Sponsor for special work requested by Purchaser and (ii) the reasonable cost to restore the Unit to its condition prior to such special work being performed. Sponsor will fix dates for closing title to all Unsold

Residential Units for which Purchase Agreements have been executed by serving notice upon each Purchaser stating the date of the First Closing and setting such Purchaser's Closing Date.

If a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date (a) the closing apportionments described in the Section entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and this Plan, an amount equal to 0.03% of the purchase price of his Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

If a Purchaser has entered into Purchase Agreements to purchase more than one Unit, a default by Purchaser in the payment or performance of any obligations under any of such Purchase Agreements, beyond any applicable grace periods, shall be deemed a default under the other Purchase Agreement(s). In the event of a such a default, Sponsor may, at its option, cancel each such Purchase Agreement(s) and retain, as liquidated damages, all Deposit(s) made by Purchaser, together with any interest earned thereon, if any, under each of such Purchase Agreement(s).

Prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease.

It is anticipated that the First Closing will occur by the date set forth in Schedule B as the commencement date for the first year of Condominium operation. In the event the project commencement date of Condominium operation is twelve (12) months or later than the anticipated date of the First Closing, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements and have their Down Payments refunded to them. In the event that the project commencement date of Condominium operation is six (6) months later than the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. If the aggregate Common Charges in the revised budget increase by twenty-five (25%) percent or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements and have their Down Payments refunded to them. Any Purchaser electing rescission will have their Down Payments and any interest earned thereon returned; provided, however, that Sponsor may retain any escrow funds expended for special work at the request of the Purchaser as well as the cost of any work necessary to restore the Unit to its condition prior to such work having been performed. Rescission need not be offered to any Purchaser who is in default under such Purchaser's Purchase Agreement, beyond the expiration of any applicable grace period, provided that Sponsor shall only retain the Down Payment of a Purchaser in accordance with the escrow and trust fund requirements of General Business Law Sections 352-e(2b) and 352-h and the Attorney General's regulations promulgated pursuant thereto as described in the subsection of the Plan entitled "Escrow and Trust Fund Requirements" in this Section of the Plan.

If the Plan is withdrawn or abandoned, the Down Payment previously paid to and actually collected by Sponsor, together with any interest earned thereon, shall be returned to Purchaser within ten (10) days of the date of such withdrawal or abandonment, in accordance with the provisions herein set forth. Sponsor, its principals, managers, members, agents, designees, employees, and affiliates shall have no liability for any additional costs incurred by Purchaser, including but not limited to Purchaser's title and financing fees and charges.

From and after the Closing of each Unit, Purchaser will become obligated for the payment of Residential Common Charges in proportion to the Purchaser's Residential Common Interest, real estate taxes and assessments (including water charges and sewer rents, if separately assessed) and all other expenses with respect to his Unit, whether or not he has taken possession of his Unit, and whether or not all work required to be performed by Sponsor or anyone else in or to his Unit or the Building has been completed.

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

Purchase Agreements are not assignable without the prior written consent of Sponsor, which consent may be granted or denied by Sponsor in its sole discretion.

Escrow and Trust Fund Requirements

All Down Payments received by Sponsor under a Purchase Agreement will be held in escrow in conformity with the provisions set forth below.

All Down Payments made pursuant to a Purchase Agreement are subject to the escrow and trust fund requirements the State of New York Lien Law Section 71a(3), the General Business Law of the State of New York Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in a Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All Down Payments made by Purchasers prior to the closing of each individual transaction, will be placed, within five (5) business days after the Purchase Agreement has been signed by all necessary parties, in a segregated special escrow account of Wolf Haldenstein Adler Freeman & Herz LLP, the escrow agent (the "Escrow Agent"), whose address is 270 Madison Avenue, New York, New York 10016 and whose telephone number is (212) 545-4600. The attorneys who are signatories on this account authorized to withdraw funds are: Charles H. Baller, Jeffrey M. Schwartz and Jeffrey S. Reich, Lisa A. Smith. Escrow Agent has established a master escrow account at HSBC Bank, USA at its branch located at 452 Fifth Avenue, New York, New York 10018, entitled Wolf Haldenstein Adler Freeman & Herz LLP Trust Account (the "Master Escrow Account"). All Down Payments will be placed initially in an interest bearing checking portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) in the form set forth in Part II of the Plan or a Form W-8 (Certificate of Foreign Status) in the form set forth in Part II of the Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Down Payment and the Purchase Agreement. If a Down Payment is accompanied by a completed and signed Form W-9 or Form W-8, the Down Payment will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8, the Down Payment will remain in the non-interest bearing checking portion of the Master Escrow Account. At such time as the Down Payment is released, the Down Payment will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon. HSBC Bank USA is covered by federal bank Down Payment insurance to a maximum of \$100,000 per individual deposit. The following are special risks of this offer: (i) if a Purchaser makes a Down Payment in excess of \$100,000 for the purchase of a unit, such Down Payment will not be federally insured in excess of \$100,000; and (ii) while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed \$100,000.

The Down Payment may be tendered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. The Down Payment shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

Acceptance of the Down Payment by Sponsor or Selling Agent and the Down Payment thereof by Escrow Agent into escrow shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor or Selling Agent executes a duplicate thereof and delivers the Purchase Agreement to Purchaser in accordance with the terms of the Plan.

If a Purchaser tenders all or a portion of the Down Payment without an executed Purchase Agreement, Sponsor shall have the right to reject the Down Payment and return it to Purchaser: (i) within five (5) business days after tender, if the Down Payment has not been deposited into escrow, and (ii) at any time, if the Down Payment has been deposited into escrow.

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow savings account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the Down Payment. All interest will be credited to Sponsor only in the event Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts which varies. Currently the rate is approximately 1.0%. Interest will begin to accrue after deposit within: (i) one (1) business day, if the Down Payment is cash or cash equivalent, or (ii) three (3) business days, if the Down Payment is other than cash or cash equivalent, of the transfer of the Down Payment from the checking account portion of the Master Escrow Account into the sub-escrow savings account portion of the Master Escrow Account.

All instruments shall be made payable directly to the order of "Wolf Haldenstein Adler Freeman & Herz LLP, as Escrow Agent." Endorsed instruments will not be accepted.

In the event a check delivered by a Purchaser fails of collection, the Purchase Agreement will be deemed void ab initio (as if the Purchase Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within five (5) business days of Sponsor receiving notice from Escrow Agent of such failure of collection.

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

Before the funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new account and new escrow agent. Under no circumstances shall Sponsor apply for the release of the escrowed funds of a defaulting Purchaser until after the consummation of the Plan.

If there is no written agreement between the parties to release the Down Payment, Escrow Agent will not pay the Down Payment to Sponsor until Escrow Agent has given Purchaser written notice of not fewer than ten (10) business days. Thereafter, the Down Payment may be paid to Sponsor unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions and Escrow Agent has received such notice.

Sponsor will not object to the release of the Down Payment after an amendment abandoning the Plan is accepted for filing by the Department of Law.

Sponsor will not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Down Payment to Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

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

Purchasers and Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment and any interest thereon. Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is set forth in Part II of the Plan. The party applying for a determination must send to all other parties by certified mail, return receipt requested, a copy of the application.

Pending the determination of the Attorney General to grant or deny the application, Sponsor, Purchaser and Escrow Agent shall abide by any interim directive issued by the Attorney General. If the application permitting the release of fund is granted, the Down Payment 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. The Attorney General shall act upon the application within thirty (30) days after its submission to the Office of the Attorney General, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons. If the application seeking release of funds is denied, the Escrow Agent shall continue to hold the Down Payment and any interest earned thereon 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.

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 of competent jurisdiction or by written agreement of the Sponsor and the Purchaser.

Escrow Agent will hold the Down Payment in escrow until otherwise directed in:

- (i) a writing signed by both Sponsor and Purchaser; or
- (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- (iii) a judgment or order of a court of competent jurisdiction.

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

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

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

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

Escrow Agent will maintain all records concerning the Master Escrow Account for seven years after the release of funds.

Sponsor may agree to modify the floor plans and finishes of certain Residential Units or to do special work or provide extras to the Residential Units as requested by individual Purchasers as negotiated by Sponsor and Purchaser. Purchaser shall bear the cost of such modification to floor plans and finishes in advance together with the cost of removing the special work if the Purchaser fails to close. All funds received by Sponsor from Purchasers for such modified or additional work in Units, as aforesaid, shall be initially placed in escrow and shall be paid to Sponsor by the escrow agent to be used by Sponsor to pay for such work. Accordingly, in the event a Purchaser becomes entitled to rescission after the release of such funds, the Purchaser shall not receive a refund of any funds used for special work or extras.

EFFECTIVE DATE

Sponsor's offer to sell the Units under this Plan is contingent upon the Plan being declared effective pursuant to Section 20.3(q) of Title 13 NYCRR (i.e., purchase agreements signed by bona fide purchasers for 15% of the Units offered under the Plan). The Plan must be declared effective when Purchase Agreements have been executed by prospective purchasers and accepted by Sponsor with respect to eighty (80%) percent of the Units offered for sale. The Plan may be declared effective at an earlier date, at Sponsor's sole election, when bona fide Purchase Agreements (including those executed by investors) have been executed and accepted by Sponsor with respect to fifteen (15%) percent of the Units being offered for sale under the Plan.

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 three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement or at least seven (7) days to rescind; or (iii) signed by any purchaser who is Sponsor, the Selling Agent, the Managing Agent, or a principal of either, or is related by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner of Sponsor, the Selling Agent, the Managing Agent or a principal of either (except that such a purchaser other than Sponsor or a principal thereof may be counted only if Sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is bona fide).

This Plan will be declared effective either by: (a) personal service of written notice to all purchasers and, within five (5) business days following such notice, an amendment to this Plan confirming that this Plan was declared effective as of the date of such notice will be submitted to the Department of Law, which amendment, upon acceptance for filing, will be delivered to all purchasers; or (b) by duly filed amendment to this Plan. The closing of title with respect to any Unit shall in no event take place prior to the acceptance for filing of such amendment to this Plan.

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, cured or complied with without litigation or for less than \$500,000, excluding attorneys' fees; (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 \$2,000,000, excluding attorneys' fees; or (3) a taking of all or part of the Property in condemnation proceedings or by eminent domain. Any such title defects or determinations of any authority or regulatory association which Sponsor relies upon as a basis for the abandonment of the Plan may not include those which existed as of the date the Plan is accepted for filing and are either known to the Sponsor or are a matter of public record.

In the event the Plan is withdrawn or abandoned, the Plan will be abandoned by duly filed amendment and all Down Payments, together with interest earned thereon, if any, will be returned to Purchasers within ten (10) days following such withdrawal or abandonment. Upon the return of the Down Payments, together with any interest earned thereon, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to

Purchasers under the Plan or the Purchase Agreements. Sponsor, its principals, managers, members, agents, designees, employees and affiliates shall not be liable for any additional costs incurred by Purchaser, including but not limited to Purchaser's title and financing fees and charges. Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment or withdrawal and, in the case of an abandonment, 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 funds received.

TERMS OF SALE

The term "Closing" as used herein refers to the conveyance of title to a Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the purchase price for such Unit. After the Plan has been declared effective, Sponsor shall provide Purchasers with at least thirty (30) days notice of the scheduled Closing Date. The Closing to each Unit shall be held at the offices of Sponsor's attorneys, Wolf Haldenstein Adler Freeman & Herz LLP, 270 Madison Avenue, New York, New York 10016 or at such other place as Sponsor may designate on not less than two (2) business days' notice prior to the Closing. The Closing to each Unit shall take place only after or concurrently with the following events:

a. the Plan has been declared effective in accordance with its terms and the amendment to the Plan disclosing same has been accepted;

b. prior to the first conveyance of title to a Unit, the recording or filing of the Declaration, By-Laws, Floor Plans and engineer's and tax authority certifications required by Section 339-p of the New York Condominium Act or other applicable law and such other documents as may be required by law;

c. either (i) the release of the Unit and its appurtenant interest in the Common Elements from the lien of all mortgages, if any, or (ii) if the Purchaser is obtaining financing on such Unit, the assignment to the Purchaser's mortgagee of any existing mortgage(s) encumbering such Unit and its appurtenant interest in the Common Elements;

d. the delivery to Purchaser of written notice of the time and place of the Closing to the Unit at least thirty (30) days prior to the Closing Date specified therein, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing;

e. the execution and delivery by Sponsor of a bargain and sale deed without covenants against grantor's acts (which deed shall be substantially in the form set forth in Part II of the Plan) conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances;

f. the delivery by Sponsor to Purchaser of any existing warranties actually received by Sponsor its agents, affiliates, employees or contractors, covering appliances, equipment or fixtures installed in his Unit, and not otherwise expired, and the delivery by Sponsor to the Condominium Board of any existing warranties actually received by Sponsor and not otherwise expired covering appliances, equipment or fixtures installed in the General Common Elements, Residential Common Elements or Residential Limited Common Elements, as the case may be. (Purchasers should be aware that warranties vary in length, depending partly on when the appliances, equipment and fixtures covered by such warranties are first installed. Neither Sponsor nor its principals, managers, members,

agents, designees, employees or affiliates make any representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit. If any warrantor is unable to perform under its warranty due to inability, unwillingness or any other reason, neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall under any circumstances be considered or deemed a successor warrantor. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates have any obligations or responsibilities with respect to such warranties, or the work or item warrantied, even if the warrantor goes out of business, declares bankruptcy or simply fails to fulfill the conditions of the warranty. Recourse is only to the warrantor and not to Sponsor, its principals, managers, members, agents, designees, employees or affiliates;

g. the execution and delivery by Purchaser of the Residential Unit Power of Attorney, the form of which is set forth in Part II of the Plan;

h. if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole expense) of a policy of title insurance in at least the amount of the purchase price of the Unit, insuring that (i) Purchaser has fee title to his or her Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions, (2) liens and encumbrances (other than Permitted Encumbrances) to which his Unit's title is subject, which have been expressly accepted by Purchaser, and (3) any mortgage and related security documents that Purchaser executes in connection with the financing of the purchase price of his Unit and (ii) the Condominium has been validly created pursuant to the Condominium Act.

Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates are obligated to repair any damage from a casualty or other cause that occurs before the closing of a Purchaser's Unit. If Sponsor, its principals, managers, members, agents, designees, employees or affiliates elect to repair any such damage, Purchaser's Purchase Agreement will remain in full force and effect, Purchaser shall not have the right to reject title or receive a credit against or an abatement in, the Purchase Price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. If Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, the Purchase Agreement shall be deemed canceled and Sponsor shall return to Purchaser all sums deposited by Purchaser under the Purchase Agreement, together with interest earned thereon, if any, except if Purchaser is in default under the Purchase Agreement, Sponsor shall retain any such sums as and for liquidated damages.

If the construction loan on the Building is not satisfied at or prior to the Closing of the first unit, at the time of the conveyance of the first unit, the Mortgagee will release its lien on the Condominium Unit being conveyed and its interest in the Common Elements.

The acceptance of a deed by a Purchaser (regardless of any "punch list" work to be completed after Closing) shall be deemed an acknowledgment that Sponsor and its principals, managers, members, agents, designees, employees or affiliates have performed and discharged every agreement and obligation on the part of Sponsor and its principals, managers, members, agents, designees, employees and affiliates 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 this Plan) and in General Business Law Section 352-e to survive delivery of the deed. The Purchaser of a Unit shall inspect such Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan, provided that if Purchaser finds that Sponsor's improvements have not been completed as described in the Plan then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Unit by Sponsor following the Closing Date. Sponsor shall have no obligation to complete any work described herein which is not specifically designated in writing by the Purchaser on the inspection statement which is delivered to and acknowledged by the Sponsor. Sponsor is only obligated to perform the work on the written punchlist as acknowledged by Sponsor or its designated representative. Sponsor shall not place into escrow any funds for the completion of the work designated on the inspection statement. A Purchaser shall receive notice that a Residential Unit is available for inspection pursuant to this Paragraph. A Purchaser who fails to inspect such Residential Unit within five (5) business days of receipt of such notice shall be deemed to have accepted the Residential Unit in good condition and in accordance with the terms of the Plan and without an inspection statement, and neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall have any obligation to complete any work described therein, including but not limited to any work set forth in an inspection statement. No work items can be added by Purchaser to the inspection statement after the final inspection of the Unit and neither Sponsor nor its contractors, subcontractors, principals, managers or members shall have any obligation to perform such work.

Notwithstanding anything to the contrary set forth above, in no event shall the Sponsor, its principals, managers, members, agents, designees, employees or affiliates or the Selling Agent, its principals, managers, members, agents, designees, employees or affiliates be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, cracks in any grouting, scratches in formica or porcelain surfaces, bath and kitchen tile grouting, adjustment of any bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in or sloping of any floor levels or gapping beyond normal construction tolerances as determined by Sponsor's architect, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, including door bucks not flush with door, (xiii) repair of chips, scratches, dents, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, stone floors, walls, saddles, appliances, woodwork and doors, mirrors,

hardware, appliance cabinets, all glass, stainless steel and metal surfaces and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any marble, stone or tile used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair shall be made by filling the stone or formica or refinishing the porcelain, composite or glass, but neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall be obligated to replace such stone, formica or porcelain surfaces. Sponsor's agreement to perform any punchlist work shall not expand its liability under this Plan.

The Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Unsold Residential Units. The Sponsor shall only be obligated to perform punchlist work while the Purchaser or its agent is present in the Unit unless the Purchaser provides Sponsor with a release confirming that Sponsor has the right to enter the Unit upon reasonable hours to make the repairs and that the Purchaser shall be responsible for clearing the area to be repaired, removing any valuables and protecting any furniture or other personal property in and around the subject area. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Residential Unit for its permitted purposes, however, Sponsor will have no obligation to move a Unit Owner's personal property or to pay for the cost of moving same. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor, its principals, managers, members, agents, designees, employees or affiliates liable for any damage to the Unit or to the personalty or fixtures contained therein. In the event that a Purchaser does not provide a written release or does not permit access to that Purchaser's Unit by Sponsor or its contractors, subcontractors, agents and employees after written request, Sponsor shall have no obligation to perform any alterations or repairs in that Purchaser's Unit. Notwithstanding the foregoing, a Unit Owner must provide immediate access to Sponsor's contractors to complete punchlist work. In the event that access to the Unit is denied by Unit Owner more than two (2) times, Sponsor has the option, in its sole discretion, to credit Unit Owner with the estimated cost of the remaining punchlist work as determined by Sponsor's own vendor or architect, and Sponsor shall have no further obligation to complete any punchlist work in the Unit. Sponsor, in its sole and absolute discretion, at any time, reserves the right to substitute any punchlist item for a credit or cash payment based on the estimated cost for a bid from Sponsor's own vendor to fix said punchlist item on a dollar for dollar basis, *i.e.*, if the cost to repair a punchlist item is \$1,000, Sponsor may either credit or pay that amount to Purchaser. Such payment shall release Sponsor, its principals, managers, members, agents, designees, employees or affiliates from all liability relating to such enumerated punchlist item(s). Sponsor shall have no responsibility for any condition in any Unit that is resold by a Purchaser from the Sponsor.

No Unit Owner may make any structural alterations, addition, improvement or repair to such Unit Owner's Unit or the Building without the prior written approval of the Condominium Board.

STATUS OF TITLE AT CLOSING

The ownership of the conveying Unit to the Purchaser will contain the provisions set forth in subdivision 5 of Section 13 of the Lien Law, and will convey title free and clear of all liens, encumbrances and title exceptions other than those described in the proposed Unit deed and the title exceptions and other matters set forth below (collectively the "Permitted Encumbrances"):

1. State of facts shown on survey made by Earl B. Lovell last dated February 15, 1930, and last dated June 30, 2004 by visual examination by Earl B. Lovell – S.P. Belcher, Inc., and any additional state of facts which an accurate survey would show since that date provided such additional state of facts does not prohibit the use of the Unit for residential use as the case may be.

2. Zoning and building laws, ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the Building.

3. The Declaration and By-Laws, Maps and Floor Plans to be recorded and filed in the New York County office of the Register of the City of New York, as the same may be amended from time to time and the terms, covenants and conditions of the Offering Plan and amendments thereto.

4. Power of Attorney from Purchaser to the Condominium Board of Managers.

5. Easement in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction or renovation of the Building, or which may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements made by or with the consent of the Sponsor or the Board of Managers after damage or destruction by fire or other casualty after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, made by or with the consent of the Sponsor or the Board of Managers, so that any such encroachments may remain so long as the Building shall stand and so long as same does not affect the use of the Unit for its intended purpose.

6. Any easement or right of use required by Sponsor, its designees and their assigns, invitees, licensees, contractors and employees in, over, above and across all areas of the Property for construction, installation, maintenance, ingress to and egress from and the right to use all areas and facilities in, on, appurtenant to or servicing the Property, and to obtain temporary, permanent or amended certificate(s) of occupancy for the Building or any part thereof and to erect and maintain signs on the Property for the purpose of advertising the sale and/or leasing of Units (see also "Rights and Obligations of Sponsor").

7. Encroachments of trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to

require the removal of any such projections, and variations between record lines of the Property and retaining walls and the like, if any, so long as same do not interfere with the use and occupancy of the Unit.

8. Leases and service, maintenance, employment, concessionaire and license agreements contemplated by this Plan.

9. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided that apportionment of same is adjusted as provided in this Plan.

10. Easements in favor of the other Unit Owners to access and use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units, easements in favor of the Board of Managers and Sponsor for access to Units and Common Elements, and any other easements described in the Offering Plan, as it may be amended.

11. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property.

12. Franchise taxes, if any, provided the Title Company will insure that such taxes cannot be collected from the Unit.

13. Standard printed exceptions to the NYBTU or ATLA policies of title insurance.

14. Any Certificate of Occupancy for the Building, so long as the same permits or does not prohibit the use of the Unit for its stated purposes.

15. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.

16. Any violations against the Property which are not specific to only the Unit.

17. Variations between tax map and premises described in Purchaser's title report.

18. Any other covenants, restrictions, easements, or other encumbrances (other than for the payment of money) provided same do not prohibit the existence and use of the Unit for residential or commercial purposes, as the case may be.

19. Rights, if any, to maintain vaults and chutes under the sidewalk.

20. Any lien, encumbrance, or condition not included in the liens and encumbrances listed above either (i) 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 (ii) as to which the Title Company will to insure (without additional premium) that such lien or encumbrance will not be collected out of or enforced against the Unit;

or (iii) as to which the Sponsor, at its sole option, pays and discharges from monies paid by Purchaser at closing.

Sponsor shall be entitled to adjourn the closing to remove or correct any title exception that cannot be dealt with as set forth above.

If requested by the Purchaser, the Title Company will agree to insure upon Purchaser's payment of the premium for such insurance (see estimate of such cost described in "Closing Costs and Adjustments"), (i) that Purchaser has fee title to the Unit, free and clear of liens and encumbrances except those set forth in the Plan, as amended, and subject to the terms of the Declaration and By-Laws, and any mortgage or other encumbrance created by the Purchaser and (ii) that the Unit is part of a validly created condominium. As a result, 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).

CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Purchase Agreement, in addition to Purchaser's own legal fees, Purchaser will pay the closing costs set forth below at the time of the closing of title of the Purchaser's Units. Recording charges, fees and taxes are based on rates in effect on the date of the Plan and are subject to change without notice:

(a) A contribution to the working capital fund of the Residential Section in an amount equal to two (2) month Residential Common Charges then applicable to each Unit being purchased.

(b) Purchaser will pay the premium for title insurance, which will vary depending upon the purchase price of the Residential Unit. If Purchaser elects to obtain fee title insurance from First American Title Insurance Company, having an office at 633 Third Avenue, New York, New York 10017, Tel: (212) 922-9700; Fax: (212) 922-0881, the premiums as of the date of this Plan will be reduced by reason of the reissue credit arising from the initial sale of the Unit by Sponsor. As of May, 2006, the discounted premium for owner's title insurance is seventy percent of the sum of \$281 for the first \$35,000 of fee insurance plus from \$4.67 for each \$1,000 of additional fee insurance up to \$50,000. For additional rates, please refer to the schedule below.

<u>FEE AMOUNT</u>	<u>PREMIUM</u>			
50,000.00	351	+	3.80 per thousand up to	100,000.00
100,000.00	541	+	3.05 per thousand up to	500,000.00
500,000.00	1762	+	2.79 per thousand up to	1,000,000.00
1,000,000.00	3157	+	2.57 per thousand up to	5,000,000.00

(c) If a purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from First American, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at thirty percent (30%) of the regular scheduled rate for loan policies as outlined on the schedule below.

<u>LOAN AMOUNT</u>	<u>PREMIUM</u>			
35,000.00	73	+	1.17 per thousand up to	50,000.00
50,000.00	90	+	.95 per thousand up to	100,000.00
100,000.00	137	+	.77 per thousand up to	500,000.00
500,000.00	445	+	.70 per thousand up to	1,000,000.00
1,000,000.00	795	+	.64 per thousand up to	5,000,000.00

(d) A fee for recording the Residential Unit Deed and Residential Unit Power of Attorney. First American Title Insurance Company charges \$32.00 as a base recording charge plus \$5 per page plus \$30.00 documents service charge and charges a mortgage recording fee (if any) at a rate of \$32.00 per instrument plus \$5 per page and a \$30.00 document service charge. Each title company establishes its own additional service and surcharges in this regard;

(e) If Purchaser obtains a mortgage loan, the Purchaser will pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s);

(f) The New York City Real Property Transfer Tax ("RPT Tax"), which currently, for the purchase of a single Unit is one (1%) percent of the purchase price of a Unit \$500,000 or less (1.425% of the purchase price if over \$500,000), and the New York State Documentary Stamp Tax ("NYS Tax"), presently \$2.00 for each \$500.00 (or part thereof) of the purchase price of a Unit. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. Therefore, the steps to compute the tax are:

- (i) Multiply the purchase price by the RPT Tax rate to compute the City tentative tax.
- (ii) Multiply the purchase price by the NYS Tax rate to compute the tentative NYS Tax.
- (iii) Add the tentative taxes to the purchase price.
- (iv) Multiply (iii) by the RPT Tax rate to determine the RPT Tax payable.
- (v) Multiply (iii) by the NYS Tax rate to determine the NYS Tax payable.

Example:

Purchase price = \$1,500,000.00

- | | | | |
|-----|---|------|---|
| (1) | $\$1,500,000.00 \times 1.425\%$ | = \$ | 21,375.00 |
| (2) | $\$1,500,000.00 \times .4\%$ | = \$ | 6,000.00 |
| (3) | $\$1,500,000.00 + \$27,375$ | = \$ | 1,527,375.00 ("Adjusted Purchase Price") |
| (4) | $\$1,527,375.00 \times 1.425\%$ | = \$ | 21,840.00 (inc. \$75.00 filing fee for RPT) |
| (5) | $\$1,527,375.00 \times .4\%$
(rounded up to nearest \$500) | = \$ | 6,110.00 |
| (6) | $\$1,527,375.00 \times 1\%$ | = \$ | 15,273.75 (the "Mansion Tax" – see below) |

Where a purchaser purchases two or more Units the NYC RPT Tax rate where the consideration is \$500,000 or less will be 1.425%, while the tax rate where the consideration is in excess of \$500,000 will be 2.625%. The City of New York Department of Finance has recently taken the position that the consideration for the transfer of each Unit is not aggregated for purposes of determining total consideration. There is no guarantee that The City of New York will not change its positions with respect to the purchase of multiple Units by the same purchaser.

(g) If the purchase price of the Residential Unit is \$1,000,000 or more, the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax", currently one (1%) percent of the purchase price. Purchase price and transfer taxes payable by purchaser are added together by NYS Department to arrive at total consideration. Therefore, a residential unit priced at \$985,000, where purchaser pays transfer tax, would subject purchaser to liability for Mansion Tax as the aggregate of price plus tax would exceed \$1,000,000.

(h) The legal fees of Sponsor's attorneys in the amount of \$1,750 will be payable by a purchaser to Wolf Haldenstein Adler Freeman & Herz LLP. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Wolf Haldenstein Adler Freeman & Herz LLP, in connection with the closing of title to Purchaser's Unit: If Purchaser requests an adjournment of the Closing, an adjournment fee of \$350. If the Purchaser requests the Closing to occur other than at the offices of Wolf Haldenstein Adler Freeman & Herz LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of \$500 for each Closing held within Manhattan and \$750 for each Closing held in any borough outside Manhattan. In addition, if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion or substitution of names on the Purchase Agreement, the reasonable fee of Sponsor's counsel, payable in advance, for preparation of an assignment agreement. Purchaser may pay more than one

fee pursuant to this paragraph with respect to a single Unit (but not in excess of \$2,000). In addition to an attendance fee in connection with a completed Unit transfer, Sponsor's attorneys shall also be entitled to an attendance fee if they attend a scheduled closing but the closing is adjourned due to Purchaser's failure to comply with its closing obligations, the determination of which shall be within the sole discretion of Sponsor's attorneys. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one request.

(i) If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording tax, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Currently, the mortgage recording tax for mortgages under \$500,000 is \$2.05 for each \$100 of principal and such tax for mortgages in the amount of \$500,000 or greater is \$2.175 for each \$100 of principal. This tax is reduced for Residential Units in both instances by \$30.00 if the mortgage principal exceeds \$10,000. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources. As previously stated in paragraph (e) above, if a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure solely to the benefit of Sponsor. Accordingly, at Closing, each Purchaser utilizing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed and Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

In addition to the above-specified costs and expenses, a mortgage on a Unit may provide that the Unit Owner deposit monthly with the lender one-twelfth (1/12) of the estimated annual real estate taxes and tax assessments which are assessed or to be assessed against the Unit, together with one-twelfth (1/12) of the annual fire and casualty insurance policy premiums for the Unit, or other amounts, and, at Closing, Purchaser may be required to deposit with the lender a multiple of the aggregate of such one month's real estate taxes, tax assessments and insurance premiums, or other amounts, in order that sufficient funds will be available for the lender to pay the same when due.

In the event Purchaser obtains a mortgage loan commitment through Park Avenue Mortgage Group pursuant to the conditions set forth in the Purchase Agreement to purchase a Unit, and (a) does not close on the purchase of the Unit before the expiration of the commitment, even if Sponsor is not ready to close on the Unit because of lack of a temporary certificate of occupancy or otherwise, and (b) incurs any additional fees to extend the commitment or obtain a new commitment from the same or another lender, or incurs any additional fees, costs or expenses in connection with any delay in the anticipated or scheduled closing date (including, but not limited to, increases in interest rates or additional "points" or extension fees levied by the lender), or loses its commitment, Purchaser must pay all such fees or costs incurred by or imposed upon Purchaser. Neither Sponsor, its principals, managers or members, agents, selling agents, construction managers, contractors, subcontractors and/or counsel shall be responsible for the payment or reimbursement of any such fees or costs incurred by or imposed upon the Purchaser, or any other such loss.

Example: Mandatory Closing Costs

Purchaser will pay the following mandatory Closing costs based on rates in effect in May, 2006 and assuming the Purchase Price is \$1,500,000 and the form of documents in the Part II of this Plan are used (all amounts are approximate and rounded to the nearest whole dollar).

(1) Fee to record Unit deed (assuming 8 pages + 1 cover page) and Unit Owner's Power of Attorney (assuming 7 pages + 1 cover page) at a rate of \$30 for each instrument plus \$5 per page, plus an additional \$32 for recording each instrument.	\$209.00
(2) Title insurer's service charge and recording fee to record the Unit deed and Unit Owner's Power of Attorney	60.00 (estimated & approximate)
(3) New York State transfer tax (also called the documentary stamps) at the rate equal to the Adjusted Purchase Price (see Example above) x .4% (rounded up to the nearest \$500) plus a "Mansion Tax" of 1% of the Adjusted Purchase Price (if the Adjusted Purchase Price is \$1,000,000 or more)	21,383.75
(4) New York City transfer tax (at the rate of 1% of an Adjusted Purchase Price of \$500,000 or less, or at the rate of 1.425% of an Adjusted Purchase Price of more than \$500,000)	<u>21,840.00</u>
Total projected mandatory Closing costs:	\$43,492.75* (estimated & approximate)

* Note: This figure does not include the required Working Capital Fund payment equal to two (2) month's projected Common Charges and the legal fee due Sponsor's attorneys. In addition, governmental recording fees may vary from time to time. Title company service charges (if any) may also be imposed depending on the title agent or insurer.

Example: Elective Closing Costs

Assuming the purchase of the Unit is financed with a mortgage loan for 80% of the Purchase Price (or \$1,200,000) and both fee and mortgage title insurance are obtained simultaneously for Purchaser and Purchaser's mortgage lender, Purchaser would pay the following projected elective Closing costs based upon rates in effect as of May, 2006 (all amounts are approximate and rounded to the nearest whole dollar):

- (1) Mortgage recording tax (at a rate of 2.05% of the mortgage – if less than \$500,000 – or 2.175% of the mortgage – if \$500,000 or more), minus \$30 and minus .25% payable

by the mortgage lender before deducting the statutory credit against the mortgage tax credit payable to Sponsor.	\$23,070.00
(2) Mortgage recording fee (assuming 20 pages) at the rate of \$32 per instrument, \$5 per page.	132.00
(3) Municipal charge to record the mortgage tax credit affidavit.	50.00
(4) Premium for simultaneous fee (\$4,436) and mortgage (\$919) title insurance	5,355.00
(5) Other projected potential mortgage loan costs (assuming: "points" of 1% of mortgage amount, appraisal of \$250, lender's legal fee of \$750, UCC-1 filing fee of \$70 and \$200 allowance for miscellaneous expenses)	13,375.00*
(6) Allowance for title closer gratuity and contingencies.	<u>250.00</u>
Total projected elective closing costs:	\$42,232.00 (estimated and approximate)

* Note: This projection does not include: (a) escrows for real estate taxes, Common Charges or other sums that might be required by Purchaser's mortgage lender, (b) a travel fee to Sponsor's attorneys in the event the Purchaser's lender or its counsel refuses to close at the office of Sponsor's attorneys or (c) a fee to any attorney Purchaser may engage.

Purchaser's actual Closing costs will be based upon the applicable governmental and title company rates in effect on the Unit Closing Date.

The foregoing projection of mandatory and elective Closing costs are not guaranteed. Although the projections are believed to be reasonable, there are a number of unknown factors (such as the mortgage loan Closing costs, which may vary widely amongst different lenders). As a result, the actual Closing costs may be higher or lower, perhaps substantially, than those projected.

All legal costs, fees and expenses of Sponsor's attorneys, other than those specifically set forth above, will be the sole responsibility of Sponsor.

At Closing, adjustments will be made as of midnight of the day preceding the Closing Date between Sponsor and each Purchaser with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed) on the basis of the period for which assessed, (b) Residential Common Charges for the month in which title closes and (c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement,

if any, covering Purchaser's Residential Unit. In the event the Units have not been separately assessed for real estate tax purposes prior to the First Closing, each Unit Owner will pay a pro rata share (in the proportion that such Unit's Residential Common Interest bears to the aggregate Residential Common Interest of all Residential Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges (please refer to Schedule A for an estimate of real estate taxes payable during the first year of Condominium operation). The Condominium Board will pay such taxes either to the Finance Administration of The City of New York or directly to Sponsor if Sponsor has already paid such real estate taxes. If any Unit Owner fails to pay his pro rata share as set forth above, the Condominium Board will have a lien on such Unit for non-payment of Common Charges. (See the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers--Common Charges: Collection and Lien for Non-Payment" for further discussion.) At such time as a Unit is separately assessed and separately billed, its Unit Owner will pay such taxes directly to the taxing authority.

If a Purchaser fails for any reason to close title to his or her Residential Unit on the originally scheduled Closing Date, (a) the closing apportionments described above will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and this Plan, an amount equal to 0.03% of the purchase price of his or her Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

Except as specifically set out in this Plan, Sponsor must pay all costs and expenses incurred in connection with the promulgation and consummation of this Plan, the creation of the Condominium and the initial sale of Residential Units, including, but not limited to, all selling expenses and commissions payable to Selling Agent for the initial sale of Residential Units pursuant to this Plan, advertising, printing and architects' fees, the fees of Sponsor's attorneys, engineering and appraisal costs and governmental filing fees, whether incurred prior or subsequent to the effective date of the Plan, in connection with the obligations of Sponsor (see the Section entitled "Rights and Obligations of Sponsor.")

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Building

Subject to the terms and conditions of the Plan, 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 will diligently, expeditiously and at its sole cost and expense, perform or cause to be performed such work, and will supply or cause to be supplied all materials, necessary to complete construction of the Building substantially in accordance with the Plans and Specifications. Sponsor shall not be obligated to correct and will not be liable to any Purchaser as a result of any insubstantial variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan. Sponsor, in its sole and absolute discretion, 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), provided, however, that:

- (i) any materials, appliances, equipment and fixtures which Sponsor may substitute shall be similar products of substantially equivalent to that which was originally designed; and
- (ii) Sponsor shall not substantially (1) change the size or location of the Units, other improvements or Common Elements or (2) make any changes that affect the percentage of common interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners and contract vendees consent in writing to such change.

Under the present construction schedule, it is anticipated that, except for (a) finishing work to Common Elements such as hallways, lobbies and other areas of the Building which are not intended for the exclusive use of any one Unit Owner; and (b) specialized work, if any, which Sponsor reserves the right to perform, at its discretion in individual Units at the request of Unit Owners, a first temporary certificate of occupancy could be issued on or about December 15, 2007 and the Building and the Units will be substantially completed on or about May 1, 2007, subject to Unavoidable Delays. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates, however, make any warranty or representation as to the date of substantial completion or the issuance of the first temporary certificate of occupancy. Substantial completion does not include the completion of the hallways, interior of the elevator cabs, fine finishes and plantings.

(b) Sponsor will obtain a temporary or permanent certificate of occupancy for the Building. A permanent certificate of occupancy is required for permanent residential use of the Building and the Residential Units. Temporary residential use of the Building is permitted upon the issuance of a temporary certificate of occupancy, but if a temporary certificate of occupancy, which may be extended up to a total of two years, expires prior to obtaining a permanent certificate of occupancy, residential occupancy of the condominium will be in

violation of the Multiple Dwelling Law, subjecting the occupants of the Building, the Residential Unit Owners and the Condominium Board to penalties under the Multiple Dwelling Law, including, possibly, the eviction of residential occupants. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates make any representation or guarantee that the Department of Buildings will issue a permanent certificate of occupancy for the Building within two (2) years or more after the First Closing. No Unit Owner may perform any work or obtain any permits for his Unit without Sponsor's prior written consent.

(c) In the event that a closing takes place prior to the issuance of a permanent certificate of occupancy, Sponsor shall maintain all deposits and funds in the special escrow account required by Section 352-e(2)(b) of the New York General Business Law unless the Sponsor's engineer or architect certifies that a lesser amount will be necessary to complete the work necessary to obtain a permanent certificate of occupancy for the Unit, in which case the sum exceeding the amount so certified by the Sponsor's engineer or architect may be released from escrow. Alternatively, Sponsor may deposit with the escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, in which event same will be reflected by duly filed amendment to the Plan. Any amount held in escrow, in excess of the amount certified as reasonably necessary to complete the work needed to obtain the permanent certificate of occupancy, can be released from escrow from time to time upon the receipt by Escrow Agent of a request by Sponsor. In the event that the Condominium Board or a Unit Owner causes Sponsor to be delayed in obtaining the permanent certificate of occupancy, the funds in escrow shall be released.

(d) 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 Residential Unit, unless Sponsor and Purchaser otherwise agree. Sponsor will maintain each Residential Unit, and the fixtures and personalty contained therein, up to the time of the transfer of title to the Unit in question. The Purchaser of a Residential Unit shall inspect such Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if the Purchaser finds that Sponsor's improvements have not been completed, although such improvements have been substantially completed, then Sponsor and the Purchaser in question will immediately thereafter agree to include on the written inspection statement a list of incomplete work of a nature to be completed in the Unit by Sponsor following the Closing for the Unit in question. Sponsor is only obligated to perform the work on the written punchlist as acknowledged by Sponsor. The failure of Sponsor to complete such work shall not be a ground for Purchaser delaying the Closing. Purchasers who close during construction or renovation of other Units and Common Elements acknowledge that their enjoyment of their Units may be interrupted by construction, noise, vibrations, odors, dust or debris and possible interruption in services, as is common in construction or renovation projects, and neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall be responsible for any claims relating thereto. The Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Unsold Residential Units. The Sponsor shall only be obligated to perform punchlist work while the Purchaser or its agent is present in the Unit unless the Purchaser provides Sponsor with a release confirming that Sponsor has the right to enter the Unit upon

reasonable hours to make the repairs and that the Purchaser shall be responsible for clearing the area to be repaired, removing any valuables and protecting any furniture or other personal property in and around the subject area. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Residential Unit for its permitted purposes, however, Sponsor will have no obligation to move a Unit Owner's personal property or to pay for the cost of moving same. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor, its principals, managers, members, agents, designees, employees or affiliates liable for any damage to the Unit or to the personalty or fixtures contained therein. In the event that a Purchaser does not provide a written release or does not permit access to that Purchaser's Unit by Sponsor or its contractors, subcontractors, agents and employees after written request, Sponsor shall have no obligation to perform any alterations or repairs in that Purchaser's Unit. Notwithstanding the foregoing, a Unit Owner must provide immediate access to Sponsor's contractors to complete punchlist work. In the event that access to the Unit is denied by Unit Owner more than two (2) times, Sponsor has the option, in its sole discretion, to credit Unit Owner with the estimated cost of the remaining punchlist work as determined by Sponsor's own vendor or architect, and Sponsor shall have no further obligation to complete any punchlist work in the Unit. Sponsor, in its sole and absolute discretion, at any time, reserves the right to substitute any punchlist item for a credit or cash payment based on the estimated cost for a bid from Sponsor's own vendor to fix said punchlist item on a dollar for dollar basis, *i.e.*, if the cost to repair a punchlist item is \$1,000, Sponsor may either credit or pay that amount to Purchaser. Such payment shall release Sponsor, its principals, managers, members, agents, designees, employees or affiliates from all liability relating to such enumerated punchlist item(s). Sponsor shall have no responsibility for any condition in any Unit that is resold by a Purchaser from the Sponsor.

(e) Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates make any express or implied representations or express or implied warranties except as provided in this Offering Plan. Any claim based upon Sponsor's representations of the condition of the Building, the Units and their equipment or appliances or the Common Elements or upon Sponsor's obligations referred to in the Offering Plan in "Rights and Obligations of Sponsor" must be presented by written notice by the Condominium Board only, and to Sponsor: (a) in the event of a defect concerning the Common Elements, one (1) year from the date earlier to occur of the issuance of the first temporary certificate of occupancy or the date of substantial completion of the portion(s) of Common Elements which is claimed to be defective; or (b) in the event of a defect concerning the Unit, within one (1) year from the date of issuance of a temporary certificate of occupancy for the Unit, unless such claim is based upon a defect which can be detected only by occupancy of the Unit, in which event such claim must be presented within one (1) year from the earlier of the closing date or the execution and delivery of an interim lease for the Unit; however, concerning the Unit, closing without executing a written punchlist or closing with a written punchlist on which the defect is now claimed is deemed a waiver by Purchaser of any objection. Following the recording of the Declaration, Sponsor will deliver to the Condominium Board, on behalf of all Unit Owners any warranties and other undertakings actually received by Sponsor from contractors, materialmen or others in connection with the construction and equipping of the Building, except that warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in the Unit of a Purchaser shall be delivered to such Purchaser on the date of closing of title to his Unit.

Purchasers should be aware that warranties vary in length, depending partly on when the appliances, equipment and fixtures covered by such warranties are first installed. Neither Sponsor nor its principals, members, managers, agents, designees, employees or affiliates make any representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates has any obligations or responsibilities with respect to such warranties, or the work or item warrantied, even if the warrantor goes out of business, declares bankruptcy or simply fails to fulfill the conditions of the warranty. Recourse is only to the warrantor and not to Sponsor, its principals, managers, members, agents, designees, employees or affiliates.

(f) Sponsor shall not be obligated to correct, repair, or replace any and all defects relating to construction of the Residential Units, the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates will warrant the materials or workmanship of any Unit or any of the Common Elements. The Housing Merchant Implied Warranty Law (GBL Article 36-B) is not applicable to this offering because such law is applicable to units in buildings of five stories or less. If any warrantor or guarantor is unable to perform under its warranty or guaranty due to inability, bankruptcy, unwillingness to perform, inability to continue as a going concern or any other reason, neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall under any circumstances be considered or deemed a successor warrantor or guarantor. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates has any obligations or responsibilities with respect to such warranties or guaranties, or the work or item warrantied, even if the warrantor or guarantor goes out of business, declares bankruptcy or simply fails to fulfill the conditions of the warranty or guaranty. Recourse is only to the warrantor or guarantor and not to Sponsor, its principals, managers, members, agents, designees, employees or affiliates.

Nothing contained herein shall be construed to render Sponsor, its principals, managers, members, agents, designees, employees or affiliates liable for any damages, including but not limited to, consequential damages (whether based on negligence, or breach of contract, warranty or otherwise), it being intended that Sponsor's sole obligations pursuant to this section of the Plan shall be to repair or replace, at Sponsor's sole option, any defective item of construction (arising as a result of substantial and material defects or as a result of improper workmanship) subject to the terms and conditions set forth in this section of the Plan for a period of one (1) year from the date of First Closing of a Unit. The execution by Sponsor's principals, managers, members, agents, designees, employees or affiliates of any certifications made in connection with this Plan shall not make Sponsor's principals, managers, members, agents, designees, employees or affiliates liable or responsible for any obligations of Sponsor as contained herein.

Notwithstanding any provision to the contrary herein, neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall be obligated to correct, and shall not be liable to any Purchaser as a result of any insubstantial or immaterial variations from the Plans and Specifications or the descriptions of the Building or a Unit set forth in the Plan or variations from the Plans and Specifications or description of the building or a Unit set forth in

the Plan which are not in violation of applicable law. No such variation will affect a Purchaser's obligations under a Purchase Agreement or the Plan unless the net footage area of the Unit is diminished by more than 5% as determined in the sole discretion of Sponsor's architect. In the event Sponsor's architect determines that the net square footage of the Unit is diminished by more than 5%, Purchaser shall have the right to submit a written request to Sponsor to rescind the transaction. Upon receipt of said rescission notice from Purchaser, Sponsor's sole obligation shall be to refund to Purchaser the Down Payment made under the Purchase Agreement and any interest earned thereon.

The Condominium is required to maintain and manage the Building, to keep the Common Elements therein clean and properly lighted, to keep structural and mechanical equipment in good working order and regularly maintain in accordance with manufacturer's specifications and any required maintenance contracts, and to repair those portions of the Building which are not required to be maintained by particular Unit Owners. Sponsor's warranty as set forth in the Plan will not be applicable to any defects caused by the negligence or lack of maintenance of the Units or Common Elements by the Unit Owners or the Condominium in Sponsor's sole opinion.

(g) Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates assumes any responsibility and will not be liable to repair or replace any of the following:

1. any condition resulting from normal wear and tear or natural deterioration from the normal movement, settlement and shrinkage or expansion of the Building and/or building materials;
2. defects of an insubstantial nature such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, protruding dry wall fastenings, ridging on gypsum board, lumber or floor shrinkage or gapping, door or window sticking due to weather, door warpage including, without limitation, warpage of any doors, scratches or chips in plastic, glass, metal, wood, vitreous china, stainless steel, tile, porcelain or stone surfaces, bathroom finish, cracked grouting, adjustment of bi-fold doors, walls not square, electrical plates or signs not straight, discoloration, expansion or shrinkage, slight separation between base and floor or differing coloration of any and all concrete, ceramic or stone tiles in gardens or kitchens;
3. normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast or concrete cracks which do not reduce the structural integrity of the Building;
4. deviations in the level of ceilings and imperfections in ceiling finishes;

5. imperfections in painting finishes including, but not limited to, variances in color or texture;
6. deviations in the levelness of floors, or buckling, gapping or sinking due to expansion or shrinkage;
7. alignment of bathroom finishes and variation in grouting or tile thickness;
8. air infiltration and water infiltration from windows in accordance with the Architectural Aluminum Manufacturers Condominium Standard A-Z;
9. noise, vibrations or odors from normal plumbing, heating, ventilation, air-conditioning and elevator operation, including cellar boilers, cooling tower compressors, exhaust fans, elevator machine rooms and other equipment;
10. floor noises and creaking;
11. carpet or floor discoloring or stretching;
12. variations in width, length, thickness, finish, gaps or color range of wood flooring;
13. minor chips, scratches, mars, breaks, dents, cracks, imperfections, or other defects in each of the following: windows, window glass, frames and hardware; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets; kitchen cabinets, backsplashes and counter tops; vanity tops and cabinets; all tile, stone or marble floors; saddles, all appliances; woodwork, millwork and doors; mirrors; all hardware; appliance cabinets; ceilings and flooring;
14. after the Unit closing, paint touch-ups, repair dented appliances, or replace light bulbs;
15. variations in tone or color of marble or stone or variations in tone or color of vanity tops or countertops or other marble, stone or tile surfaces;
16. leaching or color variation in exterior color mortar and colored brick, and dimensional variations in brick joints, and mortar dropping on bricks and window surfaces;
17. ponding and/or controlled drainage on the roof or terrace surfaces;

18. television, radio or other telecommunications reception;
19. discoloration to hardware and plumbing finishes;
20. stains, runs, lumps, shags or imperfections in weave in fabric panels;
21. terrace tiles or pavers not laid flat, or color variation in tiles, pavers or mortar, or stained tiles or pavers;
22. scratches on window frames or glass; or
23. any other imperfection or defect, except as expressly warranted pursuant to this Plan, provided it is indicated on a written inspection statement and delivered to and acknowledged by Sponsor.

Sponsor shall have discharged its obligation to repair abnormal scratches in tile, stone, wood, metal, plastic, glass, vitreous china, porcelain, stainless steel or other surfaces by filling or refinishing and neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall be obligated to replace any surfaces or repair any gaps in any flooring. NOTWITHSTANDING ANY OF THE ABOVE TERMS, SPONSOR IS REQUIRED TO CONSTRUCT THE PREMISES IN ACCORDANCE WITH ALL FILED APPLICABLE CODES AND FILED BUILDING PLANS AND SPECIFICATIONS

(h) Prior to the Closing of title for each Unit, Sponsor will cause such Unit and its appurtenant Common Interest, benefits, rights and easements as described in the Declaration and By-Laws to be released from the lien of any mortgages or security agreements encumbering the Unit (other than any mortgage or security agreements obtained by the Purchaser).

(i) Sponsor will bear all costs and expenses incurred by it in connection with the creation of the Condominium and the preparation of the Plan and all selling expenses and compensation payable to sales or other personnel of Sponsor.

(j) Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction 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 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.

(k) Following the issuance of a permanent Certificate of Occupancy for the Building, Sponsor will deliver to the Condominium Board a complete set of mechanical, electrical and plumbing drawings for the entire Building.

(l) Sponsor will pay all Common Charges, special assessments and real estate taxes allocated to any Unsold Residential Units or Commercial Unit in accordance with the

provisions of the By-Laws. Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Residential Units. Sponsor will fund its financial obligations from proceeds from the sales of offered Residential Units, rental income from Unsold Residential Units, and financing. No bond or other security will be posted by Sponsor with respect to this obligation.

(m) Sponsor will initially procure on behalf of the Condominium Board the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-Laws (see the Section entitled "Rights and Obligations of Boards of Managers") the cost of which insurance has been reflected in the Projected Budget set forth in Schedule B.

(n) Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection, by prospective Purchasers and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years from the date of the recording of the Declaration. In addition, a set of Floor Plans showing the layout, location and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

(o) Sponsor may dissolve or liquidate at any time. In the event of such an occurrence or the transfer to an investor of ten (10) or more Units or twenty (20%) percent of the Units in the Condominium, whichever is less, in connection with Sponsor's liquidation of its interest in the Residential Units, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under this Plan, applicable law or regulations. The members, managers, agents, designees, employees or affiliates of Sponsor shall not be held liable in the event that Sponsor dissolves or liquidates.

(p) All representations under the Plan, all obligations pursuant to the GBL and such additional obligations under the Plan which are to be performed subsequent to the closing of each Unit will survive delivery of the deed.

(q) Until Sponsor has sold its last Unit in the Premises, Sponsor may, at its sole discretion, post, hang and affix "For Sale" or "For Rent" signs on the building façade of a type, size and quality determined by Sponsor.

(r) Real Property Law Section 339-kk is intended to provide financial protection for a condominium if a non-occupying Owner fails to make required monthly payments for a dwelling unit which is sublet.

The law provides in pertinent part, as follows:

1. If a Unit Owner who does not occupy the Unit rents any dwelling unit and then fails to make payments due for Common Charges, assessments or late fees for such Unit within 60 days of the expiration of any grace period following the earliest date payment is due, then, upon notice from the Board of Managers as described below, all rental payments due from the tenant shall be payable directly to the Condominium.
2. If Common Charges, assessments or late fees due for any Unit have not been paid in full within 60 days after the expiration of any grace period following the earliest date they were due, the Board of Managers shall provide written notice to the tenant and to the non-occupying Owner providing that commencing immediately, and continuing until such time as all payments for Common Charges, assessments and/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. Where a majority of the Board of Managers has been elected by and from among the Unit Owners who are in occupancy of their Units, the Board may elect not to require that rental payments be made payable to the Condominium.
3. 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 by the Board of Managers within three (3) business days to the rental tenant and non-occupying Owner. Thereafter, all rental payments for the Unit shall be made payable to the non-occupying Owner or to said non-occupying Owner's designated agent.
4. A non-occupying Owner who disputes the Board of Manager's claim to a rental payment pursuant to this law shall be entitled to present facts supporting such Owner's position at the next scheduled meeting of the Board of Managers, which must be held within 30 days of the date that the Board receives notice that the Owner seeks to dispute such claim.
5. Payment by a rental tenant to the Condominium made in connection with said section shall relieve the 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.
6. Nothing in the statute shall limit any rights of Unit Owners or the Board of Managers existing under any other law or agreement.

(s) Sponsor will endeavor in good faith to sell all of the Residential Units in a reasonably timely manner to Purchasers for the personal occupancy of Purchasers or their immediate families. However, in the event that there is a significant decline in market values of at least ten (10%) percent from the prices listed in Schedule A as of the date the Plan is declared effective, the Sponsor reserves the right to rent the Units, rather than sell, until there is an upturn in the market. However, so long as Sponsor is able to achieve the purchase prices listed on Schedule as of the date the Plan is declared effective, Sponsor is committed to selling Residential Units which represent a majority of the Common Interest in the aggregate. Sponsor's good faith efforts to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to brokers and prospective purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities. Sponsor's construction lender has not placed any limitation on Sponsor's right to rent Units. Sponsor's construction financing does not contain a minimum number or percentage of units which must be under contract before the Plan can be declared effective. The construction financing contains minimum release prices set by lender and a required minimum payment per sale which must be made to the lender in order for the lender to release its lien from the unit being sold.

(t) Sponsor shall have the obligation to defend any suits or proceedings arising out of Sponsor's acts or omissions and to indemnify the Board of Managers and the Unit Owners in any such action or proceeding as is required by law.

The foregoing sets forth the entire obligations of Sponsor, its principals, managers, members, agents, designees, employees or affiliates hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Residential Unit Owners under their respective Purchase Agreements. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates make any representation or warranty as to the work, materials, appliances, equipment or fixtures other than as set forth in the Plan.

Obligations of Sponsor hereunder with respect to the Residential Section and the General Common Elements shall be enforceable only by the Condominium Board on behalf of all Unit Owners and may not be enforced by individual Unit Owners. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall have any obligation to any Purchaser of a Unit other than the Purchasers to whom Sponsor sold Units.

Except as set forth above or as required by law or governmental regulation, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to perform. No representation can be made that it will be financially able to perform any or all of such obligations. In the event Sponsor is not financially able to perform its obligations under the Plan, sales will cease and the Plan will be amended to offer rescission to purchasers, if any.

Sponsor has obtained construction financing for the project as more fully set forth in the Section of the Plan entitled "Description of the Property and Improvements" and anticipates (but cannot guarantee) obtaining a permanent certificate of occupancy for the Building within two (2) years after the First Closing. No Unit Owner may perform any work or obtain any permits for his Unit which may affect Sponsor's ability to obtain a temporary or permanent certificate of occupancy for the Building.

The Sponsor has not entered into any contract or agreement, written or oral, for the sale or transfer of any of the units offered in the Offering Plan for The Indigo Condominium nor have any deposits or advances of funds been taken by or on behalf of the Sponsor in connection with the reservation, sale or transfer of such units as of the date the Offering Plan was accepted for filing by the Department of Law.

Leasing and Use of Unsold Units

Sponsor will endeavor in good faith to sell all of the Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Units. If the offers to purchase Units fall below either (i) ten (10%) percent of the prices listed in Schedule A as of the date the Plan is declared effective; or (ii) the release price set by its construction lender, the Sponsor and its designee may decide to rent the Units from time to time. Therefore, it is likely that the Unit Owners will obtain control of the Condominium Board of Managers at the expiration of the Initial Control Period (as such term is defined in the Condominium By-Laws).

Sponsor and its designee further reserve the right to use or occupy itself or to rent or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between such parties) any Residential Unit not conveyed or with respect to which a Purchase Agreement is not then outstanding and residents of the Condominium may be comprised of both Unit Owners and tenants. Accordingly, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at Closing free and clear of all leases, tenancies and rights of occupancy.

Sponsor and its designee reserve the right, without prior notice or amendment to the Plan, to use Unsold Residential Units on any floor of the Building as sales and rental offices and model apartments for the Building. In the event Sponsor or its designee thereafter elects to sell any such Unsold Residential Units, Sponsor or its designee may require the purchaser thereof to purchase all or any of the equipment or decorations therein and pay, in addition to the purchase price for such Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Residential Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to the Purchaser of the Residential Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for such Residential Unit.

CONTROL BY SPONSOR

Sponsor as the owner of Unsold Units will, at its option, have voting control of the Condominium Board during the period which continues until the earlier to occur of: (i) the Sponsor and its designees as Holders of Unsold Units own less than fifty (50%) percent of the Residential Units or (ii) five (5) years after the First Closing (the "Sponsor Control Period"). During the Sponsor Control Period of the Condominium Board, Sponsor would be able to control maintenance, facilities and services to be provided to Unit Owners, the Commercial Unit Owner and/or Residential Unit Owners as the case may be and would determine the Common Charges to be paid by all Unit Owners, the Commercial Unit Owner and/or Residential Unit Owners, as the case may be and the enforcement of Sponsor's obligations by the Board.

After the end of the Sponsor Control Period, a majority of the Condominium Board must be Residential Unit Owners who are unrelated to Sponsor and its principals; however, Sponsor, after the end of the Sponsor Control Period, may vote its interests for Unit Owners of its choice who are not affiliated with Sponsor. Within thirty (30) days after the end of the Sponsor Control Period, the Sponsor will call a special meeting of the Unit Owners at which time the Unit Owners will elect members to the Condominium Board to replace the positions the Sponsor is relinquishing.

The Condominium Board shall initially consist of three (3) persons designated by Sponsor.

The Condominium Board will call for a special meeting of the Unit Owners to elect a new Condominium Board (the "First Annual Meeting") no later than one hundred and eighty (180) days after the First Closing. The First Annual Meeting shall be held not less than 10 days nor more than 40 days after such date.

Commencing with the First Annual Meeting, the Condominium Board shall consist of five (5) persons: four (4) members elected by the Residential Unit Owners and one (1) member designated by the Commercial Unit Owner(s). The number of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

During the Sponsor Control Period, Sponsor will elect a majority of the Condominium Board members. At the First Annual Meeting and at all times thereafter, Sponsor may be able to elect members of the Condominium Board as a result of its ownership of or interest in Unsold Units. Sponsor shall retain voting control of the Condominium Board if Sponsor and its designees are able to cast sufficient votes at such meetings to establish such control. In addition, Sponsor, for so long as Sponsor owns at least two (2) Units, shall have the right, at its option, to designate at least one member of the Condominium Board.

Until Sponsor or its designee has conveyed title to all the Units, but in no event later than five (5) years after the First Closing, whichever shall first occur, the Condominium Board may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements or to any Residential Unit, (b) assess any General Common Charges or Residential Common Charges for the creation of, addition to or replacement of all or part of a

reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium or on behalf of the Residential Section, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, upon the earlier to occur of (i) the Sponsor and its designees as Holders of Unsold Units own less than fifty (50%) percent of the Residential Units or (ii) five (5) years after the First Closing. Notwithstanding the foregoing, Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required: i) to comply with applicable laws or regulations; or ii) to remedy any notice of violation; or iii) to remedy any work order by an insurer.

CONDOMINIUM BOARD

The affairs of the Condominium shall be governed by the Condominium Board, which shall initially be comprised of three (3) persons designated by Sponsor. On or before the date which is no later than one hundred and eighty (180) days after the First Closing, the Condominium Board will call for the First Annual Meeting of Residential Unit Owners, such meeting to be held not less than 10 days nor more than 40 days after such date. At the First Annual Meeting, the incumbent Condominium Board shall resign and the Unit Owners shall elect a new Condominium Board consisting of five (5) members: four (4) persons elected by Residential Unit Owners and one (1) person designated by the Commercial Unit Owner. (See the Section entitled "Control by Sponsor.") Thereafter, at each annual meeting, members of the Condominium Board shall be elected and shall serve until the next annual meeting thereof and until a successor has been elected and qualified.

After the end of the Sponsor Control Period, a majority of the Condominium Board must be Unit Owners and must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals; however, Sponsor, after the end of the Sponsor Control Period, may vote its interests for Unit Owners of its choice who are not affiliated with Sponsor. Except for Board members designated by Sponsor or its designee, all members of the Condominium Board must be either Unit Owners or certain interested parties (e.g. directors or shareholders of Unit Owners) as described in the By-Laws. No member of the Condominium Board shall continue to serve on the Condominium Board if, during his term of office, said member shall cease to be a Unit Owner or an interested party. All Board members shall serve without compensation.

The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. The By-Laws provide that the Commercial Unit may be used for any lawful purpose under the New York City Zoning Resolution except for certain limitations as more fully described in the Section of the Plan entitled "Commercial Units", and that no sale, lease, sublease or use of any Commercial Unit shall be deemed to adversely affect the Residential Section. Generally, all other determinations with respect to the administration of the affairs of the Condominium including those which (i) relate to the Residential Section and do not adversely affect the Commercial Section, and vice versa, or (ii) relate to or affect the General Common Elements, shall be made by the Condominium Board.

As more fully set forth in the By-Laws, 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.

Annual meetings of Unit Owners shall be held within approximately thirty (30) days of each anniversary of the First Annual Meeting. At such meetings, the Residential Unit Owners shall elect four (4) members of the Condominium Board and the Commercial Unit Owner shall designate one (1) member of the Condominium Board, subject to any rights of Sponsor to designate Board members, and there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting of the Condominium to all Unit Owners of record. The notice, which

will generally be given at least ten (10) days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Unit Owners, the presence in person or by proxy of Unit Owners owning more than fifty (50%) percent of the Common Interests attributable to all 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 Unit Owners.

At all meetings, each Unit Owner (or his proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote based upon the percentage of Common Interests that he or she owns.

The principal officers of the Condominium Board shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Condominium Board. The initial members of the Condominium Board shall be Kenneth Horn, Joel Bretkopf, and Gerald Davis who shall serve as President, Vice President, and Secretary/Treasurer of the Condominium Board respectively. Notwithstanding anything to the contrary contained herein, the foregoing individuals shall have no personal liability whatsoever for any action taken by them as members of the Condominium. Each of these individuals is a principal of or is affiliated with the Sponsor or its principals. The Condominium Board may appoint additional officers. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Condominium Board are to be executed by any officer thereof or by such other person or persons as may be designated by the Board. However, any significant expenditure by the Condominium Board must be countersigned by two members of the Condominium Board.

The Bylaws provide that to the extent permitted by applicable law, no member of the Condominium Board shall have any 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 or any Limited Common Element (except in their capacities as Unit Owners). Board members shall have no liability to Unit Owners except that a Board member shall be liable for his own bad faith or willful misconduct. All Unit Owners shall severally; to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member against any liability or claim except those arising out of such member's own bad faith or willful misconduct.

The term of office of the members of the Condominium Board shall be for one year or until their successors are elected. Members of the Condominium Board shall serve without compensation. Any member of the Condominium Board may resign at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Condominium Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein.

A member of the Condominium Board designated or elected by the Unit Owners may be removed with or without cause by an affirmative vote of a majority of Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Unit Owners; provided, however, that Condominium Board members designated by Sponsor may only be removed with cause and replaced by another Sponsor designee. No member of the Condominium Board shall

continue to serve on the Condominium Board if, during his term of office, said member shall cease to be a Unit Owner or an interested party as described in Section 2.1 of the By-Laws; provided, however, that this provision respecting Unit ownership and Condominium Board membership shall not apply to members of the Condominium Board designated by Sponsor or its designee.

Upon the affirmative vote of a majority of the members of the Condominium Board, any officer may be removed with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

All officers, Board members and employees of the Condominium will be bonded at all times from and after the First Closing under fidelity bonds in favor of the Condominium. The amount and cost of the bonds has been provided for in the projected budget for the first year of Condominium operation contained in Schedule B.

Generally, subject to certain exceptions concerning, among other things, Sponsor or the provision regarding the leasing of the Units, and provided that required consents of the Commercial Mortgage Representatives or the Residential Mortgage Representatives, if any, are obtained, any provision of the Declaration, By-Laws or Rules and Regulations may be amended, modified, added to or deleted by affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners; provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

Notwithstanding any provision contained in the By-Laws to the contrary, no amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Commercial Unit Owner(s), with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner, (b) without the prior written consent of Sponsor or its designee or the owner of any Unsold Residential Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Residential Unit, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Residential Unit or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit.

It is possible that amendments, modifications, additions or deletions of or to the Declaration, By-Laws and Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Section, the subdivision of any Commercial Unit into individual Commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Unit. In connection therewith, the Condominium Board may,

subject to compliance with all applicable laws and governmental regulations, if any, cause the Declaration, By-Laws and Rules and Regulations to be amended, modified, added to or deleted from and the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sales and Leases of Units

Each Residential Unit Owner may sell or lease his or her Residential Unit provided such Unit Owner (the "Transferor") first gives the Condominium Board, on behalf of all Unit Owners, notice of his or her intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in Article 8 of the By-Laws. If the Condominium Board does not elect to purchase or lease the Residential Unit within twenty days after receipt of the offering Unit Owner's notice, the Transferor will have an additional sixty days to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event such written agreement is not executed by the Transferor within said sixty-day period or such sale or lease is not consummated within an additional sixty days following the expiration of said sixty-day period, the Transferor will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, either or both of such sixty 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 Residential Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. In any vote of all the Residential Unit Owners, the Transferor shall have the right to vote in any vote conducted by the Condominium Board for the purpose of determining whether the Condominium Board shall exercise its right of first refusal to purchase or lease the Transferor's Unit. Any such deed given by a Transferor shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. The Condominium Board shall have the right to utilize the powers and duties outlined in Article 2 of the By-laws with respect to raising the necessary funds for the acquisition and maintenance of a Unit(s) by the Board of Managers on behalf of the Unit Owners. Any Unit owned or leased by the Board of Managers shall be used and occupied in accordance with the Condominium Declaration and By-laws. All proceeds from the sale or lease of such Unit shall be deposited in the name of the Board of Managers (or in the name of the managing agent appointed by the Board of Managers) in such depositories as may from time to time be designated by such Board and held on behalf of the Condominium.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex age, disability, marital status or other grounds prohibited by law.

All leases shall be consistent with the By-Laws and subject to state and law. All leases 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 demised premises or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by applicable law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of

such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Condominium Board.

A Residential Unit Owner may lease, sell or convey the Residential Unit to a spouse, adult child or grandchild, parent, grandparent or adult sibling, may convey his Residential Unit by gift, may devise his Residential Unit by will, or have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Residential Unit Owner shall be bound by, and his Residential Unit shall be subject to, the preceding restrictions. In addition, any Residential Unit Owner may lease, sell or convey the Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws.

The restrictions upon the sale and lease of Residential Units shall not apply to Sponsor or its designee or any Holder of Unsold Units 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 for any period whatsoever to the Condominium Board. Such restrictions shall also be inapplicable to the Commercial Unit, whether owned by Sponsor or its designee or by any subsequent owner or by any mortgagee, and, subject to compliance with applicable laws and governmental regulations, if any, the Commercial Unit Owner shall be free to sell, lease, mortgage or otherwise transfer or hypothecate all or any part of the Commercial Unit.

A Residential Unit Owner may only sell or lease such Unit Owner's entire Unit. In addition, each conveyance of a Unit by a Residential Unit Owner shall include, as part of the property to be conveyed, such Residential Unit Owner's undivided interest in (a) the Residential Common Elements, the Residential Common Elements, Residential Limited Common Elements and the General Common Elements, (b) any Unit or Units acquired by the Condominium Board on behalf of all Unit Owners, or any proceeds of the sale or lease thereof and (c) any other assets of the Residential Section and the Condominium. No part of the Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Unit Owners.

A Residential Unit may not be conveyed unless all unpaid Residential Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to closing. In addition, the Condominium Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Residential Unit Owner, as the case may be, to the Managing Agent.

Notwithstanding anything contained herein to the contrary, prior to the closing of title to a Unit, the Purchase Agreement prohibits a Purchaser from listing such Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent.

Use of Units

Residential Units may be used as a residence or for any lawful purpose, provided such use is permitted by law, does not violate the then existing Certificate of Occupancy or the Deed Restrictions covering such Residential Unit and complies with all applicable governmental regulations.

Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of ten (10) years lives or resides (even temporarily) in the Unit. The Condominium shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent. Neither Sponsor nor its principals, managers, members, agents, designees, employees or affiliates shall be responsible for supplying Unit Owners with window guards for the windows of the Unit. Each Purchaser hereby agrees that upon acceptance of its deed to the Unit, he or she shall be deemed to expressly ratify this provision.

Sponsor or its designee may, without the permission of the Condominium Board (a) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by law, does not violate the then existing Certificate of Occupancy covering such Residential Unit and the user of such Unit complies with all applicable governmental regulations and (b) retain ownership of one or more Residential Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Residential Units in the Condominium.

The current zoning law permits a person who resides in a Residential Unit to use up to 25% of the floor area of his Unit (but in no event to exceed 500 square feet) for certain home occupations including a fine arts studio, professional offices (e.g., lawyer, doctor or dentist) and teaching of not more than four persons. No transient tenant may be accommodated in a Residential Unit, except in Unsold Residential Units, as permitted by law.

The Commercial Unit can be used for any lawful purpose under the New York City Zoning Resolution provided such use is not (a) noxious or immoral or a so-called "adult entertainment" facility under New York zoning laws, or for obscene or pornographic purposes or activities or the sale or distribution of any obscene or pornographic material, as such terms are defined in Section 235 of New York Penal Law; (b) for manufacturing use; (c) for the purpose of performing any abortions or providing any professional counseling or advice advocating abortions or family planning; or (d) as an off-track betting facility. No income derived from any use of the Commercial Unit will constitute income to the Condominium Board or Residential Unit Owners.

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Residential Section or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof relating to any portion of the Property shall be complied with at the sole expense of the respective Unit Owners or the Board, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

No "For Sale", "For Rent", "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Residential Unit, except that these sign restrictions shall not apply with respect to Unsold Residential Units.

No awnings, air conditioning equipment or ventilators shall be installed or modified in the Residential Section without prior written approval of the Condominium Board. Such provision shall not apply to such installations or modifications performed by Sponsor or Sponsor's designees. No radio or television aerial, satellites or other similar device shall be erected by Residential Unit Owners on the roof or exterior walls, windows or terraces of the Building or on the Property, without obtaining in each instance the written consent of the Condominium Board.

No more than three (3) pets may be kept in a Residential Unit without the consent of the Condominium Board or the Managing Agent. Each Residential Unit Owner who keeps any type of pet in his or her Residential Unit will be required to: (a) indemnify and hold harmless the Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all reasonable Rules and Regulations of the Condominium Board adopted with respect thereto; and, (c) clean up after their pet.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his or her own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Residential Units may be amended from time to time by the Condominium Board provided that copies thereof are furnished to each Residential Unit Owner prior to the time that they become effective (except that no amendment thereof affecting the Commercial Unit or Unsold Residential Units may be made unless agreed to by the Commercial Unit Owner or Sponsor or its designee, as the case may be). Further restrictions on the use and leasing of Residential Units are set forth in the By-Laws and Rules and Regulations.

Mortgage of Units by Unit Owners

Each Residential Unit Owner may mortgage his or her Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with by him. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York Board of Title Underwriters form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan, (b) the 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 his Unit, other than Permitted Mortgages. The Commercial Unit Owner shall have the right to mortgage any Commercial Unit without any restriction or limitation.

As more particularly set forth in the Section entitled "Amendments to Condominium Documents", in certain instances the consent of the Commercial Mortgage Representative and/or the Residential Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Rules and Regulations. The By-Laws provide that no more than three Residential

Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor or its designee, (ii) a bank, trust company, insurance company, real estate investment or mortgage trust or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

Common Charges: Determination and Assessment

Residential Common Expenses, which are payable only by Residential Unit Owners and are included in their Residential Common Charges, are allocated among Residential Unit Owners in proportion to their respective Residential Common Interests. In addition, the Residential Common Charges include the Residential Unit Owner's allocable portion of the General Common Expenses. The respective Common Interests of each Unit, as estimated by Sponsor, are based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. Residential Common Expenses include, among other things, all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Residential Common Elements and Residential Limited Common Elements. Residential Common Expenses may include amounts for certain other items as the Condominium Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Condominium Board of any Residential Unit.

Commercial Common Expenses will be determined and borne solely by the Commercial Unit Owner. Commercial Common Expenses include, among other things, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Commercial Common Elements.

General Common Expenses which include, among other things, the costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements and certain other expenses common to all Unit Owners, such as premiums for insurance covering the Building, managing agent fees and legal and accounting fees will be determined by the Condominium Board. The Condominium Board will allocate the pro rata share of such expenses among the Residential Unit Owners in accordance with their respective Residential Common Interests.

In the event that the annual receipts levied against Unit Owners during the first year of condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Sponsor during the first year of condominium operation will be distributed by the Condominium Board to Sponsor and the Residential Unit Owner(s) in proportion to the amount of time Sponsor and each Residential Unit Owner owned such Unit. Neither Sponsor nor its principals, managers, members, agents,

designees, employees or affiliates make any representations that there will be any excess receipts for rebate to Residential Units Owners or, if rebates are made, what the tax consequences of such rebates would be to Residential Unit Owners. See the Attorney's Tax Opinion in Part I of the Plan for further discussion regarding the income tax consequences of the ownership of Residential Units by individual Unit Owners.

At least annually (a) the Condominium Board will prepare a budget for General Common Expenses and allocate, as aforesaid, and assess among all Unit Owners, Common Charges to the Residential Unit Owners and the Commercial Unit Owner to meet expenses and (b) will prepare a budget for Residential Common Expenses and allocate, as aforesaid, and assess among all Residential Unit Owners, Residential Common Charges to meet (i) Residential Common Expenses and (ii) the Residential Unit Owners' pro rata share of General 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 Board to which they are payable, Common Charges will be payable monthly in advance on the first day of each month.

Common Charges: Collection and Lien for Non-Payment

Under the provisions of the By-Laws and pursuant to Section 339-z of the Real Property Law, 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. All such liens, however, to the extent permitted by applicable law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid General Common Charges or Residential Common Charges, against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the appropriate Board (acting on behalf of all Unit Owners or all Residential Unit Owners, as the case may be) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing such lien.

The Condominium Board may make any lien against a Unit Owner effective pursuant to Real Property Law §339-aa. The Sponsor will cause the Board to file a lien as provided in RPL §339-aa on a Unit owned by Sponsor if the Sponsor is more than thirty (30) days in arrears in paying Common Charges while Sponsor controls the Board.

No Unit Owner may exempt himself or herself from liability for his or her Common Charges by waiving use of any of Common Elements or by abandonment of his or her Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a permissible sale, transfer or other conveyance by him or her of such Unit. In addition, as more specifically set forth in the By-Laws, (a) a Residential Unit Owner may, by conveying his Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, exempt himself from

Residential Common Charges and Residential Common Charges thereafter accruing, and (b) the Commercial Unit Owner of any Commercial Unit may, by conveying the Commercial Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, be exempt from General Common Charges thereafter accruing.

On a resale of a Residential Unit, the seller thereof will be liable for the payment of Residential Common Charges accrued and unpaid against such Unit prior to his or her acquisition. Prior to the permissible sale, transfer or other conveyance of a Residential Unit, any seller or purchaser of a Residential Unit shall be entitled to a statement (an "Estoppel Letter") from the Condominium Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement. In the event of a foreclosure by the Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. Neither (a) a Permitted Mortgagee (as defined in the Condominium Declaration) acquiring title to a Unit at foreclosure sale nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such Permitted Mortgagee or purchaser. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. The Condominium Board will have the right to assess such unpaid balance as a Residential Common Charge among all Residential Unit Owners.

Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, and routine maintenance, repairs and replacements, (a) in or to any Unit (other than to the General Common Elements or Commercial Common Elements or Residential Common Elements included therein), including the individual heating and cooling systems and the interior side of entrance doors thereto, will be made by the owner of such Unit at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Condominium Board as a General Common Expense, (c) in or to the Residential Common Elements, and the Residential Limited Common Elements be made 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 Commercial Common Elements will be made by the Commercial Unit Owner at its sole cost and expense. Notwithstanding the foregoing, any repairs by Residential Unit Owners to the incremental heating and air conditioning units within each Residential Unit shall only be made by contractors or servicemen who have been previously approved by the Condominium Board.

The Declaration further provides that if a Commercial Limited Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Limited Common Element in the proportion that the Common Interest of

each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Limited Common Element at their sole cost and expense.

Notwithstanding the above, all normal maintenance, repairs and replacements of any Terrace shall be made by the Residential Unit Owner having access to same, at his or her own cost and expense, but any structural repairs to such Terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) will be made by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense. Any Residential Unit having access to a Terrace shall keep it free of snow, ice and accumulation of water. In accordance with the By-Laws, the Condominium Board may require a Residential Unit Owner to remove plantings and other installations on such Unit Owner's Terrace, if the Condominium Board, in its reasonable discretion determines that such plantings and other installments adversely affects the integrity of the roof. Any planting or other installations to be placed on Terraces shall be subject to New York City and the Department of Buildings weight restrictions.

The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and are to be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense. The exterior glass surfaces of all Residential Section windows may, at the option of the Condominium Board, be washed and cleaned by the Condominium Board and the cost thereof shall be a Residential Common Expense; otherwise Residential Unit Owners shall be obligated to clean such windows at their own cost and expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Condominium Board at the sole cost and expense of the owner of such Residential Unit (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).

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or appropriate Board, whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep his Unit in such condition, the Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. (See the Section entitled "Rights of Access.")

The By-Laws further require that those public or other areas of the Building exposed to public view that are required to be maintained by each Unit Owner or each Board, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Board.

In addition, the Rules and Regulations require that at least eighty (80%) percent of the floor area of Residential Units (except for kitchens, bathrooms, closets and foyers) be covered with rugs, carpeting or equally effective noise-reducing material.

Alterations and Improvements of Units and Common Elements

No Residential Unit Owner may make any structural alteration, addition, improvement or repair in or to his or her Unit without the prior written approval of the Condominium Board and until Sponsor has obtained a permanent certificate of occupancy for the Building, but, as more fully set forth in the By-Laws, this provision does not apply to an Unsold Residential Unit. Except as otherwise permitted in the By-Laws, no Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the Board. The Condominium Board may impose fees upon such Unit Owner to reimburse the Condominium for costs incurred in connection with the review or supervision of such Unit Owner's work.

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Residential Unit, the Condominium Board shall have the right to reasonably approve the Unit Owner's contractors and suppliers and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done.

A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum coverage as established by the Condominium Board from time to time and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. The Condominium Board and the Managing Agent shall not be responsible for ensuring that Unit Owners as insured and shall have no liability for the failure of a Unit Owner to have insurance. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

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 any addition, alteration or improvement to be made in a Residential Unit, unless approved and executed, if necessary, by the Condominium Board. Notwithstanding the previous sentence, until a permanent Certificate of Occupancy is obtained, the Condominium shall not

consent to the filing of an application for a permit for any addition, alteration or improvement by any Unit Owner (except for the Sponsor for which no consent is required). 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 Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialman, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Residential Unit, provided any alteration to such Unit shall be in accordance with, and only as permitted by, the Condominium Act and all governmental regulations. Under the terms of the By-Laws, Sponsor is authorized on behalf of the Board to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, Commercial Unit and Common Elements as Sponsor is entitled to perform in accordance with the terms of the Declaration and the By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and, the Board, if requested by Sponsor is obligated to execute the Required Documentation. In addition, the power of attorney to be executed by each Residential Unit Owner upon acquisition of the Residential Unit further grants to Sponsor a power of attorney to execute the Required Documentation.

In the event that any alterations, additions, improvements or repairs made by any Residential Unit Owner materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance of a temporary or permanent certificate of occupancy for such Unit, other Units or the Building, then upon the written request of Sponsor or the Condominium Board, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the party requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any remedies provided in the By-Laws.

Generally all alterations or improvements in or to the General Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged as a General Common Expense. Repairs, maintenance replacements, restorations, improvements, alterations and additions in or to the Residential Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense; and alterations, additions or improvements in or to the Commercial Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to all Commercial Unit Owners as a Commercial Common Expense.

The Commercial Unit Owner, without the consent of the Condominium Board, may make any alteration, addition, improvement or repair in or to any Commercial Unit or the Commercial Common Elements provided that the work is performed by the Commercial Unit Owner in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. Sponsor, without the consent of the Condominium Board, may

make any alteration, addition, improvement or repair in or to any Unsold Residential Unit or the Common Elements provided that the work is performed by Sponsor in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. In addition, Sponsor and the Commercial Unit Owner may erect, maintain, repair and replace, or permit their tenants to erect, maintain, repair or replace, from time to time, one or more signs on the Property for the purpose of advertising the availability of Units for sale or rental any Unsold Residential Unit or Commercial Unit or operation of any business of a tenant or occupant of the Commercial Unit including, but not limited to, signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building.

Rights of Access

As more fully set forth in the By-Laws, the Board and any managing agents, managers, superintendents and other persons authorized by the Board, will have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the tenants of any Unit. Sponsor will have a right of access to any Unit to further purposes set forth in the Plan. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Sponsor shall have a right of access to any Unit for the purpose of performing punch-list work or for the purpose of performing or completing construction in the Building. The Sponsor shall only be obligated to perform punchlist work while the Purchaser or its agent is present in the Unit unless the Purchaser provides Sponsor with a release confirming that Sponsor has the right to enter the Unit upon reasonable hours to make the repairs and that the Purchaser shall be responsible for clearing the area to be repaired, removing any valuables and protecting any furniture or other personal property in and around the subject area.

Compliance with Terms of Declaration, By-Laws and Rules and Regulations

Each Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws, and the Rules and Regulations. Pursuant to Section 339(j) of the Condominium Act, failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief shall not be exclusive of other remedies provided by law. The By-Laws, together with the Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

Examination of Books and Records

Each Unit Owner and each mortgagee of a Unit shall be permitted, upon prior request, to examine the books of account of the Condominium and other records of the Condominium during normal business hours on business days at the office of the Condominium.

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the 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 only the Commercial Section is destroyed or damaged by fire or other casualty and if the net insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owner will bear the entire amount of the deficit, or shall receive all of the surplus, as the case may be. Similarly, if only the Residential Section is damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Residential Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the Commercial Section, the Residential Section and the General Common Elements, or any combination thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Commercial Section and General Common Elements bears to the total cost of repairing all damage or destruction. However, the Commercial Unit Owner shall still have the right to make all arrangements for the prompt repair and restoration of the Commercial Unit to the extent they are affected by such damage or destruction. If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of his share of such funds such amounts as may be necessary to reduce unpaid liens on his Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

If three-fourths or more of the Building is destroyed or substantially damaged and if 75% or more in Common Interest of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his share of such funds such amounts as may be necessary to discharge all unpaid liens on his Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Board entitled to adjust such loss in the event of a loss amounting to \$1,000,000 or less. In the event that such proceeds are in excess of \$1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

The Condominium Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent obtainable and to the extent determined by the Condominium Board to be appropriate, the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, each of the Boards and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings); (b) rent insurance in an amount equal to Residential and Commercial Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering all Boards and all officers, directors and employees of the Condominium, the Residential Section and the Commercial Section; (i) directors and officers liability coverage; and (j) such other insurance as the Condominium Board may determine. Each Unit Owner shall be an additional insured as well as the Sponsor, its principals, managers, members, agents, designees, employees, and affiliates.

The fire insurance policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions described in the By-Laws.

The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the First Annual Meeting of the Residential Unit Owners shall be in at least the sum set forth in Schedule B.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees at least ten days prior to the expiration of the then current policies.

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Board may from time to time determine, covering (1) the Board, the Managing Agent or agents thereof, each Board member and each officer and employee of the Condominium and Residential and Commercial Sections, (2) the Commercial Unit Owner, and all officers, directors and employees thereof, and (3) each Residential Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within his or her own Unit or within the Residential Limited Common Elements, if any, exclusive to his or her Unit. The Condominium Board shall review such limits not less than once each year. Until the first meeting of the Condominium Board following the First Annual Meeting of Residential Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as such Board determines. The premiums for all insurance referred to above shall be a General Common Expense and shall be borne by the Condominium Board, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or such other parties designated by the Condominium Board). If any such insurance carrier, agent, broker or other party fails to make such determination and the Condominium Board fails to agree on a determination or disagrees with any such determination made by such insurance carrier, agent, broker or other party, the matter shall be determined by arbitration pursuant to the By-Laws.

The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum coverage as established by the Condominium Board from time to time and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the Unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. The Condominium Board and the Managing Agent shall not be responsible for ensuring that Unit Owners as insured and shall have no liability for the failure of a Unit Owner to have insurance. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

Liability of Boards of Managers and Unit Owners

Every contract made by the Condominium Board or by any managing agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners or Residential Unit Owners, respectively, and the Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Residential Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners or Residential Unit Owners, as the case may be, and (ii) to the extent permitted by law, unless otherwise determined by the Board in its sole and absolute discretion, such Unit Owner's interest in his Unit and its appurtenant Common Interest. To the extent permitted by applicable law, Board members shall have no liability to Residential Unit Owners except that a Board member shall be liable for his own bad faith or willful misconduct. All Residential Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Board may contract or effect any transaction with any Board member, any Unit Owner, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board to all Unit Owners within four months after the end of each fiscal year.

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of at least eighty (80%) percent in number and in Common Interest of all Unit Owners. Such vote shall not be effective, however, unless written consents are obtained from (a) the Residential and Commercial Mortgage Representatives, if any, and (b) Sponsor, until such time as Sponsor and its designees have conveyed title to all Residential Units, provided that in no event shall Sponsor's consent be required more than five (5) years after the First Closing. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his or her Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

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 Residential Unit Owner individually seeks to have the assessed valuation of his 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) resulting from such proceedings. The Sponsor, its principals, managers, members, agents, designees, employees, and affiliates have no affirmative obligation to commence, pursue or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to the Units. At this time, there are no tax certiorari proceedings pending. The Commercial Unit Owner will have the right to commence certiorari proceedings on their own at their sole cost and expense.

Mechanics' Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the General or Limited Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the several Units and their respective Common Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit of a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. No labor performed on, or materials furnished to, the General or Limited Common Elements shall be the basis for a lien thereon but (a) all Residential Common Charges received by the 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 the Managing Agent for the Residential Common Elements and the Residential Limited Common Elements and (b) all General Common Charges received by the Condominium Board shall constitute trust funds for the purposes of paying the cost of labor performed or materials furnished at the request or with the consent of the Condominium Board or the Managing Agent for the General Common Elements.

Easements and Name of Condominium

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Boards and the adjacent property owners. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Limited Common Elements relating to the Commercial Section or the Residential Section, as the case may be, provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes. Sponsor, and the Commercial Unit Owner shall have an easement to erect, maintain, repair and replace utility and other lines through the Residential Unit and the Residential Unit shall have an easement to erect, maintain, repair and replace utility and other lines through the Commercial

Units. In addition, Sponsor and its designees and the Commercial Unit Owner shall have an easement to erect, maintain, repair and replace any sign permitted by law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

As set forth in the Declaration, the Condominium and the Building shall be designated and known as "The Indigo Condominium". Any and all rights and interests appurtenant to such name, if same exist, are owned and controlled by Sponsor. Similarly, any and all obligations and liabilities appurtenant to such name shall be the sole responsibility and obligation of Sponsor. For so long as Sponsor owns any Units in the Building only Sponsor shall have the right to change the name of the Condominium and/or the Building, and such right may be exercised by Sponsor at any time without the vote or consent of the Board or Unit Owner.

The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan. A prospective purchaser should read the Plan in its entirety including the Declaration and By-Laws.

REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Generally, Units may not be separately assessed until the tax year following the tax year in which the Declaration of Condominium is recorded. Until the Units are separately assessed and billed, each Unit Owner shall pay his pro rata share (in the proportion that his Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges.

After the Condominium is divided into separate tax lots and assuming the Property does not receive any abatement from real estate taxes, it is estimated that the aggregate real estate taxes attributable to all Residential Unit Owners for the first year of Condominium operation will total approximately \$544,247, based on an opinion prepared by Lippman Krasnow Kelton & Schuman LLP, 380 Lexington Avenue, New York, New York 10168 dated October 20, 2006 which assumes (a) an estimated average projected actual assessed valuation attributable to the residential portion of the Property of \$585,000 for the 2007/2008 fiscal year and \$8,762,110 for the 2008/2009 fiscal years, (b) a projected tax rate of 12.959% per \$100 of assessed valuation for 2007/2008 and 13.348% for 2008/2009 and (c) a projected apportionment to the Residential Units of 100%. Assuming the Property does not receive any abatement from real estate taxes, the taxes during the second year of operation will be higher than the taxes during the first year of operation.

Sponsor will apply for a partial exemption from real estate taxes with respect to the Units pursuant to Section 421-a of the New York State Real Property Tax Law. Under the Section 421-a program, the real estate tax estimate for the first year of Condominium operation will be based upon the assessed valuation of the Property in the tax year prior to construction (2006/2007) which is common referred to as the "mini-tax." The final assessment roll published by the New York City Department of Finance effective as of July 1, 2006 indicates that the Property was identified as Block 797 Lot 24. The official records for the Department of Finance indicated that the taxable assessed valuation for the Property lot for fiscal year 2002/2003 is \$463,500. Assuming a tax rate of 12.959% per \$100.00, the estimated taxes for the Units for the first year of operation would be \$68,242. The estimate of taxes for each Unit has been determined by multiplying the total taxes due with respect to the Unit by a percentage derived by dividing the projected sales price of each Unit as set forth in the most recent amendment to the Plan by the total aggregate projected sales price of all Units. Please refer to the Section of the Plan entitled "Real Estate Taxes" and the opinions of Wolf Haldenstein Adler Freeman & Herz LLP and Mishkoff Associates LLC as set forth in Part I of the Plan for further discussion regarding real estate taxes for the residential portion of the Property.

NEITHER SPONSOR, ITS PRINCIPALS, MANAGERS, MEMBERS, AGENTS, DESIGNEES, EMPLOYEES, OR AFFILIATES NOR SELLING AGENT, ITS PRINCIPALS, MANAGERS, MEMBERS, AGENTS, DESIGNEES, EMPLOYEES, OR AFFILIATES MAKE ANY REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS, THE TAX RATE OR THE ACTUAL ASSESSED TAXES WILL NOT BE CHANGED.

Prior to the issuance of separate tax lots, the real estate tax estimates for each Residential Unit will be determined by multiplying the total taxes due with respect to the Residential Units by a percentage derived by dividing the Common Interest of each Residential Unit by the total Common Interests of all Residential Units. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's percentage interest in the Common Elements rather than purchase price, or some combination of the two, and if so, Residential Units having the same percentage interest may pay different real estate taxes.

The By-Laws provide that the Condominium Board is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Unit Owners, for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Condominium Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

There is no guaranty or assurance that the criteria for continued availability of 421-a benefits for the Units will be satisfied or that a Certificate of Eligibility will be issued by HPD granting the 421-a benefits. If, for any reason, Sponsor's application for 421-a benefits is not approved, the Units will be subject to full taxation and will receive no benefits under the 421-a Program. See Schedule A for projected monthly real estate taxes for each Unit with and without benefits under the 421-a Program.

Prospective 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 five fiscal tax years in annual increments of twenty percent each. Any further increase in assessed valuation during such five-year period resulting from a still higher market value is similarly phased in over an additional five-year period from the date of such increase. The full increased assessed valuation targeted to be in effect after the end of the five-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 five-year period is called the "transitional" assessed valuation.

TAXES -- 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 Wolf Haldenstein Adler Freeman & Herz LLP, counsel to Sponsor, a copy of which is set forth in Part I of this Plan.

WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP IS COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF UNIT OWNERSHIP UNDER THIS PLAN.

Deductibility of Mortgage Interest and Real Estate Taxes

Each Residential Unit Owner will own his or her Residential Unit and its appurtenant interest in the Common Elements in fee simple and each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Residential Unit Owner will own his Residential Unit in fee simple, the owner may mortgage such Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Wolf Haldenstein Adler Freeman & Herz LLP that a Residential Unit Owner who uses his or her Residential Unit as a personal residence and itemizes his or her deductions will, under present law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of \$1 million), plus (2) other debt (not in excess of \$100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of those limitations would not be deductible. Special limitations also apply with respect to the deductibility of points and other prepaid interest, if any, on the mortgage debt and to the overall allowance of itemized deductions.

Taxation of the Condominium

If the Condominium meets the requirements for qualification as a "homeowners association," under Section 528 of the Internal Revenue Code of 1986, as amended, which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income from assessments from the Commercial Unit Owner, and interest earned on any reserve funds (less expenses directly connected with the production of such income).

Sponsor anticipates that the Condominium will qualify as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended. Assuming the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Schedule B, Budget for the First Year of Condominium Operation, does not contemplate any income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by regulations relating to entity classification, which were adopted by the United States Treasury Department on December 17, 1996.

The qualification of an organization as a homeowners association is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year it may nevertheless qualify in one or more future years.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Wolf Haldenstein Adler Freeman & Herz LLP, as counsel to Sponsor, bases its opinion, will not change. In no event will Sponsor, Wolf Haldenstein Adler Freeman & Herz LLP, the Selling Agent, the Managing Agent or any other person connected with this offering be liable if at any time it is held that the Residential Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under this Plan, and no one has been authorized to give any warranties.



TAX OPINION OF WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP



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October 24, 2006

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125 West 21st LLC
c/o Alchemy Properties Inc.
200 Madison Avenue
New York, New York 10016

Re: The Indigo Condominium, 125 West 21st Street, New York, NY (the "Condominium")

Ladies and Gentlemen:

You have requested our opinion concerning (i) the deductibility, for Federal, New York State and New York City income tax purposes, of mortgage interest and real estate taxes paid by residents of New York who purchase the Units for residential use pursuant to the above-referenced Condominium Offering Plan (the "Plan"), and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion does not address the tax consequences of the ownership of Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences (i) of ownership of the Unsold Units, any Unit that is used for mixed residential/commercial purposes or (ii) of any rebates or other payments that may be made, or benefits provided, to owners of Units. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

In connection with rendering this opinion, we have reviewed the Plan and have examined the schedules, exhibits and documents accompanying the Plan, including the declaration establishing, and the By-Laws governing the operations of the Condominium (the "Plan Documents"). We have also considered the relevant sections of the Code, the New York State Tax Law, the New York City Administrative Code, the regulations promulgated thereunder and such other materials as we deemed relevant. In rendering this opinion, we have assumed that the

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Plan is the document pursuant to which owners of the Units will acquire their Units and that the relevant facts are as set forth therein.

Pursuant to the Plan, the purchaser of a Unit will receive legal title in fee simple to his or her Unit, coupled with ownership of an undivided interest in the appurtenant Common Elements held in common with other Unit Owners. Such purchaser will have the right to place an individual mortgage on his or her separate Unit and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Property. Under these circumstances, the Internal Revenue Service (the "IRS") has ruled that the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Accordingly, based on the foregoing, it is our opinion that an owner of a Unit who itemizes his or her deductions will be entitled under current law to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, real estate taxes assessed against his or her Unit and paid to the local tax authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. Owners of the Units should consult their tax advisers regarding the applicability of the overall limitation on itemized deductions to the deductibility of real estate taxes.

A taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which (i) is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of \$1,000,000 for any period (\$500,000 in the case of a married individual filing a separate return), or (ii) is any indebtedness other than acquisition indebtedness, up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence ("home equity indebtedness"), but not to exceed \$100,000 (\$50,000 in the case of a married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, an owner of a Unit who itemizes deductions and uses his or her Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, interest paid or accrued by him or her on (i) acquisition indebtedness incurred with respect to his or her Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$1,000,000 (\$500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his or her Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if

125 West 21st LLC

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any), does not exceed \$100,000 (\$50,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Units for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

Each owner of a Unit who uses his or her Unit as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid or accrued with respect to his or her Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, purchasers should consult their tax advisers to determine the application, if any, of the New York State and New York City minimum taxes to the deduction for mortgage interest and real estate taxes with respect to their Units.

If the Condominium qualifies as a homeowners association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses directly connected with the production of such income).

To qualify as a homeowners association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Unit Owners, (3) 90% or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must elect to be treated as a homeowners association, and (6) at least 85% of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Treasury Regulation § 1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

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Based on the information contained in Schedule A to the Plan and assuming that the Units are used by individuals for residential purposes under Treasury Regulation § 1.528-4, at least 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes. Based upon the foregoing and assuming (i) the actual gross income and expenditures of the Condominium for its taxable year ending December 31, 2007 (the "2007 Taxable Year") are the same (or, are in the same proportions) as the estimated gross income and expenditures for the Condominium's first year of operations, as set forth in Schedule B to the Plan, (ii) the Condominium otherwise operates in accordance with the terms of the Plan and the Plan Documents, and (iii) there are no changes in the facts and/or the relevant provisions of current law, the Condominium will be eligible to elect to be treated as a homeowners association under Section 528 of the Code for the 2007 Taxable Year.

Absent the application of Code Section 528, the present state of federal law is unclear as to the precise tax status of the Condominium. An entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996 and there is no authority addressing the application of those entity classification regulations to condominiums. Because the By-Laws of the Condominium provide that the Condominium Board (the "Board") will act as the agent of the Unit Owners represented by such Board, the Board may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges would not be considered income earned by the Condominium through the Board collecting such charges. If, however, the Condominium is considered a separate entity it is unclear whether the Condominium would be taxable as a corporation or treated as a partnership for Federal income tax purposes. If the Condominium is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium is treated as a partnership, the partnership would not be subject to an entity level tax, the items of income and deduction of the partnership would generally be passed through to the Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City laws incorporate by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for Federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Condominium does not constitute an association that is taxable as a corporation for Federal income tax purposes, it is still possible,

WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP

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October 24, 2006
Page 5

although not certain, that the Condominium might be subject to the New York State Franchise Tax. Further, in such event, it likely would be subject to the New York City Unincorporated Business Tax, unless the Condominium were eligible for and elected treatment under Code Section 528 as a homeowners association.

We express no views as to any Federal, New York State or New York City tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the Plan under the laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of law applied to the facts and documents referred to above, is not binding on the IRS or any court. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will the Sponsor, Wolf Haldenstein Adler Freeman & Herz LLP, the Boards, the Selling Agent or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or IRS rulings on which we have relied which cause the owners of Units not to be entitled to the income tax deductions described herein, or which would affect the tax treatment of the Condominium as described herein.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

WOLF HALDENSTEIN ADLER
FREEMAN & HERZ LLP

By:


Lisa A. Smith



339-i OPINION OF WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP



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October 24, 2006

125 West 21st LLC
c/o Alchemy Properties Inc
200 Madison Avenue
New York, New York 10016

Re: The Indigo Condominium
125 West 21st Street
New York, New York (the "Condominium")

Gentlemen:

You have requested our opinion regarding the allocation of common interests to the Units at the above referenced Condominium as required by NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the referenced project (the "Plan").

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on the Schedule A of the Plan and 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 based upon the factual determinations made by Metro Management Development, Inc. ("Metro") as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Metro.

Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law Section ("RPL") 339-i (1)(iv), i.e., based upon floor space, subject to the location of such space and the additional

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WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP

125 West 21st LLC
October 24, 2006
Page 2

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.

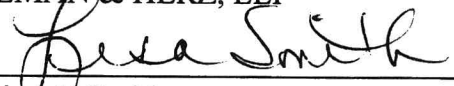
Accordingly, based on the foregoing it is our opinion that Real Property Law Section 339-i has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to purchasers. In no event will the Sponsor, Wolf Haldenstein Adler Freeman & Herz LLP, the Selling 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.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

WOLF HALDENSTEIN ADLER
FREEMAN & HERZ, LLP

By: 

Lisa A. Smith

**REAL ESTATE TAX OPINION OF
LIPPMAN KRASNOW KELTON & SCHUMAN LLP**



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MATTHEW D. LIPPMAN (1920-1995)

ROBERT L. KRASNOW

MICHAEL S. KELTON*

MICHAEL R. LIPPMAN

KEITH A. SCHUMAN

DENISE BUDA**

LILIAN C. CHANCE

DAVID T. VERSCHELL**

JONATHAN GOLDBERG**

October 20, 2006

*ALSO MEMBER CALIFORNIA BAR

**ALSO MEMBER NEW JERSEY BAR

125 West 21st LLC
c/o Alchemy Properties
200 Madison Avenue
New York, NY 10016

Re: 125 West 21st Street
Block: 797 Lot: 24
Borough: Manhattan

Dear Sirs:

Pursuant to your request, we have reviewed the information you have furnished us regarding the conversion of the above-referenced property to a condominium.

You have advised us that the purpose of this analysis is to furnish you with a projection of the assessed valuation and an estimate of real estate taxes which would be applicable to the property upon completion of construction. You have also advised us that you are planning to or have already applied for 421-a benefits. Our opinion and estimates as to real estate taxes is based on the assumption that no 421-a benefits will be received.

In arriving at our estimate of real estate taxes, we have considered all facts influencing market value and thus the eventual assessed valuation. Included in these factors are location, neighborhood and economic trends. In addition, we have researched and analyzed the assessed valuations of similar residential rental buildings and condominium buildings in the borough of Manhattan.

Assessments in New York City are made on a fiscal year basis running from July 1st of any one year to the next succeeding June 30th. The status of the property on January 5th of any one year is the basis for the assessment for the fiscal year beginning July 1st of the same calendar year. The Real Property Tax Law in effect for New York City provides that when there is an increase in actual assessed valuation between one year and the next year, that increase will be

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phased in over a five year period. However, in the event of an increase due to new construction or physical improvement, there is no phase in and the amount attributable to such construction or improvement is added in its entirety to the assessment in the succeeding tax year.

The current standard of assessment utilized by the property division of the New York City Department of Finance is to assess at 45% of fair market value. The relevant statutes which are set forth in the New York State Real Property Tax Law provides that the sale prices of residential units of a cooperative apartment building and the sale prices of condominium units are not the measure of value for assessment purposes. Therefore, the selling price of the individual condominium units will not be the standard of value for assessment purposes with respect to the subject property.

The projections made herein and to be contained in the condominium offering plan for the subject property are based upon information received and reviewed by us from the sponsor of the plan. We have been advised that upon completion of construction the property will contain 1 commercial unit consisting of approximately 6,956 square feet and 52 residential units consisting of approximately 58,667 square feet, excluding terraces.

The projected first year of the condominium's operation from January 1, 2008 through December 31, 2008 will encompass two tax years. As previously discussed, assessments in New York City are made on a fiscal year basis running from July 1st of any one year to the next succeeding June 30th. The projections made herein are based on our projections of the assessments for the first half of tax year 2007/08 and the second half of tax year 2008/09.

Pursuant to section 11-209 of the New York City Code, "A building, other than a commercial building, in the course of construction, commenced since the preceding fifth day of January and not ready for occupancy on the fifth day of January following, shall not be assessed unless it is ready for occupancy or part thereof shall be occupied prior to the fifteenth day of April." Since we have been informed that construction commenced in approximately March of 2006 and is not expected to be completed until the end of 2007, no increase in assessed value should be imposed for tax year 2007/08.

Based upon information provided and the presumptions made by us, we project the real estate taxes for the entire premises for the projected first year of the condominium's operation from January 1, 2008 through December 31, 2008 to be an estimated \$614,091 (see computations below). This estimate assumes no 421-a benefits will be received. This projection is based upon *averaging* our projections of the estimated assessed valuations and estimated tax rates for tax years 2007/08 and 2008/09. The projections are based upon the following estimates:

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	<u>Tax Year 2007/08</u>	<u>Tax Year 2008/09</u>
Projected Actual Assessed Valuation:	\$585,000 (Projected)	\$8,762,110 (Projected)
Projected Transitional Assessment:	\$526,600 (Projected)	\$8,728,010 (Projected)
Projected Taxable Assessed Valuation:	\$526,600 (Projected)	\$8,728,010 (Projected)

Please note that real estate taxes are based upon the lower of the actual assessed valuation and the transitional assessed valuation.

	<u>Tax Year 2007/08</u>	<u>Tax Year 2008/09</u>
Projected Residential Tax Rates ¹	12.959% (Estimated)	13.348% (Estimated)
Projected Commercial Tax Rates ¹	11.995% (Estimated)	12.353% (Estimated)
Projected Taxes:	\$63,166 (Estimated)	\$1,165,015 (Estimated)

The *averaging* of the foregoing projected real estate tax assessments and projected tax rates for the premises for the projected first year of the condominium's operation from January 1, 2008 through December 31, 2008 are computed as follows:

Average Projected Actual Assessed Valuation for Tax Years 2007/08 and 2008/09
 \$4,673,555 ($\$585,000 + \$8,762,110 = \$9,347,110 \div 2$)

Average Projected Transitional Assessed Valuation for Tax Years 2007/08 and 2008/09
 \$4,627,305 ($\$526,600 + \$8,728,010 = \$9,254,610 \div 2$)

Average Projected Taxable Assessed Valuation for Tax Years 2007/08 and 2008/09
 \$4,627,305 ($\$526,600 + \$8,728,010 = \$9,254,610 \div 2$)

Average Projected Residential Tax Rate for Tax Years 2007/08 and 2008/09
 13.154% ($12.959\% + 13.348\% = 26.307\% \div 2$)

Average Projected Commercial Tax Rate for Tax Years 2007/08 and 2008/09
 12.173% ($11.993\% + 12.353\% = 24.346\% \div 2$)

¹Per \$100 of assessed valuation, expressed herein as a percentage.

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It should be noted that for the full tax year of July 1, 2008 to June 30, 2009, which is the first full tax year after the projected date of commencement of condominium operation, the projected taxable value for the entire premises is \$8,728,010 and the projected taxes for the entire residential premises are estimated to be \$1,165,015 ($\$8,728,010 \times 13.348\%$).

We have also been asked to project the assessed valuation and real estate taxes for the condominium's second year of operation. The projected second year of the condominium's operation from January 1, 2009 through December 31, 2009 will encompass two tax years. The projections made herein are based on our estimates of the assessments for the second half of tax year 2008/09 and the first half of tax year 2009/10. This projection is based upon *averaging* our projections of the estimated assessed valuations and estimated tax rates for tax years 2008/09 and 2009/10. Our projections for tax year 2008/09 are outlined above. Our projections for tax year 2009/10 are as follows:

	<u>Tax Year 2009/10</u>
Projected Actual Assessed Valuation:	\$8,762,110(Projected)
Projected Transitional Assessment:	\$8,752,210 (Projected)
Projected Taxable Assessed Valuation:	\$8,752,210 (Projected)
Projected Residential Tax Rates ²	13.548% (Estimated)
Projected Commercial Tax Rates ³	12.600% (Estimated)
Projected Taxes	\$1,185,749

The *averaging* of the foregoing projected real estate tax assessments and projected tax rates for the premises for the projected first year of the condominium's operation from January 1, 2009 through December 31, 2009 are computed as follows:

Average Projected Actual Assessed Valuation for Tax Years 2008/09 and 2009/10
 $\$8,762,110 (\$8,762,110 + \$8,762,110 = \$17,524,220 \div 2)$

Average Projected Transitional Assessed Valuation for Tax Years 2008/09 and 2009/10
 $\$8,740,110 (\$8,728,010 + \$8,752,210 = \$17,480,220 \div 2)$

²Per \$100 of assessed valuation, expressed herein as a percentage.

³Per \$100 of assessed valuation, expressed herein as a percentage.

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Average Projected Taxable Assessed Valuation for Tax Years 2008/09 and 2009/10
 $\$8,740,110$ ($\$8,728,010 + \$8,752,210 = \$17,480,220 \div 2$)

Average Projected Residential Tax Rate for Tax Years 2008/09 and 2009/10
 13.498% ($13.448\% + 13.548\% = 26.996\% \div 2$)

Average Projected Commercial Tax Rate for Tax Years 2008/09 and 2009/10
 12.477% ($12.353\% + 12.600\% = 24.953\% \div 2$)

Based on the above computed average projections for tax years 2008/09 and 2009/10, the taxes for the entire residential premises for the second year of condominium operation from January 1, 2009 through December 31, 2009 are estimated to be \$1,179,740 ($\$8,740,110 \times 13.498\%$).

The New York City Department of Finance shall apportion the above values to the residential units and the commercial unit of the building once the condominium conversion has been completed. The tax assessor of The City of New York can and will take many factors into consideration in making his apportionment. Our projections are based on our experience in real estate tax matters. We have utilized actual rents and have projected increases in those rents to calculate the market values for the residential and commercial units of the property. Based on the foregoing, our projections of such apportionments are as follows:

Residential Units: 89.415%

Commercial Unit: 10.585%

Based upon the foregoing projected apportionments, the projected taxes for the residential units of the subject premises for the projected first year of the condominium's operation from January 1, 2008 through December 31, 2008 are estimated to be \$544,247 ($\$4,627,305 \times 89.415\% = \$4,137,505 \times 13.154\%$).

The foregoing projection does not take into consideration two (2) potential partial tax abatement and exemption benefits currently available to qualified unit owners who meet the eligibility requirements of sections 425 and 467-a of the Real Property Tax Law of the State of New York ("RPTL").

RPTL section 467-a provides a partial tax abatement to owners of residential units held in a cooperative or condominium form of ownership. Eligible dwelling units with an average

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assessed valuation of greater than \$15,000⁴, after deduction of any abatement received pursuant to RPTL 489 ("J-51" benefits),⁵ are entitled to a 17.5% abatement of the net property taxes due. In order to qualify for these benefits under the current law, the following requirements must be met: (1) eligible units must be used primarily for residential purposes and may not be owned by sponsor or any unit owner who owns three or more units; and (2) the Board of Managers must file a complete application for the entire premises in a timely manner. **The foregoing is only for informational purposes since this statute contains a "sunset provision" which presently provides benefits through June 30, 2008. On such date, the statute and benefits expire, unless otherwise extended.** No representation is made that the statute will be extended or if it is extended, the benefits will remain the same. **Prospective purchasers of residential units should not rely upon the continuation of the benefits.**

RPTL section 425 (school tax relief (STAR) exemption) provides a partial exemption from the school tax portion of a property's assessed valuation. This exemption presently amounts to \$1,710 for an eligible condominium unit located within the City of New York, assuming the unit owner is less than 65 years of age. An enhanced benefit, presently amounting to \$2,850, is available to senior citizens who have a combined household income (adjusted gross income as reported on applicant's latest available federal or state income tax return) which does not exceed \$60,000. The benefit is only available to units which serve as the primary residence of one or more of the owners thereof. A qualified unit owner must file an application on or before the applicable tax status date. (i.e., the January 5th preceding the fiscal tax year beginning July 1st). Only those qualified purchasers who close title and timely file said application by no later than January 5, 2008 will be eligible for this benefit for the tax year beginning July 1, 2008. Those purchasers who qualify for this benefit who apply after January 5, 2008 and on or before January 5, 2009 will be eligible to receive this benefit for the July 1, 2009 to June 30, 2010 tax year.

We believe that the above projections and estimates reflect the current assessment policies of the City of New York. However, it is possible that the tax assessor may determine the assessment on a basis that differs from the assessments contained herein. The assessor may use rents substantially greater than the estimated rents we used in arriving at an assessed value or may ascribe a different value to the construction costs. In addition, the assessor may use different expenses and or different capitalization rates resulting in a higher assessed value and substantially higher real estate taxes.

⁴ Eligible dwelling units in a property whose average unit assessed value is less than or equal to \$15,000 shall receive a partial abatement of real property taxes of 25% of the net property taxes. It is projected that the average post-construction assessed valuation per unit at the subject premises will exceed \$15,000 per unit.

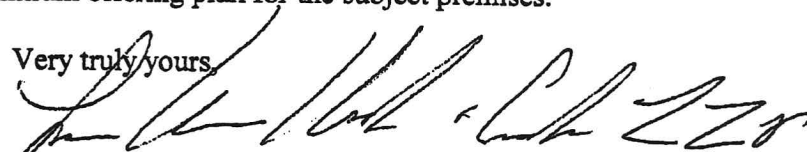
⁵ A property receiving J-51 exemption benefits may not receive benefits under RPTL 467-a. We have been advised that the Sponsor shall not be applying for any such benefits.

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We have used the income capitalization method (i.e., projected net rental value after deducting projected ordinary operating expenses) as well as factoring in the construction costs to arrive at our projections of real estate taxes. The assessor may use these methods, as well as other methods in arriving at an assessed value. We make no warranty that the New York City Department of Finance will accept any or all of the views stated above. Moreover, the New York City Tax Laws, regulations and policies, written or otherwise, may change and thereby affect, in whole or in part, the views stated above. We take no obligation to update, modify or supplement this opinion in the event of any such change in applicable law, regulations, policies or interpretations thereof.

We consent to the use of the foregoing projections in, and the incorporation of this opinion as an exhibit to, the condominium offering plan for the subject premises.

Very truly yours,



LIPPMAN KRASNOW KELTON & SCHUMAN LLP

MRL:gc



**SECTION 421-A ABATEMENT OPINION
OF MISHKOFF ASSOCIATES LLC**



MISHKOFF ASSOCIATES, LLC**38-08 Bell Boulevard****Bayside, N.Y. 11361****(718) 281-4972 FAX: (718) 281-4975**

October 24, 2006

125 West 21st LLC
c/o Alchemy Properties, Inc.
200 Madison Avenue
New York, NY 10016

**Re: Section 421-a Partial Tax Exemption
125 West 21st Street
New York, New York
Block 797 Lot 24**

Gentlemen:

We have been requested to render our opinion as to the eligibility of the above referenced property ("the Property") to receive partial real estate tax exemption benefits pursuant to Section 421-a of the Real Property Tax Law, Section 11-245 of the New York City Administrative Code and the Rules and Regulations governing the 421-a program (collectively, "the 421-a program") and the procedures for obtaining such benefits. Unless specifically stated otherwise, the analyses and conclusions set forth herein are based on facts given to us by you or your agents.

We have been advised that the Property is to be developed as a thirteen-story residential condominium and is expected to contain a total of approximately 52 residential units and commercial space on the ground floor. In order for a completed property to be eligible for partial real estate tax exemption benefits pursuant to the 421-a program, the following major requirements will have to be satisfied:

1. The property must consist of a new multiple dwelling containing not less than three dwelling units. We have been advised that the property is to consist of a multiple dwelling to be constructed pursuant to a New Building permit issued by the Department of Buildings and will consist of a total of approximately 52 dwelling units. Therefore, this requirement will be satisfied.
2. The land over which the Project is to be constructed must have been vacant, predominantly vacant, under-utilized, or improved with a non-conforming use on the operative date, i.e., thirty-six months prior to the commencement of construction.

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We have been advised that construction of the Project commenced, as that term is defined in the Rules and Regulations, on or about February 17, 2006, the date of issuance of the New Building Work Permit, i.e. within the 2005/2006 tax year. The operative date, therefore, is in the 2002/2003 fiscal year. On that date the official records of the Department of Finance indicate that the Project site was identified as Block 797 Lot 24 and was classified as a tax class 4 property, non-residential.

The records of the New York City Department of Finance indicate that the actual assessed value for the project site for the 2002/2003 fiscal year was as follows:

Lot Number	Land Assessed Value	Building Assessed Value	Total Assessed Value
24	\$463500	\$0	\$463,500

Therefore, on the operative date occurring in the 2002/2003 fiscal year, lot 24 will qualify as vacant land.

3. The project site may not be mapped as a public park or utilized for ten or more consecutive years prior to October 1, 1971 as a private park. We have been informed that this requirement has been satisfied.
4. Section 421-a (2)(b)(iv) of the Real Property Tax Law provides that, if the project contains more than one hundred dwelling units, at least 15 percent of such units must contain at least 3.5 rooms and, in addition, at least 10 percent of such units must contain at least 4.5 rooms. As we have been advised that the Project will contain 52 dwelling units, this requirement will not apply.
5. Section 6-02(e) of the 421-a Rules and Regulations provides that, if the project contains more than twenty dwelling units, the new multiple dwelling must contain at least five dwelling units for each dwelling unit in existence immediately prior to commencement of construction. We have been advised that the site did not contain any class A dwelling units immediately prior to commencement of construction. Therefore, this requirement will not apply.

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6. The construction, as that term is defined in the 421-a Rules and Regulations, of the Project must commence no later than December 31, 2007. We have been advised that the construction of the Project commenced on or about February 17, 2006 satisfying this requirement.
7. Section 11-245 of the Administrative Code of the City of New York provides that 421-a tax exemption benefits shall not be available for construction commenced after November 29, 1985 if the property is located in the therein described geographic exclusion area unless certain requirements are met. The Project is located within that geographic exclusion area.

Section 6-08(m) of the Regulations provides that HPD shall issue Negotiable Certificates certifying that Affordable Housing Units, as that term is defined, have been created pursuant to a Written Agreement. Such Negotiable Certificates will provide that a certain number of dwelling units in the geographic exclusion area are entitled to receive 421-a benefits.

We have been advised by Fox & Fowle Architects, the Project's architect, that the net floor area of the 52 residential apartments in the Project is approximately 58,723 square feet. As such, pursuant to the criteria in the Rules, a total of 52 Certificates will have to be purchased in order for the Project to be eligible for 421-a benefits. We have been advised that Sponsor has purchased, or will be purchasing, 52 Negotiable Certificates

8. The application for the Preliminary Certificate of Eligibility must be filed with HPD after the commencement of construction but prior to completion of construction. Such application was filed on August 10, 2006. In addition, a copy of the Preliminary Application must be submitted to the community board where the project is located. A copy of the application sent to Community Board 4 in Manhattan on August 10, 2006. The Final Application must be completed within 90 days of the issuance of a Permanent Certificate of Occupancy or a Temporary Certificate of Occupancy covering all residential space in the building. Both the Preliminary and Final Certificates of Eligibility must be filed with the Real Property Assessment Bureau of the New York City Department of Finance. We have been advised that these requirements will be met by the Sponsor.

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9. The 421-a Rules and Regulations provides that rents of units contained within a building receiving 421-a benefits must be rent stabilized for the 421-a benefit period, unless exempt from rent regulation by reason of the cooperative or condominium status of the units. Inasmuch as the units will be owned in a condominium form of ownership, the units are exempt from rent regulation.
10. Pursuant to Section 6-02(d)(1) of the Rules and Regulations, the Project will qualify for a ten-year post construction partial real estate tax exemption on that portion of the assessed value increased due to the construction of the Project.

With respect to incidental requirements applicable to this Project, such as the current payment of water and sewer charges and real estate taxes, the payment of HPD filing fees equal to .4% (four-tenths of one percent) of total development costs, and the availability of books and records in the event the project is selected for audit by HPD, we have been advised, and therefore assume, that these requirements will be satisfied.

If the foregoing information and assumptions are accurate and valid, and all of the 421-a requirements discussed herein are met, the Project should receive a partial exemption from taxation for local purposes, for the construction period not to exceed three years, and for ten years after the taxable status date immediately following the completion of construction,. The real estate taxes on the Project will be partially exempted in declining percentages during the ten years following completion of construction, as set forth below:

<u>Year Following Completion of Construction</u>	<u>Percentage of Increase In Value Which is Exempt</u>
1 st - 2 nd	100%
3 rd - 4 th	80%
5 th - 6 th	60%
7 th - 8 th	40%
9 th - 10 th	20%
11 th	0%

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These percentages of exemption will be diminished to the extent that any commercial, community facility and accessory use space ("Commercial Space") exceeds twelve percent of the aggregate floor area of the Project. We have been advised that there will be Commercial Space on the ground floor of the Project totaling approximately 6,956 square feet. This space is approximately 9.3% of the total aggregate floor area of the Project. Therefore, the exemption will not be diminished.

Assuming approval of the 421-a application, during the first two years of exemption, following issuance of a Certificate of Occupancy covering all residential units, the taxable assessed value is projected to be \$526,600. Assuming a projected Class 2 tax rate of 12.959%, the real estate tax liability for the entire Project will be \$68,242.

Please note that implementation of the exemption by the Department of Finance is often delayed, in which case the exemption is applied retroactively. Any real estate taxes which are paid and subsequently reduced by the implementation of the 421-a exemption, will be credited to the account of the tax lot. A unit owner can apply to receive a refund from the Department of Finance or to have the credit applied against future real estate taxes.

Each condominium unit will be given a separate tax lot number. The current policy of the Department of Finance is to apportion the tax exemption, as well as the individual tax liability, for each apartment, based on each unit's percentage of common interest. However, there is no guarantee that the Department of Finance will not use some other formula or basis for this apportionment.

The opinions expressed above are based on our interpretations of the Real Property Tax Law, the Administrative Code of the City of New York, and the applicable HPD regulations in effect as of the date hereof. You should be aware that the laws, regulations, practices and positions of the Buildings Department, Department of Finance and HPD upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretation of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction. We shall not be liable if, because of any change of laws and/or regulations, the Project fails to obtain, in whole or in part, Section 421-a benefits.

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No warranties are made herein nor are any assurances or representations given that HPD, the New York City Department of Finance or any other agency with jurisdiction will approve the Section 421-a application, nor is any warranty made or assurance or representation given that a court of competent jurisdiction will determine that the Project is entitled to, in whole or in part, Section 421-a benefits. In addition, no warranty is made nor any assurance or representation given that the laws, rules, regulations, policies, positions and practices upon which this opinion is based will not be changed after the date of this opinion. We assume no obligation to advise you of any such changes of law or fact that may affect the legal analysis or conclusions contained herein. In addition, we do not warrant or represent the amount of tax savings if the Project receives partial real estate tax exemption benefits.

Very truly yours,

Mishkoff Associates, LLC

A handwritten signature in cursive script, appearing to read "Meir Mishkoff", is written over a horizontal line.

by: Meir Mishkoff

MM:hps

WORKING CAPITAL FUND AND APPORTIONMENTS

With the exception of the Closing for the Superintendent's Unit, the Purchaser of each Residential Unit shall be required to make a contribution at the Closing of his Unit(s) to the working capital fund of the Residential Section (the "Working Capital Fund"). Such contribution shall be in an amount equal to two (2) month's Residential Common Charges in effect for such Unit(s). No reserve fund is being established for the Condominium.

At the First Closing, Sponsor will apportion with the Board the following items as of midnight of the date preceding said Closing:

- (1) employees' wages, vacation and severance pay, pension and welfare benefits and accruals and all other payments or obligations relative to the employees of the Building;
- (2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any;
- (3) charges for electricity and other utilities for the General and Limited Common Elements;
- (4) cost of fuel on hand (plus sales tax), if any;
- (5) charges and receipts in connection with service, maintenance and concession contracts;
- (6) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);
- (7) cost of Building supplies on hand at Sponsor's cost (including sales tax);
- (8) premiums for transferable insurance policies, if any;
- (9) management fees;
- (10) service contracts; and
- (11) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

The Working Capital Fund will be held and used for working capital, or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented

by allocations from the monthly Residential Common Charges collected from each Residential Unit. While Sponsor controls the Condominium Board (see the Section entitled "Control By Sponsor"), the Working Capital Fund will not be used to reduce estimated Residential Common Charges.

The Condominium Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Residential Common Charges or Residential Common Charges attributable to Unsold Residential Units.

In the event that capital expenditures for renewal or replacement of building components or systems or to remedy major building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, the Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws each Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets. No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Condominium operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

MANAGEMENT AGREEMENT

The Condominium Board will enter into a management agreement with Metro Management Development, Inc., having an address at 42-25 21st Street, Long Island City, New York 11101, as the Managing Agent, with respect to the Building at or prior to the First Closing. The principal of the Managing Agent is not affiliated with Sponsor or its principals.

The management agreement provides for a term of one (1) year commencing on the First Closing and thereafter, if not otherwise terminated by the either Condominium Board on thirty (30) days written notice or the Managing Agent on sixty (60) days written notice.

The Managing Agent will receive an annual fee of \$27,500, paid in equal monthly installments due and payable on the first day of each month. The Condominium Board will also be required to reimburse the Managing Agent for its reasonable and customary out-of-pocket expenses incurred in managing the Building. In addition, for services rendered to Residential Unit Owners (other than Sponsor or its designee) in connection with processing applications to sell or otherwise transfer Units and obtaining necessary waivers of the right of first refusal by any Boards, the Managing Agent shall receive the \$350.00 from Residential Unit Owners for processing each resale application. In addition, refundable fees for move-in may be required of each purchaser. Such fees may be retained by the Condominium in the event a Purchaser or its agents damage(s) the Common Elements during the move in. The fees charged by the Managing Agent are consistent with fees charged with other managing agents managing buildings in Manhattan.

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

- (1) billing and collecting Residential Common Charges and Commercial Common Charges payable by Unit Owners and General Common Charges payable by the Condominium Board;
- (2) causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board. The approval of the Condominium Board is necessary for any expenditure of over \$1,000 for any one item of ordinary repairs or alterations (other than emergency repairs or repairs to comply with a governmental notice or order);
- (3) contracting for necessary services and purchasing all supplies necessary to properly maintain and operate the Building and its Common Elements subject to the approval of the Condominium Board; provided, however that any contract having a term longer than one (1) year or for an amount in excess of \$1,000 must be authorized by the Condominium Board;
- (4) checking all bills received in connection with the maintenance and operation of the Common Elements and causing all such bills and other expenses to be paid;
- (5) supervising, hiring and discharging the employees of the Condominium necessary for the proper maintenance and operation of the Building;

- (6) rendering monthly statements of receipts and disbursements to the Condominium Board or other designated entity, upon request;
- (7) maintaining payroll records and filing withholding tax statements for employees;
- (8) maintaining accurate sets of books for the Condominium Board;
- (9) cooperating with the 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 monthly meetings of the Board and annual meetings of the Unit Owners, and preparing agendas and sending notices relating to such meetings; and
- (11) generally, doing all things deemed reasonably necessary or desirable by the Boards for the proper management of the Building.

The Managing Agent, at the expense of the Condominium, will be bonded during the term of the Management Agreement under fidelity or general surety bonds in the amount of \$1,000,000 for any loss resulting from fraudulent or dishonest acts committed by the Managing Agent, its directors, officers or employees. The Condominium Board is also required to indemnify the Managing Agent against liability for claims arising from the Managing Agent's management of the Building provided the Managing Agent was acting pursuant to the terms of the Management Agreement and was not guilty of gross negligence or willful misconduct. The Management Agreement is assignable by the Managing Agent only with the prior written consent of the Condominium Board.

IDENTITY OF PARTIES

Sponsor

The Sponsor is 125 West 21st LLC, a Delaware limited liability company, formed on August 4, 2004, with an office at c/o Alchemy Properties Inc., 200 Madison Avenue, New York, New York 10016. The New York State Secretary of State has been designated to receive service of process for Sponsor. The sole member of Sponsor is Open Heir LLC ("Open Heir"), a Delaware limited liability company, formed July 9, 2004, having an office at c/o Alchemy Properties, Inc., 200 Madison Avenue, New York, New York 10016. AEW Partners IV, L.P. ("AEW") and Alchemy 15-21 LLC ("Alchemy 15-21") are the members of Open Heir. AEW, a Delaware limited partnership, has offices c/o AEW Capital Management, L.P., Two Seaport Lane, World Trade Center East, Boston, MA 02210. Alchemy 15-21, a New York limited liability company, formed on July 9, 2004, having an office c/o Alchemy Properties, Inc., 200 Madison Avenue, New York, New York 10016, is the managing member of Open Heir. Alchemy 21st Street, LLC, a New York limited liability company, formed on August 10, 2004, having an office c/o Alchemy Properties, Inc., 200 Madison Avenue, New York, New York 10016, is a member of Alchemy 15-21. Although AEW is a member of Open Heir, it is not a principal of Sponsor.

Kenneth S. Horn is a managing member of Alchemy 15-21 and is a "principal" of the Sponsor, as such term is defined in 13 NYCRR, §20.1(c)(2) of the regulations governing Newly Constructed, Vacant or Non-residential Condominiums. Mr. Horn is a licensed real estate broker who has been in the real estate business for approximately twenty (20) years. Within the past five (5) years, Mr. Horn has been a principal of the Sponsor of 120 Gramercy Hill Condominium, 120 East 29th Street, New York, NY (plan filed January 21, 2004); The Bullmoose Condominium, 42-48 East 20th Street, New York, NY (plan filed November 4, 2002); The Keystone Building Condominium, 38-44 Warren Street, New York, NY (plan filed January 10, 2001);; The Paradigm, 146-148 West 22nd Street, New York, NY (plan filed March 13, 2003);; The Bond Street Lofts Condominium, 57 Bond Street, New York, NY (plan filed July 17, 2002); Chelsea Lion's Head Condominium, 121 West 19th Street, New York, NY (plan filed March 30, 2005); and The Sutton East Condominium, 330 East 56th Street, New York, NY (plan filed November 4, 2005). Within the past few years he has been a principal of a holder of Unsold Shares of the following properties: 215 West 105th Street, New York, NY; Sheffield Gardens, Jackson Heights, NY; 520-522 West 50th Street, New York, NY; and 61 Lexington Avenue, New York, NY. Mr. Horn is also the President and sole shareholder of Alchemy Properties, Inc., the Selling Agent.

Marc L. Davidson is also a "principal" of Sponsor, as such term is defined in 13 NYCRR, §20.1(c)(2) of the regulations governing Newly Constructed, Vacant or Non-residential Condominiums. He is the Vice President of AEW Partners IV, Inc., the managing member of AEW IV, L.L.C., which is the general partner of AEW. Mr. Davidson is a real estate investor who, within the past five (5) years, has been a principal of the Sponsor of The Bullmoose Condominium, 42-48 East 20th Street, New York, NY (plan filed November 4, 2002) and 120 Gramercy Hill Condominium, 120 East 29th Street, New York, NY (plan filed January 21, 2004).

Selling Agent

Alchemy Properties Inc. with offices at 200 Madison Avenue, New York, New York 10016, is the Selling Agent retained by the Sponsor in connection with the offering of Units. Alchemy Properties Inc., is engaged in the brokerage and sale of residential properties in the New York metropolitan area. Alchemy Properties Inc. is wholly owned by Kenneth S. Horn. Mr. Horn is the managing member of a principal of the Sponsor. Neither Selling Agent, Sponsor nor any of Sponsor's principals, its architect/engineer will provide services to the Condominium subsequent to the commencement of condominium operations.

There have been no prior felony convictions of Selling Agent or any principals of Selling Agent and no prior convictions, injunctions and judgments against Selling Agent, or any principals of Selling Agent that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

Managing Agent

Metro Management Development, Inc. ("Metro Management"), a New York corporation, having an office at 42-25 21st Street, Long Island City, New York, 11101, will be the managing agent for the Building. (See the Section entitled "Management Agreement" in Part I of the Plan). The Managing Agent is not affiliated with Sponsor.

Metro Management was formed in 1985. Its principals have over fifty years experience in the management of residential properties. The company currently manages buildings at: 25 Plaza Street, Brooklyn, New York; 2020 Avenue V, Brooklyn, New York; The Bayside Mews, Bayside, New York; Crescent Towers, Astoria, New York and 219 West 80th Street, New York, New York. There have been no prior felony convictions of the Managing Agent or any principals of the Managing Agent and no prior convictions, injunctions and judgments against the Managing Agent, or any principals of the Managing Agent that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

Attorneys for Sponsor

Sponsor has retained the law firm of Wolf Haldenstein Adler Freeman & Herz LLP, having an office at 270 Madison Avenue, New York, New York 10016 to represent it in connection with the Plan. Wolf Haldenstein Adler Freeman & Herz LLP prepared the Plan, the Declaration, the By-Laws and the forms of Purchase Agreement, Residential Unit Deed and Residential Unit Power of Attorney and has also rendered an opinion with respect to the availability of income tax deductions to purchasers of Residential Units and compliance with Section 339-i of the Real Property Law. Jeffrey M. Schwartz, Esq. had principal responsibility for the preparation of the Plan. Wolf Haldenstein Adler Freeman & Herz LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Unit Closings.

Sponsor's Architects/Engineers

The architect who prepared the Description of Property set forth in Part II of the Plan and the plans and specifications for the Building is FxHowle Architects, having an office at 22 West

19th Street, New York, New York 10011. FxFowle has extensive experience in residential design and overall planning for approximately 27 years.

Dagher Engineering, PLLC, having an office at 29 Broadway, New York, New York 10006, is the mechanical engineer for the Building. Its principals have over 50 years experience.

Severud Associates, Consulting Engineers P.C., having an office at 485 Fifth Avenue, New York, New York is the structural engineers for the Building. Its principals have approximately 78 years experience.

21st Construction LLC, having an office at c/o Alchemy Properties, 200 Madison Avenue, New York, New York 10016, is the construction company responsible for the construction of the building and is affiliated with the Sponsor.

Sponsor's Condominium Expert

Metro Management Development, Inc., having an address at 42-25 21st Street, Long Island City, New York 11101, estimated all amounts of income and expenses in Schedule B, "Projected Budget For First Year of Condominium Operation", in consultation with Sponsor and provided its opinions regarding the adequacy of the Budget, the adequacy of the Common Charges payable by the Commercial Unit Owner and Sponsor's compliance with Section 339-i of the Real Property Law.

REPORT TO UNIT OWNERS

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

- (1) A certified financial statement of the Condominium prepared by a certified public accountant within 120 days after the end of the Condominium's fiscal year;
- (2) Prior written notice of the Annual Meeting of Unit Owners; and
- (3) A copy of the proposed annual budget for the Condominium at least 10 days prior to the date set for adoption by the Condominium Board and while the Sponsor is in control of the Condominium Board, such budget shall be certified pursuant to 13 NYCRR §20.4(d).

RECORDATION, INSPECTION AND DELIVERY OF DOCUMENTS

Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection by prospective Purchasers, and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years all without charge and for copying for a reasonable charge. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in advance of or concurrently with the First Closing. The recording of all deeds conveying individual Units will also be in the City Register's Office.

GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Exact copies are contained in Part II of the Plan of the form of Declaration, form of By-Laws, form of Purchase Agreement, form of Residential Unit Deed, form of Residential Unit Power of Attorney and other documents and Purchasers are urged to read the documents set forth in Part II of the Plan in their entirety. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are necessarily not complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

Under applicable Federal and local law, leaded paint can no longer be used in the construction of the Building.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and adversely affect this offering, the Purchasers of Residential Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

No party other than the respective Purchasers shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

Sponsor reserves the right, from time to time prior to the First Closing, upon amendment to the Plan, without obtaining the consent of Purchasers or others, to substantially revise the

terms and conditions upon which the Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor, the Purchasers and/or prospective Purchasers under the Plan. However, Sponsor may not unilaterally cancel a Purchase Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the purchase price or payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially adversely affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised within 15 days from the date of presentation of said amendment. Sponsor shall promptly return any Down Payment, together with any interest thereon, to Purchasers who rescind, except that Sponsor shall retain the Down Payment (and any interest thereon) of any Purchaser who is in default under the Purchase Agreement beyond any applicable grace period.

In accordance with the provisions of the laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Units offered by the Plan or in the leasing of any such Units because of such person's sex, race, creed, color, national origin, marital status, age, disability or any other ground proscribed by law.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the other two.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

The Property and the Buildings have not been the subject of any prior public offerings.

No cooperative interest in realty or condominium unit have been offered for sale and no reservations, binding or non-binding, will be made until this Plan has been accepted for filing by the Department of Law. No deposits will be accepted by Sponsor until this Plan has been accepted for filing.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property set forth as Exhibit 4 in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Property.



PART II

THE INDIGO CONDOMINIUM

125 WEST 21st STREET

NEW YORK, NEW YORK



EXHIBIT "1"

**PURCHASE AGREEMENT FOR UNIT
AND
PURCHASE AGREEMENT FOR STORAGE BIN LICENSE**



PURCHASE AGREEMENT

125 West 21st LLC

Sponsor-Seller

TO

Purchaser

UNIT NUMBER _____

OF

**THE INDIGO CONDOMINIUM
125 WEST 21st STREET
NEW YORK, NEW YORK 10011**



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UNIT NUMBER(S) _____

OF

THE INDIGO CONDOMINIUM
125 WEST 21st STREET
NEW YORK, NEW YORK 10011

(to be executed in quadruplicate)

AGREEMENT, made as of _____, 20__, between 125 West 21st LLC, a Delaware limited liability company, having an office at c/o Alchemy Properties, Inc., 200 Madison Avenue, New York, New York 10016 ("Sponsor"), and _____, having an address at _____ ("Purchaser").

WITNESSETH:

1. **THE PLAN.** Purchaser acknowledges having received and read a copy of the Offering Plan for The Indigo Condominium and all amendments thereto, if any, filed with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") at least three (3) days prior to Purchaser's signing this Agreement. If Purchaser has not received the Plan and all amendments thereto at least three (3) full days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement within seven (7) days from the date of this Agreement. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding.

2. **DEFINITIONS.** Terms used herein which are also used in the Plan shall have the same meanings herein as therein unless the context otherwise requires.

3. **THE UNIT.** Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the unit(s) ("Unit"), together with the percentage of undivided interest in the Common Elements of the Condominium appurtenant thereto.

4. **PURCHASE PRICE.**

4.1. The purchase price for the Unit (the "Purchase Price") is \$ _____

The Purchase Price is payable as follows:

(a) \$ _____ [an amount that is at least 15% of the Purchase Price] (the "Down Payment"), due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(b) \$_____, constituting the balance of the Purchase Price, by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

4.2. All checks shall represent United States currency and shall be drawn on or issued by a New York bank or trust company which is a member of The New York Clearing House Association, unless otherwise agreed to by Sponsor. Checks for the First Installment and the Second Installment (referred to collectively as the "Down Payment") shall be made payable to "Wolf Haldenstein Adler Freeman & Herz LLP, Escrow Agent". Checks for the balance of the Purchase Price shall be made payable to the direct order of "125 West 21st LLC" or such other party as Sponsor may designate upon not less than two (2) days prior notice. If any check is returned for insufficient funds or any other reason, Sponsor at its option, may declare this Agreement void ab initio and of no further force and effect and may institute an action against Purchaser for the collection of the Down Payment as liquidated damages or may declare a default by Purchaser under this Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Article 15 hereof.

5. MORTGAGE FINANCING CONTINGENCY.

This Agreement and Purchaser's obligation to close is not conditioned on Purchaser obtaining financing, unless the following conditions are met. In the event the Purchaser obtains a mortgage loan commitment for a first mortgage loan in an amount which is not more than eighty (80%) percent of the Purchase Price at the prevailing fixed or adjustable rate of interest for a term of at least fifteen (15) years from an institutional lender obtained through Park Avenue Mortgage Group, 410 Park Avenue, New York, New York, Attn: Ellen Bitten, phone (212) 750-0303, a New York State licensed mortgage broker (the "Mortgage Broker") within forty-five (45) days after Purchaser or Purchaser's attorney receives a fully executed copy of this Agreement, then any written commitment from an institutional lender which meets the financial terms described in this Agreement shall be deemed to have met the mortgage contingency whether or not conditioned upon any factors other than an appraisal satisfactory to such institutional lender. Purchaser understands that Purchaser is free to seek financing from any other lender or mortgage broker, either solely or parallel with the application to the Mortgage Broker, but the mortgage loan contingency shall only apply if an application on the above-specified terms is made in good faith to the Mortgage Broker and is diligently pursued. Therefore, refusal by any other lender or mortgage broker to make a mortgage loan to Purchaser will not entitle Purchaser to cancel this Agreement or receive a refund of Purchaser's Down Payment. Purchaser agrees to apply in good faith to the Mortgage Broker within seven (7) business days of Purchaser's or Purchaser's attorney's receipt of a fully executed copy of this Agreement and furnish to the Mortgage Broker truthful, accurate and complete information, data and documents on Purchaser and co-Purchaser and his or her family members as required, and within seven (7) days of any request, submit such further information, data and documents requested by the Mortgage Broker and pay all fees, points and charges required in connection with such application and the mortgage loan, pursue such application with diligence, cooperate in good faith with the Mortgage Broker to the end of securing the mortgage loan and comply with all requirements of any mortgage loan commitment (whether or not obtained through the Mortgage Broker). FAILURE TO COMPLY WITH THESE REQUIREMENTS WILL BE CONSIDERED A MATERIAL BREACH OF THIS AGREEMENT.

Purchaser must furnish with Sponsor a copy of any commitment within five (5) days after Purchaser's receipt of such commitment or must notify Sponsor of the lender's rejection of Purchaser's application for such loan commitment within five (5) days after Purchaser's receipt of notice of such rejection, time being of the essence as to Purchaser's obligations. At the sole and absolute option of the Sponsor, if the lender (directly or through the Mortgage Broker) fails or refuses to issue the required commitment to Purchaser for any reason within forty-five (45) days of Purchaser's or Purchaser's attorney's receipt of an executed copy of this Agreement from the Sponsor, either (i) this Agreement shall be cancelled by the Sponsor and Sponsor shall return Purchaser's Down Payment, with interest, if any, earned thereon, within twenty (20) days thereafter (except for 100% of the cost of optional extras, upgrades, or special work ordered and any installation costs connected therewith, if any, as incurred, which Sponsor shall retain from the Down Payment), or (ii) Seller shall direct Purchaser to make prompt application to another institutional lender or mortgage broker designated by the Sponsor for the required mortgage loan within five (5) days within the date Sponsor receives notice from the Purchaser that a commitment was not issued to the Purchaser. If within forty-five (45) days after the date on which Sponsor notifies Purchaser of Sponsor's election to require the Purchaser to make a second application, the required mortgage loan commitment has not been obtained, the Purchaser may cancel this Agreement on written notice to the Sponsor given by certified mail, return receipt requested or facsimile transmission with confirmation of such transmission within five (5) days of the expiration of such forty-five (45) day period, time being of the essence as to Purchaser's obligation. If the Purchaser fails to notify the Sponsor of such intended cancellation within such five (5) day period, then Sponsor, at its sole and absolute option, may notify Purchaser or Purchaser's attorney within three (3) business days thereafter that Sponsor declares this Agreement to be null and void. If the Sponsor does not provide such notice, the Mortgage Contingency shall be deemed waived and the Purchaser will not be relieved from Purchaser's obligations under this Agreement.

This Agreement is contingent upon the issuance of a loan commitment, not upon the funding of such loan by the lending institution. The withdrawal by such lending institution of its loan commitment for any reason, including, but not limited to, a change in Purchaser's financial condition, Purchaser's inability or refusal to obtain an extension of such commitment or refusal by Purchaser to pay an extension fee, or accept the then current interest rate, shall not relieve Purchaser of his or her obligations under this Agreement. If Purchaser obligations are contingent on obtaining a financing commitment, provided such commitment does not expire at least sixty (60) days from the anticipated date of the First Closing, pursuant to the Offering Plan which may be amended, and such financing commitment lapses or expires prior to Closing, and Purchaser has made a good faith effort to extend the commitment, Sponsor will grant such Purchaser a right of rescission and a reasonable period of time to exercise the right. In no event whatsoever shall Sponsor be liable for any costs, fees or expenses relating to Purchaser's inability to obtain or extend a mortgage commitment, even if such event results from a delay in Closing caused by the Sponsor.

6. CLOSING OF TITLE.

6.1. The closing of title shall be held at such place in the City and State of New York and on such date and hour as Sponsor may designate to Purchaser on not less than thirty (30) days' prior written notice. In the event the Purchase Agreement is executed prior to the Plan

being declared effective, the Closing shall not occur until at least thirty (30) days after the Plan is declared effective. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorneys at closing an extra fee as set forth in the Plan. Sponsor, from time to time, may adjourn the date and hour for closing on written notice to Purchaser, which notice shall fix a new date, hour and place for the closing of title and will be given not less than two (2) business days prior to the new scheduled date and time for closing.

6.2. The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Terms of Sale" in Part I of the Plan.

6.3. The term "Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date designated by Sponsor on which the deed to the Unit is delivered to Purchaser, or any adjourned date fixed by Sponsor pursuant to subsection 6.1 hereof.

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 without covenant against grantor's acts conveying title to the Unit to Purchaser. The deed shall be prepared by Sponsor in substantially the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly execute a New York City Real Property Transfer Tax return and any other forms then required by law, all of which shall be prepared by Sponsor.

7.2. At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board and Sponsor substantially in the form set forth in Part II of the Plan.

7.3. The deed and power of attorney to the Condominium Board and Sponsor shall be delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded, the deed shall be returned to Purchaser and the power of attorney shall be sent to the Managing Agent.

7.4. Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in the form then required by the Code Withholding Section and (ii) each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with IRS §6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions.

8. MARKETABLE TITLE. At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all encumbrances other than those expressly agreed to by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any encumbrance to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the attendant recording or

filing fee, if any, or (b) First American Title Insurance Company, having an address at 633 Third Avenue, New York, New York 10017, Attn: Gail Heiner (Tel: (212) 922-9700; Fax: (212) 922-0881) (or such other title insurance company as Purchaser may utilize), is or would be willing, in a fee policy issued by it to the Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

9. CLOSING ADJUSTMENTS.

9.1. Subject to Paragraph 15 hereof, the following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

- (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;
- (b) Common Charges for the month in which title closes; and
- (c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering the Unit.

9.2. If a Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If a Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment under subsection 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 hereby agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the closing of title.

9.4. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein.

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

11. CLOSING COSTS.

(A) In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in Part I of the Plan entitled "Closing Costs and Adjustments." The Closing Costs and Adjustments include, but are not limited to, the following:

- (i) The New York City Real Property Transfer Tax;
- (ii) The New York State Transfer Tax;
- (iii) The New York State Additional Transfer Tax (commonly referred to as the "Mansion Tax");
- (iv) A working capital contribution equal to two (2) months Common Charges; and
- (v) The legal fees of Sponsor as set forth in the Plan.

(B) In addition to the Purchase Price and the Closing Costs set forth herein and in the Plan, Purchaser shall, at Closing, pay his/her/their pro rata share of the cost for the Superintendent's Unit (as that term is defined in the Plan) as set forth in Schedule A of the Plan. The amount of such pro rata share is \$_____.

12. DOWN PAYMENT. The Down Payment made pursuant to this Agreement is subject to the requirements of Section 71-a(3) of the State of New York Lien Law and Sections 352-e(2)(b) and 352-h of the General Business Law of the State of New York. Any Down Payment received from Purchaser will be held in accordance with the provisions of the Subsection entitled "Escrow and Trust Fund Requirements" under the Section entitled "Procedure to Purchase" set forth in Part I of the Plan. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Down Payment to Seller in the event Seller and Purchaser close title under this Agreement. Sponsor is required by law to submit a Form 1099 to the Internal Revenue Service reporting interest earned on Purchaser's Down Payment, if any. Purchaser will be taxed accordingly on such interest, whether or not Purchaser ultimately receives the interest in accordance with the terms of this paragraph.

13. BINDING EFFECT OF DECLARATION, BY-LAWS AND RULES AND REGULATIONS. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof

14. AGREEMENT SUBJECT TO MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage, heretofore or hereafter made any advances heretofore or hereafter made thereon and any payments or expenses

made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of each Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless Purchaser voluntarily assumes such mortgage or consents to the continuation of the lien thereof. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its (their) undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

15. DEFAULT BY PURCHASER.

15.1. TIME IS OF THE ESSENCE with regard to Purchaser's obligations to pay the balance of the Purchase Price and to perform Purchaser's other obligations under this Agreement. If Purchaser fails to make such payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Sponsor shall give written notice to Purchaser of such default. If such default shall not be cured within thirty (30) days thereafter, Sponsor may, at its option, cancel this Agreement by notice of cancellation to Purchaser. If Sponsor elects to cancel this Agreement, (a) Sponsor may retain all sums deposited by Purchaser hereunder (including any amounts paid by Purchaser for additional work in the Unit), together with interest earned thereon, as liquidated damages (Sponsor's actual damages being difficult or impossible to ascertain) and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan and (b) Sponsor may sell the Unit to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

15.2. If Purchaser fails for any reason to close title to his 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 his Unit on the rescheduled Closing Date.

16. WITHDRAWAL OR ABANDONMENT OF PLAN. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in Part I of the Plan. Provided Purchaser is not then in default under this Agreement beyond any applicable grace period, if the Plan is withdrawn or abandoned, this Agreement shall be

deemed canceled and, not later than ten (10) days thereafter, Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and, upon making such payment, neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan.

17. SPONSOR'S INABILITY TO CONVEY THE UNITS. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and, upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

18. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. Only those fixtures, appliances and items of personal property which are described in the Description of the Property in Part II of the Plan as being part of the Unit are included in the sale of the Unit pursuant to the provisions of this Agreement. At the Closing, Sponsor shall transfer to Purchaser any assignable warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in the Unit.

19. ACCEPTANCE OF CONDITION OF PROPERTY. Purchaser shall accept title (without abatement in, or credit against, the Purchase Price or any provision for escrow deposits at the closing of title) notwithstanding the failure to complete construction of (a) minor details of the Unit or the Property, (b) other Units or (c) the Common Elements of the Property which do not prevent Purchaser's use of the Unit. Purchaser shall carefully inspect the Unit prior to the closing of title and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if Purchaser finds that Sponsor's improvements have not been completed, although such improvements have been substantially completed, then Sponsor and Purchaser will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Unit by Sponsor following the closing of title. Sponsor shall have no obligation to complete any work to the Unit which is not specifically designated on the inspection statement by Purchaser, except for work necessary to cure violations and to obtain a temporary or permanent certificate of occupancy covering the Unit. Purchaser will receive five (5) business days notice that the Unit is available for inspection. If Purchaser fails to inspect the Unit within said five (5) day period, Purchaser shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan. Except as expressly provided in this Agreement or

the Plan, including but not limited to subparagraph (1) of the subsection entitled "Sponsor's Obligations with Respect to the Building" of the Section entitled "Rights and Obligations of Sponsor," Sponsor shall have no obligation to repair or improve the Unit, any portion of the Property, or the appliances, equipment or fixtures attached to or used in connection with the Unit or the Property.

Sponsor will not be obligated to correct, and will not be liable to any Board or 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 kitchen appliances and bathroom fixtures), as specifically set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor".

Notwithstanding the foregoing, Sponsor will be obligated to repair abnormal scratches in plastic laminate, vitreous china, natural stone, wood, porcelain and metallic surfaces by filling or refinishing the same, but Sponsor will not be obligated to replace any such surfaces.

20. 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:

20.1. The risk of loss to the Unit by fire or other casualty is assumed by Sponsor until the earlier of closing of title or possession of the Unit by Purchaser, but without any obligation or liability by Sponsor to repair or restore the Unit. If Sponsor elects to repair or restore 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 respective Boards 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.

20.2. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed canceled and of no further force and effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

21. 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 having relied solely on his own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan.

22. 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.

23. BROKER. Purchaser represents to Sponsor that Sponsor, Sponsor's Selling Agent and _____ are the only brokers or sales agents with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by said broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the aforementioned broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article 23 shall survive the closing of title.

24. AGREEMENT MAY NOT BE ASSIGNED. Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser shall be required to pay Sponsor's reasonable attorneys' fees in advance, for preparation of an assignment agreement.

25. BINDING EFFECT. This Agreement shall not be binding on Sponsor until a fully executed counterpart hereof has been delivered to Purchaser. If this Agreement is not accepted within thirty (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 canceled and the deposit paid on the execution hereof shall be promptly returned to Purchaser. If Purchaser has not received the Plan and all amendments thereto at least three full (3) days prior to Purchaser's signing this Agreement, the Purchaser shall have the right to rescind this Agreement within seven (7) days from the date of this Agreement.

26. NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan shall be in writing and hand delivered or sent, postage prepaid, by registered or

certified mail, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to Wolf Haldenstein Adler Freeman & Herz LLP, 270 Madison Avenue, New York, New York 10016, Attn: Jeffrey M. Schwartz, Esq. in the same manner as notice is given to Sponsor, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of hand delivery or mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself.

27. 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.

28. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and General Business Law §352-e, except those (if any) herein or therein expressly stated to survive delivery of such deed.

29. 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.

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 Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

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.

35. ENTIRE AGREEMENT. This Agreement supersedes any and all understandings and agreements between the parties 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. RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Agreement.

39. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and his heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

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. AMENDMENTS TO THE PLAN. Subject to any provision of the Plan to the contrary, if there is a substantial amendment to the Plan that materially and adversely affects Purchaser, Purchaser will have a period of fifteen (15) days from the date of presentation of said amendment within which to rescind this Agreement and, if Purchaser exercises such right of rescission, Sponsor shall return the Down Payment, together with any interest thereon, pursuant to this Agreement within thirty (30) days.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SPONSOR:

125 WEST 21st LLC

By: OPEN HEIR LLC, Sole Member

By: ALCHEMY 15-21 LLC, Managing Member

By: _____

Name: Kenneth S. Horn

Title: Manager

PURCHASER:

(Social Security or Federal I.D. Number)

Telephone No. _____

Purchaser's Attorney (if any):

SCHEDULE A
PERMITTED ENCUMBRANCES

1. State of facts shown on survey made by Earl B. Lovell last dated February 15, 1930, and last dated June 30, 2004 by visual examination by Earl B. Lovell – S.P. Belcher, Inc. and any additional state of facts which an accurate survey would show since that date provided such additional state of facts does not prohibit the use of the Unit for residential use as the case may be.

2. Zoning and building laws, ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the Building.

3. The Declaration and By-Laws, Maps and Floor Plans to be recorded and filed in the New York County office of the Register of the City of New York, as the same may be amended from time to time and the terms, covenants and conditions of the Offering Plan and amendments thereto.

4. Power of Attorney from Purchaser to the Condominium Board of Managers.

5. Easement in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction or renovation of the Building, or which may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements made by or with the consent of the Sponsor or the Board of Managers after damage or destruction by fire or other casualty after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, made by or with the consent of the Sponsor or the Board of Managers, so that any such encroachments may remain so long as the Building shall stand and so long as same does not affect the use of the Unit for its intended purpose.

6. Any easement or right of use required by Sponsor, its designees and their assigns, invitees, licensees, contractors and employees in, over, above and across all areas of the Property for construction, installation, maintenance, ingress to and egress from and the right to use all areas and facilities in, on, appurtenant to or servicing the Property, and to obtain temporary, permanent or amended certificate(s) of occupancy for the Building or any part thereof and to erect and maintain signs on the Property for the purpose of advertising the sale and/or leasing of Units (see also "Rights and Obligations of Sponsor").

7. Encroachments of trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls and the like, if any, so long as same do not interfere with the use and occupancy of the Unit.

8. Leases and service, maintenance, employment, concessionaire and license agreements contemplated by this Plan.

9. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided that apportionment of same is adjusted as provided in this Plan.

10. Easements in favor of the other Unit Owners to access and use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units, easements in favor of the Board of Managers and Sponsor for access to Units and Common Elements, and any other easements described in the Offering Plan, as it may be amended.

11. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property.

12. Franchise taxes, if any, provided the Title Company will insure that such taxes cannot be collected from the Unit.

13. Standard printed exceptions to the NYBTU or ATLA policies of title insurance.

14. Any Certificate of Occupancy for the Building, so long as the same permits or does not prohibit the use of the Unit for its stated purposes.

15. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.

16. Any violations against the Property which are not specific to only the Unit.

17. Variations between tax map and premises described in Schedule A.

18. Any other covenants, restrictions, easements, or other encumbrances (other than for the payment of money) provided same do not prohibit the existence and use of the Unit for residential purposes.

19. Rights, if any, to maintain vaults and chutes under the sidewalk.

20. Any lien, encumbrance, or condition not included in the liens and encumbrances listed above either (i) 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 (ii) as to which the Title Company will to insure (without additional premium) that such lien or encumbrance will not be collected out of or enforced against the Unit; or (iii) as to which the Sponsor, at its sole option, pays and discharges from monies paid by Purchaser at closing.



EXHIBIT "2"

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 (the "Declaration") submitted by 125 West 15th LLC ("Declarant") establishing a plan for condominium ownership of the premises known as The Indigo Condominium and by the street number 125 West 21st Street, New York, New York 10011 under Article 9-B of the Real Property Law of the State of New York, dated _____, 200__, and recorded in the New York County Office of the Register of The City of New York on _____, 20__, in City File Register Number _____, or (b) in the By-Laws of The Indigo Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____ the owner of the Condominium Unit (the "Unit") in The Indigo Condominium which is (are) designated and described as Unit No. _____ the Declaration and also designated as Tax Lot _____ in Block of Section ____ of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, 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 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) upon determination by 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 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 Common Elements which the Condominium Board, with respect to the Common Elements, deems necessary and appropriate to comply with any ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium, or (b) any consent, covenant, restriction, easement or

declaration, or any amendment thereto, affecting the Condominium 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, do(es) hereby nominate, constitute and appoint the Declarant, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to execute an amendment to the Declaration, By-Laws and the Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Units or Common Elements by Declarant or obtain an amended certificate of occupancy therefor, or any of said documents when such amendment (i) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the aforesaid Units resulting therefrom made by Declarant in accordance with the Declaration or (ii) shall be required by an (x) Institutional Lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Declarant to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (a) or (b) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material or physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by an Institutional Lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 20__.

RECORD AND RETURN TO:

Metro Management Development, Inc.
42-25 21st Street
Long Island City, New York 11101
Attn: David Baron

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

On the ____ day in _____ the year 20__ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

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

On the ____ day in _____ the year 20__ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public



EXHIBIT "3"

UNIT DEED



UNIT DEED

THIS INDENTURE, made the ____ day of _____, 20____, between 125 West 21st LLC, a Delaware limited liability company, having an office at c/o Alchemy Properties, Inc., 200 Madison Avenue, New York, New York 10016 (the "Grantor") and _____ (the "Grantee"), having an address at _____.

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 (the "Unit") in the premises known as The Indigo Condominium and by the street number 125 West 21st Street, Borough of Manhattan, County of New York, City and State of New York, said Unit being designated and described as Unit No. _____ in the declaration ("Declaration") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), dated _____, 200__ and recorded in the New York County office of the Register of The City of New York (the "City Register's Office") on _____, 20__ in City Register File Number _____, and also designated as Tax Lot(s) _____ in Block ____ of Section ____ of the Borough of Brooklyn 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 _____, 200__, and filed in the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____ also filed in the City Register's Office on _____, 200__, as Condominium Map No. _____. The premises within which the Unit is (are) located are more particularly described in Schedule A attached hereto and made a part hereof All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of The Indigo Condominium. (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws".)

Together with an undivided _____ percentage interest in the Common Elements (as such term is defined in the Declaration):

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in (any of) the Unit, as though recited and stipulated at length herein.

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters as pertain to the Unit and/or to the Property as more particularly described in Schedule B attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board or provided in the Declaration or the By-Laws, the Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has (have) been encumbered in any way whatever, except as aforesaid.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

GRANTOR:

125 WEST 21st LLC

By: OPEN HEIR LLC, Sole Member

By: ALCHEMY 15-21 LLC, Managing Member

By: _____
Name: Kenneth S. Horn
Title: Manager

Grantee

Grantee

RECORD AND RETURN TO:

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

On the ____ day in _____ the year 20____ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

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

On the ____ day in _____ the year 20____ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

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

On the ____ day in _____ the year 20____ before me personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

SCHEDULE B

**REFER TO PERMITTED ENCUMBRANCES SET FORTH AS SCHEDULE A TO
PURCHASE AGREEMENT**

TO BE INSERTED PRIOR TO CLOSING



EXHIBIT "4"

DESCRIPTION OF PROPERTY

THE INDIGO CONDOMINIUM
125 WEST 21ST STREET, NEW YORK, NEW YORK

ARCHITECT'S DESCRIPTION OF PROPERTY AND SPECIFICATIONS
10 NOVEMBER 2006

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A. Location of Property

- (1) Address: 125 West 21st Street, New York, New York
- (2) Block Number: 797
Lot Number: 24
- (3) Zoning District: C6-3A
- (4) Permissible Use: Residential (Zoning Use Group 2)

B. Status of Construction

- (1) Construction of the building began in June 2006. It is anticipated that the first Condominium Unit will be substantially completed on or about December 1, 2007, unless delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain materials, equipment or labor, governmental restrictions, approvals or preemption, damage by fire or the elements or any other cause over which the Sponsor has no control.
- (2) Class of Construction: The Building will be classified as Class 1C (Non-Combustible) and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code").
- (3) Certificate of Occupancy: Prior to the first Condominium Unit closing, Sponsor will obtain a Temporary Certificate of Occupancy from the Department of Buildings of the City of New York ("Department of Buildings") for the Condominium Units which are to be closed. After completion of construction the Sponsor will apply for a Certificate of Occupancy for the Building from the Department of Buildings of the City of New York ("Department of Buildings").
- (4) Where materials, appliances, equipment, fixtures and other construction and design materials and details are specified in this report or on the Construction Documents, the Sponsor has reserved the right to substitute in their place similar materials, appliances, equipment and / or fixtures of equivalent or better quality in all cases.
- (5) The Condominium Association will have the responsibility to maintain and service all equipment at its own cost and in accordance with all warranties.

C. Site

- (1) Location: The site is on the North side of West 21st Street between 6th Avenue and 7th Avenue in the Borough of Manhattan.
- (2) Size: The lot is regularly shaped with a frontage on West 21st Street of 95'-11" and a depth of 98'-9" with a total lot area of approximately 9,472 square-feet. The distance from the western most property line to the corner of 7th Avenue Street is approximately 460'-0".
- (3) Number and Use of Buildings: There will be one 13-story tower at 125 West 21st Street with one below grade cellar and mechanical bulkheads above the main roof.
 - (i) The building upon completion of the work will include 52 Residential Condominium Units (including one Superintendent's Unit) and 30 tenant Storage Licenses in the cellar.
- (4) Streets: There are no streets owned or maintained by the project. The building will have a single street frontage on West 21st Street and the main residential entrance will be from West 21st Street. The street is owned and

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maintained by the City of New York and is typical of New York City streets, paved with asphalt.

- (5) Sidewalks & Ramps: The existing sidewalk and curbs in front of the property will be replaced with new concrete sidewalk with steel-faced curbs in compliance with the requirements of the New York City Department of Transportation. The sidewalk will be pitched to drain to New York City Sewer catch basins in the street.
 - (i) Five (5) new trees will be provided in front of the property along West 21st Street.
 - (ii) Any street lighting will be provided by the City of New York.
 - (iii) The Condominium will be responsible for future repair and maintenance of the sidewalk, trees, and tree pits, including but not limited to, snow removal and collection of loose litter or debris.
- (6) Parking: There will be no parking on the site.

D. Utilities

- (1) All utilities enter the building below grade from West 21st Street.
- (2) Electricity: Consolidated Edison Company, Inc. (Con Ed) will supply to the building 208 volt electric service with a main building meter (consumption and demand) and separate Condominium Unit meters from three (3) meter banks in the Cellar (basement) electrical distribution room in accordance with the New York City Building Code. The electric usage by the retail spaces will be separately metered by Con Ed. Sponser will have the right to substitute sub-meters in lieu of direct meters at its sole discretion.
- (3) Gas: Consolidated Edison Company, Inc. (Con Ed) will supply low pressure gas service with two (2) meters. One meter will be for the building heating and domestic hot water boilers and a second meter will be for apartment kitchen ranges. All gas usage, both for common areas and for the individual Condominium Units, will be borne by the individual Condominium Association as part of the common expense for each Condominium Unit. The gas usage by the retail spaces will be separately metered by Con Ed. Sponser will have the right to substitute sub-meters in lieu of direct meters at its sole discretion.
- (4) Steam: There will be no steam service provided.
- (5) Water: the building water service will connect to the City of New York public water main through one (1) 4-inch metered domestic service and one (1) 6" fire protection service in accordance with the New York City Department of Environmental Protection. The charges for water service provided to the building (including Condominium Units and in the public areas of the building) will be levied on the basis of a master city meter and borne by the Condominium Unit Owner as a Condominium common expense for each Condominium Unit. Two (2) 2-inch city water meters will be provided, one for each of the two (2) retail spaces. The water usage by the retail spaces will be separately metered by City of New York.
- (6) Sewer: The building sewer service and drainage systems will connect to City of New York public combined sewer drainage systems through one (1) 8-inch combined (storm and sewer) outflow pipe in accordance with the New York City Department of Environmental Protection. The charges for sewer service provided to the building (including Condominium Units and in the public areas of the building) will be levied on the basis of a master city

water meter and borne by the Condominium Association as part of the common expense for each Condominium Unit.

- (7) Telephone: Telephone service will be available to each Condominium Unit through wiring provided from a telephone company patch panel in the cellar to a single location within each Condominium Unit. Each Condominium Unit will have distribution wiring from that location to telephone jacks in various locations throughout the Condominium Unit.
 - (i) Each Condominium Unit Owner will be responsible for arranging final connections, obtaining a service account, for maintenance of wiring with the Condominium Unit, and for the cost of telephone use and service for their individual Condominium Unit.
 - (ii) The telephone charges with respect to the public areas of the building (such as the concierge's desk, maintenance offices, etc.) will be borne by the Condominium Association as part of the common expense for each Condominium Unit.
- (8) Cable Television: Cable Television service will be available to each Condominium Unit through wiring provided from a central patch panel in the cellar to a single location within each Condominium Unit. Each Condominium Unit will have distribution wiring from that location to cable connectors in various locations within the Condominium Unit. Each Condominium Unit Owner will be responsible for arranging final connections, obtaining a service account, for maintenance of wiring with the Condominium Unit, and for the cost of cable television use and service for their individual Condominium Unit.
 - (i) The Building will not be equipped with a master television antenna system.
- (9) Data Service: Wiring designed for data transmission will be provided from a central patch panel in the cellar to a single location within each Condominium Unit. Each Condominium Unit will have distribution wiring from that location to various locations within the Condominium Unit. Each Condominium Unit Owner will be responsible for arranging final connections, obtaining a service account, for maintenance of wiring with the Condominium Unit, and for the cost of operation, service, and use for their individual Condominium Unit.

E. Sub-Surface Conditions

- (1) The site at 125 West 21st Street in New York, New York previously served as an at-grade vehicular parking lot. The site is relatively flat, with surface elevations ranging from about elevation 31.2 feet to 32.6 feet Manhattan Borough Datum. The bedrock underlying the site is part of the Hartland Formation, according to the US Geological Survey "Geologic Map of New York City and Adjacent Part of New Jersey."
- (2) A subsurface investigation program in accordance with the NYC Building Code was conducted in June, 2004, consisting of five borings, four near each of the site corners and one in the middle. In general, the borings encountered 10 feet of manmade fill overlying natural granular soils all underlain by bedrock. The natural soils, with increasing depth, consist of 8 to 14 feet of medium compact silty fine sand over the entire site, overlying dense, fine to coarse grained sand, Two feet thick, medium consistency, clayey silt was encountered in two of the borings below the silty fine sand. The depth to top of the clayey silt layer was about 19 feet below the ground surface and the corresponding elevation of top of the layer was at El. +14. The depth to bedrock ranges from 21 to 24 feet corresponding to a range of

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El. +11 to El. +8. Bedrock consists of medium hard to intermediate hard, slightly weathered to moderately weathered gray granite.

- (3) An observation well was installed in one of the boreholes to monitor the groundwater level. Readings made in June and July, 2004 indicate a groundwater level at a depth of 16 feet, corresponding to El. +15 feet. In addition, a test pit was excavated at the site on August 17, 2005 and groundwater was observed at about 19 feet below the grade, corresponding to El. +3 feet.
- (4) The natural soils below manmade fill are suitable for spread footings or a mat foundation at an allowable bearing pressure of 2.5 tons per square foot.
- (5) On 9/9/1999, the Property was assigned a New York City Department of Environmental Protection (NYCDEP) "E" designation (E-92) for "underground gasoline storage tanks "testing protocol". Under "E" Designation, development at the Property requires NYCDEP's prior approval of design plans and specifications, environmental reports and work plans, and project health and safety plans.
- (6) After approving the design plans and specifications, environmental reports and work plans, and project health and safety plans, the NYCDEP issued a "Notice to Proceed" to the Department of Buildings so construction work could proceed at the Property.
- (7) Environmentally impacted material in the footprint of the Property was excavated and disposed offsite at permitted facilities, per applicable regulations. To date, the entire site has been remediated per NYCDEP requirements and previously approved work plans.
- (8) Currently, a final engineering report certifying that the site has been remediated in accordance with the NYCDEP approved environmental work plans is being prepared. The final engineering report will be submitted to NYCDEP to obtain a "Notice of Satisfaction", effectively satisfying the requirements of the "E" Designation and securing the Final Certificate of Occupancy.

F. Landscape & Enclosure (Street Level)

- (1) The Condominium Association will be responsible for future repair and maintenance of all landscaped areas, street trees and tree pits.
 - (i) Grass Cover: None
 - (ii) Plantings: None.
 - (iii) Trees: Five (5) trees will be planted curbside along West 21st Street.
 - (iv) Fencing: None
 - (v) Gates: None
 - (vi) Garden Wall: None
 - (vii) Retaining Wall: None
 - (viii) Display Pools & Fountains: None

G. Building Size

- (1) Total Height: The total height of the building from the average curb (base plane) elevation (31.25') to top of the elevator machine room roof slab elevation (160.83') will be approximately 129'-7".

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- (2) Cellar/Sub-Cellars: There will be one cellar. The distance from the top of the first floor slab to the cellar slab will be approximately 10'-0".
- (3) Number of Floors: There will be 13 floors, a cellar, and mechanical bulkheads above the main roof level.

- (i) For the purposes of marketing, floor numbering is as shown below:

Construction Floors (Actual)	Marketing Floors
13.....	PH
12.....	12
11.....	11
10.....	10
9.....	9
8.....	8
7.....	7
6.....	6
5.....	5
4.....	4
3.....	3
2.....	2
1 (Ground).....	1

Please note that all floor plans, Condominium Unit drawings, and other references to floors in this report will utilize the marketing numbering of floors.

- (ii) The approximate floor-to-floor heights from top of structural slab to top of structural slab of the Condominium Units will be approximately as follows:

Floor(s)	Approx. Floor.-to-Floor Heights
13 th (PH) Floor.....	11'-0"
10 th - 12 th Floor.....	10'-0"
9 th Floor.....	11'-0"
2 nd - 8 th Floor.....	10'-0"
1 st (Ground) Floor.....	12'-8"

- (iii) Due to installation of mechanical, electrical, plumbing and fire protection systems, some spaces and areas within the condominium units will have dropped soffits and ceilings to contain the systems; thereby, reducing the approximate ceiling heights in certain areas. These typically occur in bathrooms, kitchens, hallways, closets, and some room perimeters (but may also appear elsewhere in the Condominium Units) and will lessen the above ceiling heights in those areas, but may occur in other areas as well.
- (4) Equipment Rooms: Equipment rooms will be located in the cellar and roof bulkheads. The approximate height from top of roof slab to top of the elevator machine room enclosure on the roof will be approximately 26'-8".
- (5) Parapet: The approximate height from the top of roof finish to the top of parapet coping or railing will be a minimum of 3'-6".

H. Building Systems

- (1) Foundation

- (i) The foundation will consist of reinforced slab on well compacted porous fill at the Cellar level. All concrete columns and foundation

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walls will be constructed of reinforced poured concrete bearing on a reinforced concrete mat of varying thickness. The mat foundation will bear on well compacted soil. Spread footings will be used for the one-story high portion in the rear of the site.

(2) Superstructure

- (i) The superstructure will be a conventional cast-in-place flat plate concrete system with interior and perimeter reinforced concrete columns as well as concrete shear walls.
- (ii) The lateral system will be composed entirely of concrete shear walls that extend up from the foundation.
- (iii) The lateral system will be designed for both wind and seismic loading as stipulated by the NYC Building Code and by NYC Local Law 17/95, respectively.

(3) Wall Construction

- (i) As indicated below, the majority of exterior walls will comprise a finish material backed by concrete masonry units or concrete columns or shear walls. All above grade exterior walls will be insulated in compliance with the requirements of the New York State Energy Code.
- (ii) Wall finish below the first setback (10th Floor) of the front exterior walls will be pre-weather zinc panels or equivalent; painted metal panels or equivalent; and aluminum window wall construction.
- (iii) Wall finish above the first setback (10th Floor) of the front of exterior walls will be painted aluminum metal panels or equivalent in select areas; Exterior Insulating Finish System (EIFS); and aluminum window wall construction.
- (iv) Exposed party walls, rear exterior walls, and any other walls not specifically mentioned will be enclosed with Exterior Insulating Finish System (EIFS).

(4) Windows

- (i) Windows will be designed and erected meeting all structural requirements of the Building Code of the City of New York and all local and state agencies having jurisdiction.
- (ii) Exterior windows will be painted aluminum window wall construction with casement-like operable vents or equivalent.
 - (a) Glass will be insulating glass units with clear high performance glass, Low-E coating on the #2 surface.
 - (b) Glass and painted aluminum doors will be provided at terraces.
- (iii) Lot line windows will be provided along the West property line in units 3-9D & 3-9E in accordance with the requirements of the Building Code of the City of New York and all local and state agencies having jurisdiction.
 - (a) Lot line windows will be glazed with insulated Low-E glass units (same as the typical glazing) but with tempered glass at the outermost pane of glazing.

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- (b) The total area of lot line windows permitted on any floor will be limited to 10% of the total area of the exterior façade wall of that floor.
 - (c) In the event that a building is built on the adjacent property above the height of the existing Lot Line Window, it is possible that this lot line window may be required to be removed, and the opening in the wall completely closed (in compliance with all governing code requirements). It is also possible that unprotected lot line windows may be required to be protected, also in compliance with governing codes. All costs associated with the removal of a lot line window, and/or the conversion of a lot line window from an un-protected to a protected unit, including the provision of sprinkler heads, the enclosing of the opening in the exterior wall, will be borne solely by the owner of the Condominium Unit and not by the Sponsor.
- (5) Storefront (Building Entrance)
- (i) Any storefront window systems will be designed and erected meeting all structural requirements of the Building Code of the City of New York and all local and state agencies having jurisdiction.
 - (ii) The exterior enclosure at the ground floor building entrance will be a stainless steel clad painted aluminum storefront glazing system; or equivalent.
 - (iii) Glass will be insulating glass units with clear high performance glass, Low-E coating on the #2 surface; or equivalent.
 - (iv) Glass and painted aluminum doors will be provided at entrances.
 - (v) Painted aluminum column covers will be provided below the 2nd Floor slab.
- (6) Parapets & Copings
- (i) The roof parapet construction will be a continuation of the zinc panel wall system, or metal panel system, or EIFS system; in each case with metal coping and/or railing system.
- (7) Chimneys & Caps
- (i) An approximately 24 inch (inside) diameter double wall stainless steel flue for the two (2) space and domestic hot water boilers in the Cellar, will be enclosed in a fire rated shaft adjacent to the elevator. It will terminate a minimum of three (3) feet above the elevator machine room roof.
 - (ii) Bathroom, Kitchen, and Laundry exhaust vents will be provided with roof top fan systems exhausting to the exterior at the main roof level and may be located on either private rooftop terraces or common area rooftop terraces.
 - (iii) The building will have one trash compactor and a sound insulated rubbish chute made of 16ga. aluminized steel, or equivalent, with appropriate vent cap and flashing that will extend above the main roof level. The vent may be located on either private rooftop terraces or common area rooftop terraces.
 - (iv) Flues may be located on either private rooftop terraces or common area rooftop terraces.

(8) Rooftop Terraces

- (i) The roof setback areas and the main roof level will be used for private terraces and common areas.
- (ii) Terrace space will be provided to the following Condominium Units:

Floor No.	Unit No.
PH	PH-A, PH-B, PH-C
10	10-A, 10-B, 10-C
9	9-A
2	2-A, 2-E
- (iii) A common area terrace for use by the Residential Condominium Unit Owners will be provided at the second floor terrace in the rear of the building above the one story ground floor retail and on the building roof.
 - (a) Mechanical equipment for the retail tenant may be located on the second floor terrace in the rear of the building and/or main rooftop terrace and shall not exceed 60 pounds per square foot.
- (iv) Roof terraces will be constructed of poured-in-place concrete and will be finished with an inverted membrane roof assembly (IMRA), or equivalent, applied directly to the structural slab and fill that will be pitched to roof drains.
 - (a) The roofing system will consist of fluid applied membrane roofing (hot applied), reinforcing sheet (continuous) reinforcing flashing at corners, joints, penetrations, curbs and drains, separation sheet, air layer, filter fabric, rigid insulation over separation sheet.
 - (b) Precast pavers, or equivalent, will be provided on pedestals on all terraces at setback roof areas.
- (v) Terrace railings will consist of metal rails and posts or their equivalent.
- (vi) Terrace dividers will be steel posts with wood slats or metal or their equivalent.
- (vii) Primary access to the individual unit terrace spaces will be from the individual Condominium Units. However, terraces at the main roof level will have doors for access to the common roof area, elevators, and egress.
- (viii) For those Condominium Units which have terraces, a GFI receptacle, exterior lighting and a hose bibb will be provided.
- (ix) Planters and miscellaneous furnishings may be placed on rooftop terraces, but Condominium Unit owners will not be permitted to perform construction, enclose any space, or install decking or pavers without express written permission from the Condominium Association and, if required, from the Department of Buildings.
 - (a) No planter may be placed on any private terrace area if it exceeds 2 cubic feet capacity or if it will impose a load exceeding 60 pounds per square foot on the roof or if in violation of applicable New York City Building Codes, unless such installation has specific written approval from the Condominium Association and the Department of Buildings if required.
 - (b) No installation of any planters or terrace materials will be permitted on the roofs over any Penthouse bulkheads.

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(9) Rear Yard Terraces

- (i) The ground floor commercial space will extend one story into the rear yard. Adjacent to this space are two mechanical areaways for the use of the retail tenant. No Private rear yard terraces at grade will be provided for the residential Condominium Units.
- (ii) Rear Yard areaways will be compacted earth with white river washed stone ballast and concrete pavers.
- (iii) Access to the mechanical areaways will be from the retail spaces.
- (iv) For those Condominium Units which have Rear Yard terraces, a GFI receptacle, exterior lighting and a hose bibb will be provided.

(10) Balconies

- (i) Balconies are provided for Condominium Units 11-A, 11-B, 11-C, 12-A, 12-B, 12-C, 13-A, 13-B, and 13-C.
- (ii) Balconies are constructed of cast concrete platforms that are an extension of the building floor slabs and that cantilever from the building face.
- (iii) Access to the balconies will be from the individual Condominium Units.
- (iv) For the Condominium Units which have balconies, a GFI receptacle and exterior lighting will be provided.

(11) Exterior Entrances

- (i) The residential entrance will be on West 21st Street at approximately the center of the building street façade.
- (ii) The entrance will comply with New York City Local Law 58 of 1987 for access by the disabled, providing access to the lobby and to the elevators.
- (iii) Exterior doors and frames at the main entrance will be glass and painted aluminum extruded 4 sided structural silicon glazing mullion system with stainless steel clad edge trim at door openings and adjacent column covers, or their equivalent, as described above. The retail doors shall have a cylinder lock in the bottom rail and residential entry doors will have a magnetic lock.
- (iv) There will be access from the 2nd floor elevator to the Rear Yard common terrace.
- (v) Aluminum horizontal front loading mailboxes, or equivalent, per USPS standards will be in an alcove off the main elevator lobby.
- (vi) There will be exterior recessed down lights at the entrance canopy and entry vestibule. In the lobby there will be recessed linear fluorescent lighting in combination with recessed down lights, or equivalent.
- (vii) Exterior stairwell, egress doors at grade will be painted metal doors with painted metal frames or their equivalent. Exterior stairwell, egress, and roof access doors will be painted hollow metal doors with painted metal frames or their equivalent.

(12) Garage Entrance (None)

(13) Garage (None)

(14) Roof & Roof Structure

- (i) The Condominium Association will have right of access to all roof areas including setback roofs and including private terraces for necessary inspections, maintenance, or repairs.
- (ii) The main roof will be constructed of poured-in-place concrete and will be finished with an inverted membrane roof assembly (IMRA) , or its equivalent, applied directly to the structural slab and fill that will be pitched to roof drains.
 - (a) The roofing system will consist of fluid applied membrane roofing (hot applied), reinforcing sheet (continuous) reinforcing flashing at corners, joints, penetrations, curbs and drains, separation sheet, air layer, filter fabric, rigid insulation over a separation sheet.
 - (b) Precast pavers, or their equivalent, will be provided on pedestals on all terraces at setback roof areas.
- (iii) Roofs over mechanical bulkheads will be constructed of light gauge metal joists with metal decking and lightweight concrete with EPDM roofing over insulation with gravel ballast.
- (iv) Roofs over Penthouse Condominium Unit bulkheads will be constructed of light gage metal joists with metal decking and lightweight concrete sub-roof with EPDM roofing over insulation with gravel ballast.
- (v) Bond or Guarantee: The roofing system will have a ten (10) year manufacturer's warranty.
- (vi) Drains:
 - (a) Number: There will be approximately 14 roof drains, 12 terrace drains and 2 areaway drains throughout the various levels of roof. Some of these drains may be on private terraces.
 - (b) Material & Type: Cast Iron, or equivalent.
 - (c) Gutters & Leaders: The Elevator Machine Room, Mechanical Bulkhead, and the main roof level will drain to an internal cast iron down leader system within the building and discharge into the combined sewer and storm water system in the cellar. Other bulkhead roofs will have aluminum gutters and downspouts that discharge to the main roof level below.
- (vii) Skylights: Painted aluminum skylights' or their equivalent, will be provided to Condominium Units PH-A, PH-B, and PH-C.
 - (a) Skylights will be glazed with insulated Low-E glass units (same as the typical glazing) but with tinted glass; tempered exterior glass pane; and a laminated and tempered interior glass pane or their equivalent.
- (viii) Bulkheads:
 - (a) Mechanical bulkheads will be Exterior Insulating Finish System (EIFS) on concrete masonry units or concrete columns or concrete shear walls.

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- (b) The elevator bypass and machine room will be part of the roof bulkhead, which will consist of concrete masonry unit construction with EIFS enclosure assembly.
- (c) Individual Condominium Unit stair bulkheads from the Penthouse floor to the roof will be light gauge metal stud construction with EIFS enclosure assembly.
- (ix) Metal Work at Roof Levels:
 - (a) Exterior Metal Stairs: There will be galvanized steel 60 degree stairs from the main roof level to the mechanical bulkhead roof and the elevator machine room of steel channel construction with steel diamond plate treads and landings or equivalent.
 - (b) Vertical Ladder: There will be one exterior vertical steel ladder leading from the mechanical roof bulkhead to the elevator machine room roof.
 - (c) Railings: The exterior stair railings will be approximately 1½" diameter painted steel.
 - (d) Hatches to Roof: None
- (x) Rooftop Facilities: None
- (15) Fire Escapes (None)
- (16) Yards & Courts
 - (i) There are no courts proposed for the building. A rear yard will be provided in accordance with the applicable zoning regulations at the first residential level (Second Floor) and will contain private rooftop terraces and a public rooftop terrace accessed from the second floor elevator lobby. See Section 8 - Rooftop Terraces for full description.
- (17) Interior Stairs
 - (i) Egress Stairs: There will be two scissor type egress stairs in the building, which will extend from grade up to the main roof. Two scissor type egress stairs will extend from the cellar up to grade. Two stairs will discharge to the street through the residential lobby and two stairs will discharge to the street through a remote exit.
 - (a) Enclosure: Each egress stair will be enclosed with approximately 8" concrete masonry units, reinforced concrete shear wall, or 2-hour rated drywall equivalent partition.
 - (b) Stair Construction: Concrete Frame
 - Treads: Concrete
 - Risers: Concrete
 - (c) Hand Rails: Painted steel pipe handrails or its equivalent
 - (d) Balustrade: None
 - (ii) Interior communicating stairs within Condominium Units:
 - (a) Enclosure: Open within the Condominium Unit.
 - (b) Stair Construction: Steel or wood frame
 - Treads: Wood

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Risers: Open or Wood (when enclosed as required)

(c) Hand Rails: Painted Steel plate assembly with wood railings or equivalent

(d) Balustrade: Painted Steel plate assembly with stainless steel tension cables or its equivalent

(18) Interior Doors & Frames

- (i) Condominium Unit Entrance Doors: The entrance door to each Condominium Unit will be approximately 1¾" thick, Fire Proof Self Closing (FPSC), ¾ hour rated, painted hollow metal doors; in painted hollow metal frames, STC 35, with non-combustible marble saddles or its equivalent.
- (ii) Doors within Condominium Units: Interior doors within the Condominium Units will be approximately 1¾" thick, non-rated, solid core wood veneer doors, in painted hollow metal frames. Bathroom doors have marble or stone saddles or its equivalent.
- (iii) Egress Stair Doors: Stair hall doors will be flush-panel painted hollow metal approximately 1¾" thick, FPSC, 1½ hour rated, with wire-glass vision panels, in painted hollow metal frames with non-combustible saddles or its equivalent.
- (iv) Roof Doors, Cellar Doors & Frames: All doors and frames will be hollow-metal and will meet the New York City Building Code requirements.

(19) Elevators

- (i) Elevators will be accessible from the residential lobby and comply with LL58/87 of NYC for access by the disabled. Both elevators will have stops at the cellar through the main roof level.
- (ii) Quantity: Two (2)
- (iii) Type: Passenger
- (iv) Capacity in Pounds (passengers)
 - (a) PE-1: approximately 2000lbs (10 passengers)
 - (b) PE-2: approximately 2,500 lbs (12 passengers)
- (v) Speed: approximately 300 fpm
- (vi) Number of Landings: fifteen (15)
- (vii) Number of Openings: fifteen (15)
- (viii) Floors Served: Cellar, Lobby, Floors 2-13, Roof
- (ix) Openings: Front opening at all other levels
- (x) Operation: Duplex selective collective
- (xi) Control: Variable voltage variable frequency drives
- (xii) No. of Push Bottom Risers: One (1)
- (xiii) Platform Size

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- (a) PE-1: approximately 6'-0" wide x 5'-0" deep
 - (b) PE-2: approximately 7'-0" wide x 5'-0" deep
 - (xiv) Guide Rails: Steel tees at sides or its equivalent
 - (xv) Buffers: Oil
 - (xvi) Cab Enclosure: The passenger elevator cab will be a combination of stainless steel and wood veneer panels and a terrazzo, stone, or ceramic floor, or equivalent. Cabs will be handicapped accessible in compliance with ADA and NYC Local Law 58 requirements.
 - (xvii) Car Door Size
 - (a) PE-1: approximately 3'-0" x 7'-6"
 - (b) PE-2: approximately 3'-6" x 7'-6"
 - (xviii) Hoistway Door Speed: Single speed side opening
 - (xix) Car Fixtures: Car opening panel in swing front return without faceplate, cast metal designations, flush stud mounted. Car position indicator with individual numeric readout.
 - (xx) Machine Types: Geared Traction
 - (xxi) Machine Location: Overhead (located in the Rooftop Elevator Bulkhead)
 - (xxii) Power Supply: 208-3-60
 - (xxiii) Thyssen Krupp will be the elevator installer and manufacturer. However they will not manufacture all of the individual parts.
- I. Auxiliary Facilities
- (1) Laundry Room: No common facility will be provided. All Condominium Units will have individual washer/dryers in the apartments which will be the responsibility of individual owners.
 - (2) Residential Storage - 30 individual wire mesh storage bins will be located in the Cellar.
 - (3) Refuse Disposal:
 - (i) Incinerators: None
 - (ii) Compactors: There will be a refuse chute on each residential floor (2-PH) for collection of residential refuse in the building with a compactor in a trash room in the cellar. The refuse chute will be accessible at each residential floor through a trash room. The compactor will be maintained by the Condominium Association.
 - (a) Trash Compactor will be Wilkinson Model No. 45K; extruder type, fully automatic with 9.5 cubic ft. chamber capacity; or its equivalent.
 - (iii) Approvals: None required
 - (iv) Storage Location: The compacted bags, to be provided by the Condominium Association, will be stored in the Trash Room in the cellar.

- (v) Pickup Schedule: Building staff will set compacted trash and recyclable materials at curbside for collection on the days designated by the NYC Department of Sanitation.

J. Plumbing & Drainage

- (1) Permits required: Approval of sanitary/storm water house connection to the city sewer in West 21st Street and for connection to domestic water and fire service to the city water main in West 21st Street will be obtained from the New York City Department of Environmental Protection.
- (2) Water Supply: Potable water will be supplied via New York City public water system.
 - (i) Water supply is an up feed system originating at duplex, constant speed booster pumps in the Cellar. Pumps take suction from a 4" metered supply from West 21st Street municipal water main. A Double Check Valve (DCV) is positioned downstream from the meter.
 - (ii) There will be four (4) indirect gas fired domestic hot water storage heaters located in the mechanical equipment room in the Cellar. They will be supplied with high temperature hot water from the space heating boilers.
 - (iii) There will be a single water meter for all of the Condominium Units. Water Charges will be borne by the Condominium Association as a common expense to the individual Condominium Unit Owners.
 - (iv) Two (2) water meters will be provided for the two (2) retail tenants. Water charges will be borne by each respective retail tenant directly to Con Ed.
- (3) Water Pressure: Domestic water pressure will be approximately 35 psi at the Penthouse (13th floor) and will be maintained by booster pumps in the Cellar.
- (4) Sanitary Sewage System: The sanitary sewage system will be a gravity type that is connected to West 21st Street municipal sewer.
 - (i) Sanitary piping will be cast iron throughout.
 - (ii) Sewage pumps will be dedicated to the Cellar plumbing fixtures, and floor drains. Pumps will be duplex, submersible type, with approximately 4" discharge pipes fitted with check and gate valves. The discharge pipe will be connected on the street side of the sanitary house trap.
- (5) Storm Drainage System: The storm drainage system will be gravity type connected to municipal combination storm/sewer sewer in West 21st Street.
 - (i) Storm piping will be cast iron throughout.
 - (ii) Storm drains will be located at the 2nd, 9th and 10th floor private terraces, main roof, building stair roof, Apartment Unit "A", "B" and "C" private stair roofs and Elevator Machine Room (EMR) roof. The system will be adequately sized.
 - (iii) Area drains piped to the Cellar sump pit will be provided in the Rear Yard areaways.

- (6) Fire Protection System: The building will be protected throughout with a combination automatic wet fire sprinkler and standpipe system in accordance with NFPA, the City of New York Building and Fire Codes.
- (i) The sprinkler and standpipe system will be supplied with water from the new 6 inch fire protection water service connected to the New York City water main in the street. Pressure for this system will be augmented by a fire and jockey pumps installed in a pump room in the Cellar. Charges for water used in the sprinkler and standpipe system will be metered by the double check detector assembly (DCDA) and will be borne by the Condominium Association as a common expense to the individual Condominium Unit Owners.
 - (ii) The combination sprinkler/standpipe riser will have a capped hose valve at every floor. The sprinkler/standpipe riser will be centrally located in the building in Stair B. The riser will have a flow control valve water flow w/tamper switch, and drain connection at each floor.
 - (iii) There will be sprinklers installed in public corridors and within the Condominium Units in living rooms, bedrooms, kitchens, hallways, and miscellaneous other spaces, in accordance with New York City laws. Sprinkler heads will be of upright, pendent, concealed, or side-spray types, depending on the locations and installations conditions.
 - (iv) A Siamese Connection for the sprinkler and standpipe system will be accessible from the sidewalk of West 21st Street.
 - (v) The sprinkler and standpipe installation will be inspected and signed off prior to obtaining a Certificate of Occupancy.
 - (vi) The trash chute will be provided with sprinkler at the top, above the lowest service opening and at alternate floors.
 - (vii) A central hose station and locked key box will be located at the ground floor in the elevator lobby.

K. Heating

- (1) Heating will be provided with hot water from a natural gas fired boiler plant in the Cellar mechanical equipment room. The boiler plant will consist of two (2) high efficiency, gas-fired, hot water boilers. The boilers will be Laars Mighty Therm Model HH2450 (or equivalent) packaged water tube boiler with atmospheric gas burner, burner controls, and air damper control assembly. The input for each boiler will be approximately 2450 CFH natural gas and the output capacity for each boiler will be approximately 1900 MBH (approximately 60 boiler horsepower).
- (2) Hot water will be circulated via baseboard radiation and unit heaters to certain common areas and 2-pipe heating coils in Package Terminal Air Conditioning (PTAC) units in the Condominium Units, by central hot water circulating pumps. The water temperature will be scheduled in inverse proportion to outdoor air temperature. Capacities of the heating systems for the common areas and dwelling units are sized to meet the New York City Building Code and New York State Energy Code, providing a minimum interior temperature of 70 degrees Fahrenheit at an outside air temperature of 5 degrees Fahrenheit and a wind velocity of 15 mph.
- (3) Domestic hot water will be provided by means of four (4) indirect fired domestic hot water storage heaters located in the Cellar boiler room. Domestic hot and cold water will be distributed to each apartment by means of a copper pipe distribution system. All hot water piping is insulated with fiberglass pipe insulation with thicknesses which meet or exceed New York State Energy Conservation Code.

L. Gas Supply

- (1) Type: Consolidated Edison Company, Inc. (Con Ed) will supply low pressure gas service.
- (2) Meters: There will be two (2) meters. One meter will be for the building heating boilers and rooftop corridor outside air unit, and a second meter will be for apartment kitchen cooking. All gas usage, both for common areas and for the individual Condominium Units, will be borne by the individual Condominium Unit Owners as a common expense. The gas usage by the retail spaces will be separately metered by Con Ed.
- (3) Piping: Piping is steel with threaded malleable iron fittings.

M. Air Conditioning

- (1) Air conditioning (and heating) for the Condominium Units is provided by an air cooled Packaged Terminal Air Conditioning (PTAC) units with 2-pipe hot water coils. The individual condominium PTAC units are sized and selected to meet New York City Building Code and New York State Energy Code requirements. Cooling capacities are based on ASHRAE and ARI conditions of 89 degrees Fahrenheit DB (dry bulb)/73 degrees Fahrenheit WB (wet bulb) outside air, at inside conditions of 78 degrees Fahrenheit DB/63 degrees Fahrenheit WB. PTAC unit EER ratings meet requirements of State Energy Code dated 2003.

- (i) Each bedroom and living/dining room of each unit has one of five (5) different size units depending on the load requirement of the room:

Symbol	Manufacturer and Model Number	Total Capacity MBH Cooling	Total Capacity MBH Heating
A	McQuay PDNS1007	7.3	13.8
B	McQuay PDNS1009	9.2	18.0
C	McQuay PDNS1012	12.1	18.4
D	McQuay PDNS1015	14.6	18.4
E	McQuay PDNS1016	16.0	18.4

"Unit B" living rooms (floors 10 thru Penthouse) will have a wall mounted, split condenser, heat pump instead of a PTAC unit. The capacity of each unit is approx. 34.2 MBH cooling and 38 MBH heating.

- (ii) Hot water supply is provided seasonally from the mechanical room to provide hot water in the winter.
 - (iii) Individual room thermostats for each of the PTAC units, controls the room to its selected temperature.
- (2) Air conditioning of the corridor will be by 100% Outside Air Rooftop air-cooled packaged unit, direct gas fired heating, supply airshaft from cellar to unit on roof. Maintenance of the system will need be performed by the Condominium Association.
- (3) Separate package or split air-cooled HVAC units, or their equivalent, will be provided for main entrance lobby and miscellaneous areas such as the elevator machine rooms, telephone rooms, etc.

- (4) All energy consumed for air-conditioning common areas will be billed by the utility and borne by the Condominium Association as a common expense to the individual Condominium Unit Owners.

N. Ventilation

- (1) Each Condominium unit bathroom and kitchen will be provided with mechanical exhaust by centrifugal roof exhaust fans connected to exhaust shaft-ways in accordance with New York City code requirements.
- (2) There will be three (3) dryer exhausts, four (4) kitchen exhausts, five (5) toilet exhausts and a trash chute exhaust. These exhausts may be located on private roof terraces.
- (3) The interior public corridors will be provided with ventilation air (100% outside air) by a roof mounted air cooled AC, gas-fired, outside air unit. The conditioned air will be distributed by means of a galvanized sheet steel duct distribution system, in accordance with New York City code requirements.
- (4) Gas meter room will be vented to the outside.

O. Electrical System

- (1) The Consolidated Edison electric service will enter underground on West 21st Street. The electric service capacity will be approximately 2000 amps at 208 volt, 3-phase. Fused switches protect the wiring.
- (2) There will be one electrical room located on the Cellar floor. It will contain the main electrical switchgear and Consolidated Edison electric meters. There will be one (1) Consolidated Edison electric service meter for the building/common areas and 52 individual condominium unit meters. The electric usage by the retail spaces will be separately metered by Con Ed.
- (3) There will be five (5) service switches located in the Cellar main electric room. The service switches are approximately as follows:
 - (i) 1200 amp, 208 volt, 3 phase, 4 wire switch, fused at 1000 amps, that will serve the house distribution board (building common areas, core, and mechanical loads).
 - (ii) 800 amp, 208 volt, 3 phase, 4 wire switch, fused at 700 amps, that will serve Condominium Unit meters.
 - (iii) (2) 400 amp, 208 volt, 3 phase, 4 wire switches, fused at 350 amps, that will serve Condominium Unit meters.
 - (iv) 1200 amp, 208 volt, 3 phase, 4 wire switch, fused at 1000 amps, that will serve the 50 horse power fire pump located on Cellar level.
 - (v) 600 Amp, 208 volt, 3 phase, 4 wire switch for future Ground Floor retail tenants.
- (4) Condominium Unit Service: Each Condominium Unit will have a three phase, 208 volt circuit breaker panel rated to comply with New York City Code and adequate to accommodate modern usage and appliance provided in Residential Units, such as air conditioning, washing machines, clothes dryers, microwaves, etc.
 - (i) All Condominium Unit electrical panels will have approximately a 35 pole capacity and are rated at approximately 100 amps.

- (ii) The average Condominium Unit will have approximately 30 circuits, adequate to power lighting, PTAC units, kitchen appliances (gas range, microwave, refrigerator, dishwasher, toaster, and coffee maker), and convenience outlets.
- (iii) Switched lighting fixtures will be provided in bathrooms, foyers, and kitchens which will be either incandescent or fluorescent. The remainder of the apartment lighting will be provided by the individual Condominium Owner, via a switched outlet.
- (iv) Switched receptacles will be provided in all living rooms and bedrooms to meet NYC Electrical Code. Ground fault receptacles will be provided in all bathrooms. Arc fault circuits will be provided for all receptacles in bedrooms to meet the requirements of the NYC Electrical Code. Appliance receptacles will be provided in kitchens and dining rooms. Convenience receptacles will be provided to meet the requirements of the NYC Electrical Code.
- (5) Fire pump and fire alarm system will be fed from service side of service switch after the current transformers.
- (6) Emergency lighting will be provided by emergency battery ballasts and battery packs.
- (7) Public Area Lighting: Lighting will be furnished to the public areas of the building through fluorescent and/or incandescent fixtures.

P. Intercom & Security

- (1) A video intercom system will be provided for all Condominium Units in the building. There will typically be one intercom station within each Condominium Unit. There will be a video intercom station outside the lobby entrance.

Q. Fire and Smoke Detection Systems

- (1) Fire Alarm System: A code compliant smoke detection and sprinkler alarm system will monitor the building fire alarm devices including sprinkler and fire pump flow and tamper switches, smoke and heat detectors in mechanical rooms.
- (2) Elevator Recall System: Elevator recall will be provided from the smoke and sprinkler alarm system. Smoke detectors will be provided in the elevator machine room and at the top of elevator shafts to initiate recall. A sprinkler alarm will also cause the elevators to recall to the ground floor in accordance with the NYC Building Code.
- (3) Smoke Detection System:
 - (i) Each Condominium Unit will contain a combination carbon monoxide/smoke detector located in the vicinity of the bedrooms. The detector will be wired to 120-volt local power and will be self-contained with its own sounding device.
 - (ii) Smoke detectors will be provided in Electric, Telephone, and Elevator Machine Rooms. System will also include flow and tamper switches for each floor sprinkler system including compactor chute and vestibule.

R. Garage & Parking Areas (None)

S. Swimming Pools (None)

T. Recreation Facilities

- (1) Common recreation space will be provided in the rear yard on the 2nd Floor level and on the main roof level.
 - (i) Outdoor recreation space on the 2nd Floor and Rooftop will be paved with concrete pavers, or equivalent, on pedestals.
- (2) Tennis Courts: None
- (3) Bicycle Storage: None

U. Permits, Certificates, and Approvals

- (1) The work will be performed in compliance with applicable provisions of the New York City Zoning Resolution, the New York State Multiple Dwelling Law, and the 1968 New York City Building Code.
- (2) The plans have been filed with the Department of Buildings. The Building application number is #104203540.
- (3) The following inspections and signoffs will be required to obtain a Temporary Certificate of Occupancy: Construction, Plumbing, and Elevator.
- (4) The following inspections and signoffs will be required to obtain a Certificate of Occupancy: Construction, Plumbing, Electrical, and Elevator. To obtain a construction signoff, Equipment Use Permits will be required for air conditioning and sprinkler and standpipe inspections
- (5) Upon completion of the project the building must be registered with the Department of Housing Preservation and Development as a Multiple Dwelling by the Condominium Association. This registration must be renewed by the Condominium Association every year.
- (6) During normal operation of this building regular elevator inspections will be required, including Periodic, One Year, and Five Year Inspections. These will be the responsibility of the Condominium Association.
- (7) Yearly sprinkler inspections will be required, and five-year standpipe inspections will be required. These will be the responsibility of the Condominium Association.
- (8) Inspections of facades will be required every five years under New York City Local Law 11 of 1998. The project will comply with Local Law 58/87, Title 26 and ADA. These will be the responsibility of the Condominium Association.
- (9) Landmark Status: None.

V. Violations (Not Applicable)**W. Unit Information**

- (1) The estimated square foot area of the Condominium Units set forth in the Floor Plans, Schedule A of the Offering Plan and Exhibit B to the Condominium Declaration, are approximate and are based upon the following method of tabulation.
- (2) All dimensions are approximate and subject to normal construction variances and tolerances. Square Footage (SF) is calculated from exterior face of exterior walls (perimeter and mechanical pipes are not deducted); centerline of demising walls, common corridors, stairs, elevators & other mechanical equipment spaces or any common elements.

- (3) Any common elements located within a Condominium Unit are not considered part of such Condominium Unit.
- (4) Penthouse Condominium Unit bulkheads to private roof terraces are included in the estimated square footage and are measured to the exterior face of the bulkhead perimeter - any open space within the stairs that is necessary for the stair is counted as area.
- (5) Measured vertically, each Condominium Unit will consist of the volume from the top of the concrete floor slab below (located under the finish flooring and sub-floor materials) to the underside of the concrete slab above. The clearance between the top of the concrete floor slab and bottom of the finish ceiling in the Condominium Units will generally be in excess of approximately 9'-0" in major areas. Certain Condominium Units and areas within other Condominium Units may have clearances of less than this to accommodate facilities or piping located above the ceiling or otherwise to respond to field conditions.
- (6) Sponsor reserves the unconditional right to make changes due to unforeseen conditions in accordance with the Offering Plan.

X. Finishes, Fixtures & Equipment

- (1) Subject to Sponsor's right to make substitutions as set forth in the Offering Plan, the individual Condominium Units will be equipped with fixtures and appliances as follows or with their equivalent.

- (2) Abbreviations for finishes:

ACT ACOUSTICAL TILE
 CT CERAMIC TILE
 CPT CARPET
 CONC CONCRETE
 DE DECK ENAMEL
 GL GLASS
 GLT GLASS TILE
 GT GRANITE TILE
 GWB GYPSUM WALLBOARD
 MB METAL BASE
 MT MARBLE TILE
 QT QUARRY TILE
 SC SUSPENDED CEILING
 SP SPRAY PAINT
 ST STONE
 VB VINYL
 VCT VINYL COMPOSITION TILE
 VWC VINYL WALL COVERING
 WRWB WATER RESISTANT GWB
 WD WOOD
 WDB WOOD BASE
 WDP WOOD PANELING

- (3) Finish Schedule - Condominium Units:

Space	Floor**	Wall*	Base	Ceiling*	Countertop	Backsplash
Kitchen	WD.....	GWB.....	WDB...	GWB.....	ST	ST
Master Bathrms.....	ST	WRWB/ST...	ST	GWB.....	ST	N/A
Second Bathrms.	CT.....	WRWB/CT ..	CT.....	GWB.....	ST	N/A
Powder Rooms.....	CT.....	WRWB/CT ..	CT.....	GWB.....	ST	N/A
Foyer	WD.....	GWB.....	WDB...	GWB.....	N/A.....	N/A

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Living RoomWD.....GWB.....WDB... CONC.....N/A.....N/A
 Bedrooms.....WD.....GWB.....WDB... CONC.....N/A.....N/A
 Closets.....WD.....GWB.....WDB... GWB.....N/A.....N/A

Notes: * Unless otherwise noted, all ceilings and walls shall be painted.
 ** Radiant floor heating will be installed in all Master Bathrooms in all units as well as in Second bathrooms of Penthouse Units.

(4) Finish Schedule - Common Areas:

Space	Floor	Wall*	Base	Ceiling*
Public Corridor	CPT.....	GWB.....	WDB.....	GWB
Lobby	CT.....	GWB/WDP.....	WDB.....	SC/GWB
Toilet Rooms	CT.....	WRWB.....	CT.....	GWB
Stairs	CONC.....	CONC/GWB...	N/A.....	CONC
Refuse Room	QT.....	GWB.....	QT.....	GWB
Electrical Closet	..CONC.....	GWB.....	VB.....	N/A

Notes: * Unless otherwise noted, all ceilings and walls shall be painted.

(5) Kitchen & Bathroom Fixtures

(i) Master Bathrooms:

- (a) Toilet: Kohler Santa Rosa, K-3323-O, Elongated toilet, White, or their equivalent
- (b) Lavatory: Kohler Purist Wading Basin, K-2314-8, countertop, 24" x 23½", White, or their equivalent
- (c) Lavatory Fittings: Kohler Stillness, K-942-4, Polished Chrome, or their equivalent
- (d) Tub: Kohler Mariposa, K-1229, 5'-6" Drop In (No Apron), White, or their equivalent
- (e) Tub Fittings: Kohler Stillness, K-T950-4 & K-T952 / K-304-KS / K-7161-AF, Polished Chrome, or their equivalent
- (f) Shower Fittings: Kohler Stillness, K-968 / K-T10941-4 / K-680-K, Stacked thermostatic valve & shower trim, Polished Chrome, or their equivalent
- (g) Shower/Tub Fittings: Kohler Stillness, K-968 / K-T10940-4 / K-679-KS / (2) K-681-K / (2) K-T10943-4 / K-952, thermostatic valve & shower/tub trim, Polished Chrome, or their equivalent
- (h) Steam Generator: Steamist, SM-7 / SSH, or its equivalent. *Only in Master bathrooms with a separate shower.

(ii) Second Bathrooms:

- (a) Toilet: Kohler Santa Rosa, K-3323-O, Elongated toilet, White, or their equivalent
- (b) Lavatory: Kohler Purist Wading Basin, K-2314-8, countertop, 24" x 23½", White, or their equivalent
- (c) Lavatory Fittings: Kohler Stillness, K-942-4, Polished Chrome, or their equivalent

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- (d) Tub: Kohler Mariposa, K-1229, 5'-6" Drop In (No Apron), White, or their equivalent
- (e) Shower/Tub Fittings: Kohler Stillness, K-968 / K-T10940-4 / K-679-KS / (2) K-681-K / (2) K-T10943-4 / K-952, thermostatic valve & shower/tub trim, Polished Chrome, or their equivalent
- (iii) Powder Room:
 - (a) Toilet: Duravit Darling, D11518/ Wall mount (Including Tank/Carrier/Access Panel), White, or its equivalent
 - (b) Lavatory: Lacava SAT50 w/ SAT30, Wall mount, White, or its equivalent
 - (c) Lavatory Fittings: Dorn Bracht 33.501.625.00, Polished Chrome, or its equivalent
- (iv) Kitchen:
 - (a) Sink: Kohler Undertone K-3332, under-mount sink, 23" x 17½", Stainless Steel, or its equivalent
 - (b) Fittings: Kohler Forte, K-10433-VS, Polished Chrome, or its equivalent
- (6) Kitchen & Bathroom Accessories:
 - (i) Master Bathrooms:
 - (a) Medicine Cabinet: Robern Model No. PLM2430-W / PLSK30, or its equivalent
 - (b) Shower Enclosure: Frameless, ½" Clear tempered glass, door and side panel, square hinges, or its equivalent
 - (c) Towel Bars: (2) Kohler, K-14451, 24", Polished Chrome, or its equivalent
 - (d) Toilet Paper Holder: Kohler, K-14459, Polished Chrome, or its equivalent
 - (e) Soap Holders: (2) Kohler, K-14461, Polished Chrome, or its equivalent
 - (f) Vanities: Kohler Purist, K-3081-F4, Wall mount, Black Walnut, or its equivalent
 - (g) Robe Hooks: (2) Kohler, K-14458, Polished Chrome, or their equivalent
 - (h) Shower Curtain Rod: 1¼" Chrome w/ concealed flanges, or its equivalent
 - (i) Tilt-up Shower Seat: Steamist, SBS-101C, Wall mount, Chrome, or its equivalent. * In steam showers only.
 - (ii) Second Bathrooms:
 - (a) Medicine Cabinet: Robern, PLM-2430-W / PLSK30, or its equivalent

FX FOWLE

- (b) Towel Bar: Kohler, K-14450, 18", Polished Chrome, or its equivalent
- (c) Robe Hooks: (2) Kohler, K-14458, Polished Chrome, or its equivalent
- (d) Toilet Paper Holder: Kohler, K-14459, Polished Chrome, or its equivalent
- (e) Soap Holders: (2) Kohler, K-14461, Polished Chrome, or its equivalent
- (f) Shower Curtain Rod: 1¼" Chrome w/ concealed flanges, or its equivalent
- (iii) Powder Rooms:
 - (a) Mirror: Surface mounted, 20" x 30" , or its equivalent
 - (b) Towel Bar: Kohler, K-14450, 18", Polished Chrome, or its equivalent
 - (c) Toilet Paper Holder: Kohler, K-14459, Polished Chrome, or its equivalent
 - (d) Glass Shelf: Kohler, K-14455, Polished Chrome, or its equivalent
- (7) Kitchen Appliances:
 - (i) Refrigerator: Viking, DFBB363, match cabinet, or equivalent (stainless steel finish, or equivalent, at Penthouse Units)
 - (ii) Gas Range/Gas Convection Oven: Viking, VGIC307-4B, 4 Burners, Stainless Steel, or its equivalent
 - (iii) Hood: Prestige, WMPLDF 30241, recirculating, Stainless Steel, or its equivalent
 - (iv) Microwave Oven: KitchenAid, KCMS1555RS, Stainless Steel w/ Trim Kit, or its equivalent
 - (v) Dishwasher: Viking, DFUD042, match cabinet, or its equivalent (stainless steel finish, or equivalent, at Penthouse Units)
 - (vi) Wine Cooler: Viking, VUWC151, 15", Stainless Steel or equivalent. *In 1, 2 and 3 bedroom units only. **Supers unit will not have a wine cooler.
 - (vii) Disposal: In-sink-erator, Model 17, or its equivalent
- (8) Laundry Appliances:
 - (i) Washer/Dryer: Maytag, LSE7806 ACE, Stacked Gas Condominium Unit, White, or its equivalent

END OF SECTION

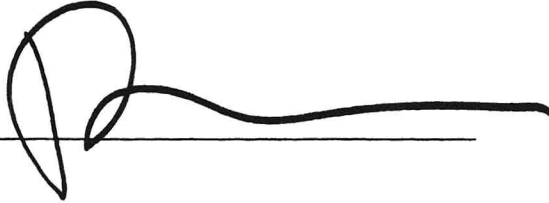
FX FOWLE

Sponsor reserves the right to substitute manufacturers, materials, appliances, fixtures, finishes and equipment of equal or better quality than those set forth in this report.

FXFOWLE ARCHITECTS, PC

Daniel J. Kaplan, AIA
Senior Principal

By: _____



Sworn to before me this
10th day on November 2006


Notary Public

ORLANDO CONCEPCION
Notary Public, State of New York
No. 01CO6129870
Qualified in Kings County
Commission Expires July 05, 2009

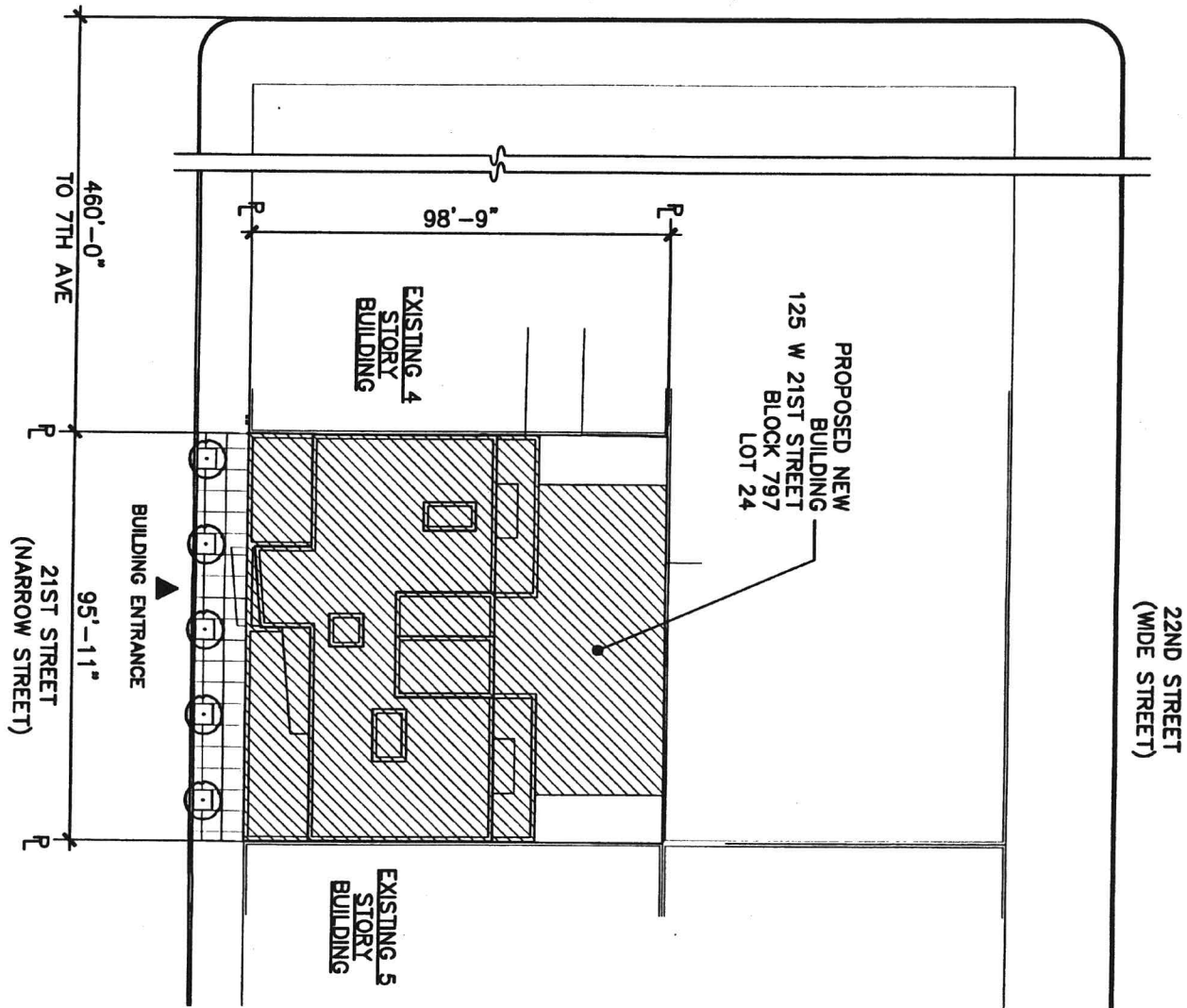


EXHIBIT "5"

**FLOOR PLANS
OF
UNITS**

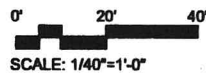


7TH AVENUE
(WIDE STREET)



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

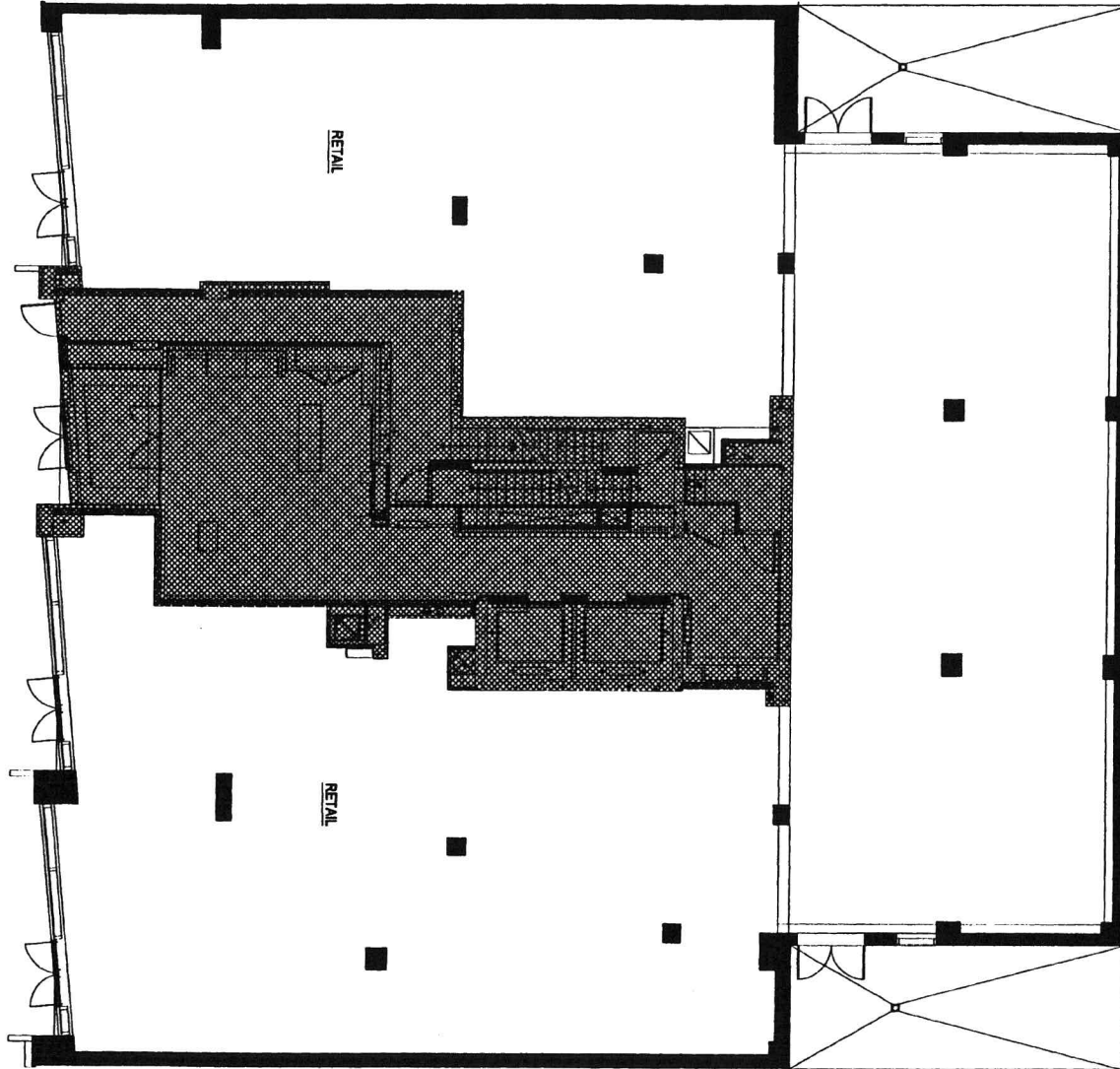
BUILDING FOOTPRINT



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

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.

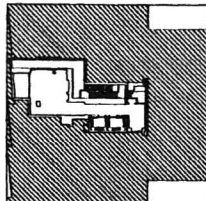
21ST STREET



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

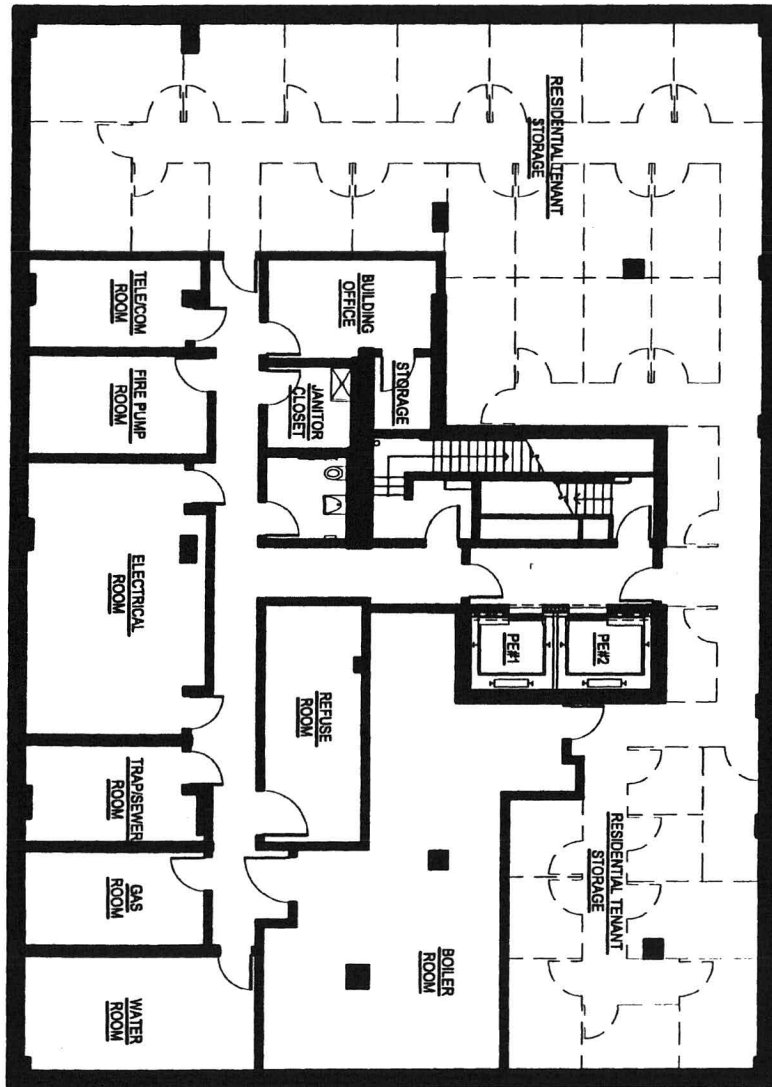
GROUND FLOOR PLAN
RETAIL

6,956 SF



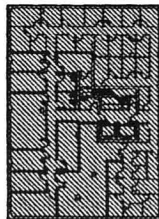
0' 3' 6' 12' 24'
SCALE: 1/16"=1'-0"

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

CONCOURSE FLOOR PLAN
STORAGE SPACES AND OTHER
COMMON ELEMENTS

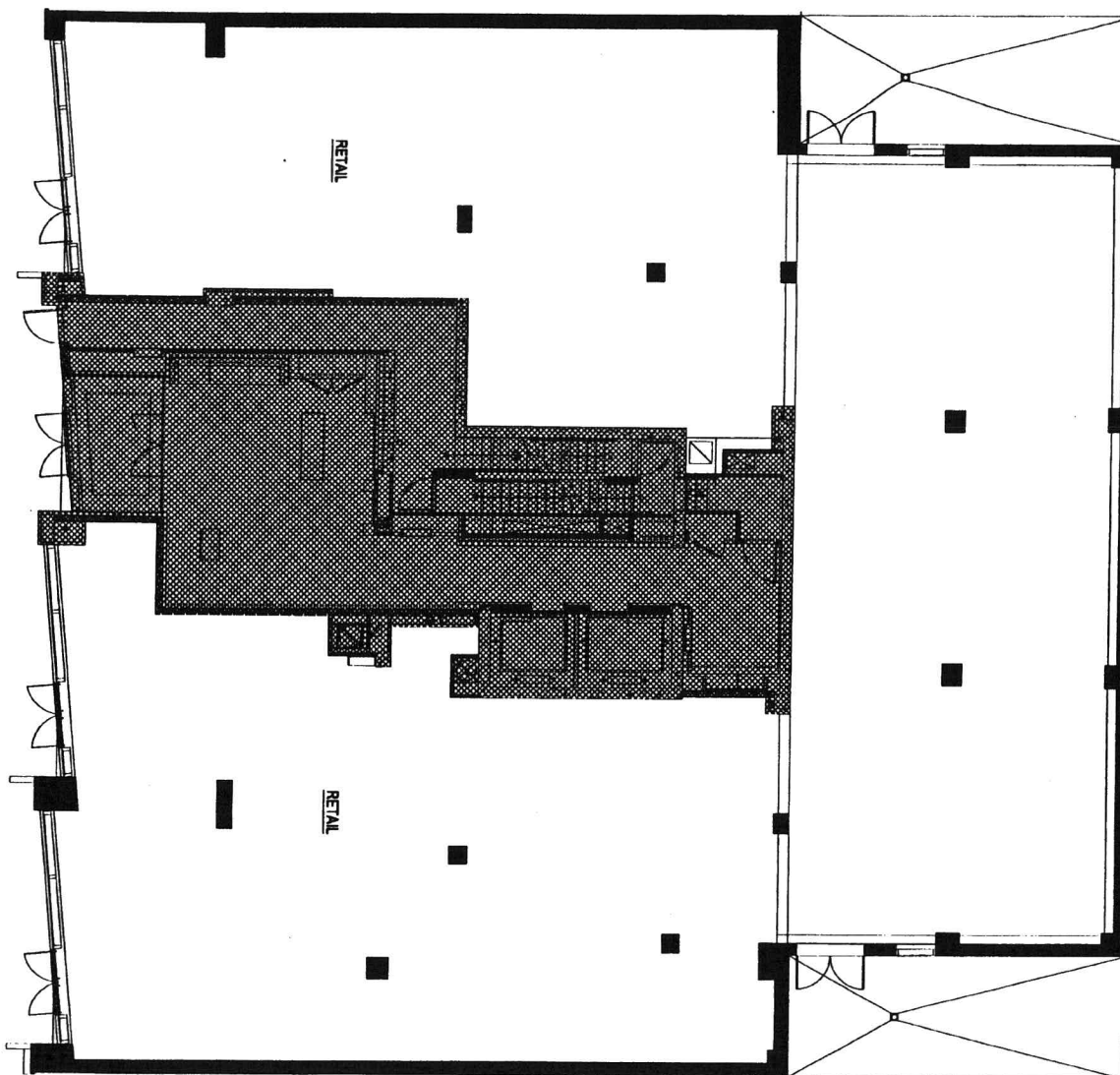


0' 3' 6' 12' 24'
SCALE: 1/16"=1'-0"

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

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.

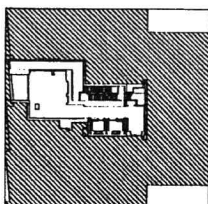
21ST STREET



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

GROUND FLOOR PLAN
RETAIL

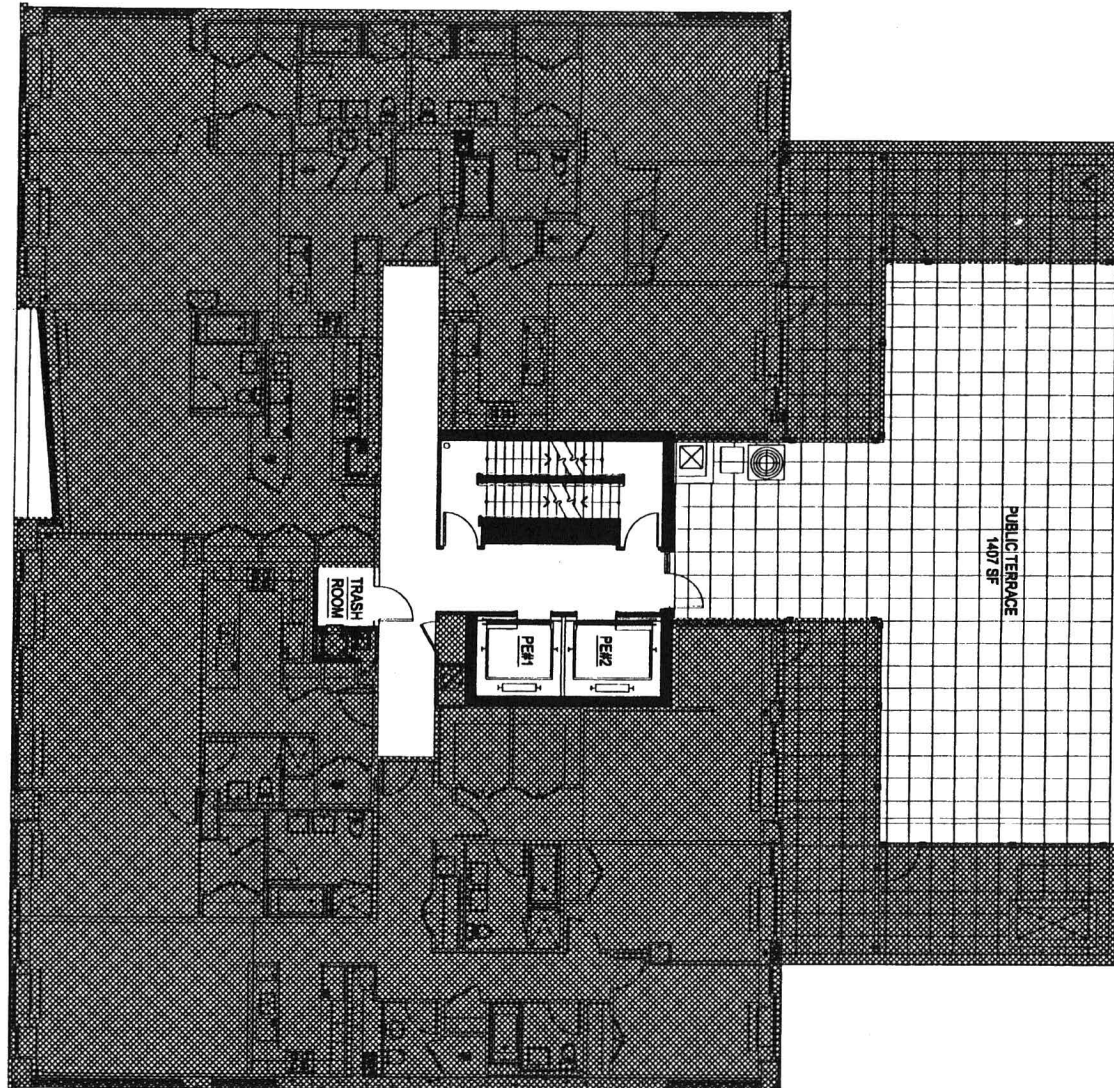
6,956 SQ. FT.



0' 3' 6' 12' 24'
SCALE: 1/16"=1'-0"

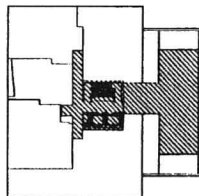
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

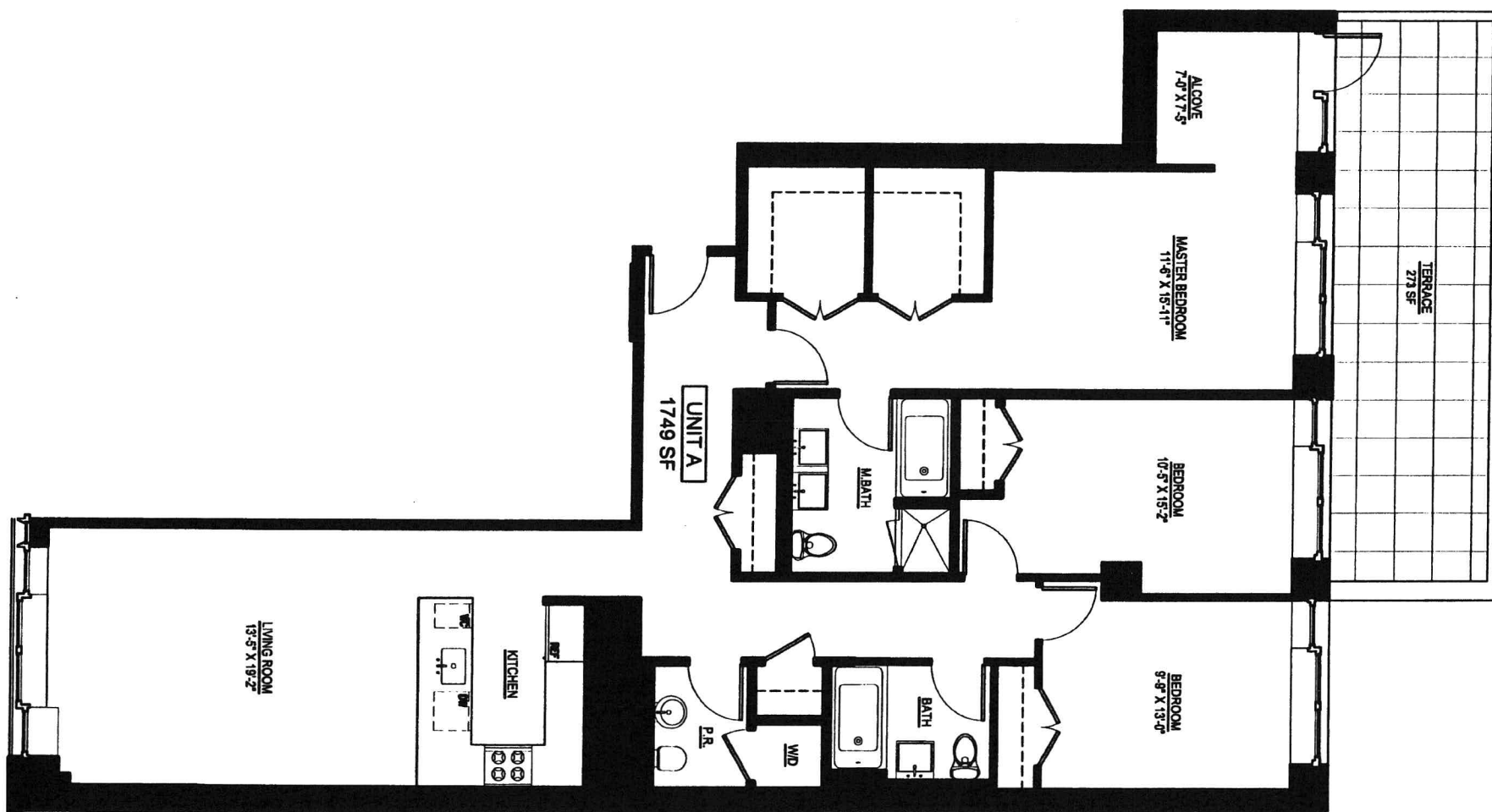
2ND FLOOR PLAN
PUBLIC TERRACE AND OTHER
COMMON ELEMENTS



0' 3' 6' 12' 24'
SCALE: 1/16"=1'-0"

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

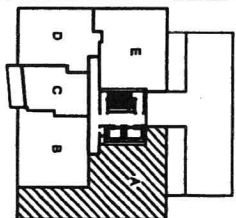
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

APARTMENT A - FLR 2
3 BEDROOMS
2.5 BATHS

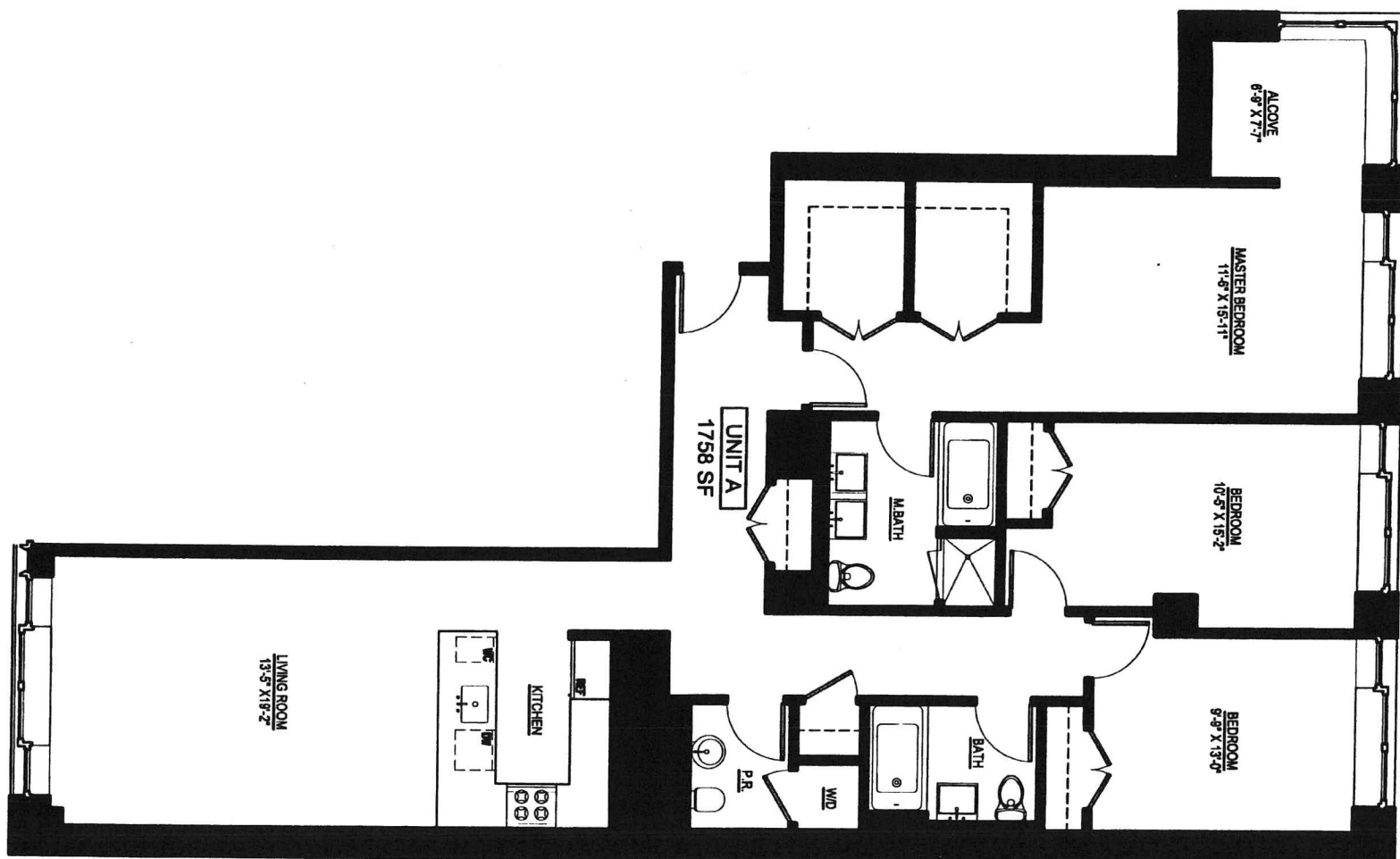
1749 SQ. FT. INTERIOR
273 SQ. FT. EXTERIOR



0' 2' 4' 8' 12'
SCALE: 1/8"=1'-0"

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

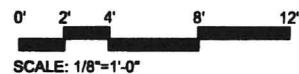
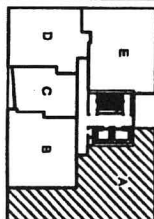
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

APARTMENT A - FLR 3-8
3 BEDROOMS
2.5 BATHS

1758 SQ. FT. INTERIOR



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

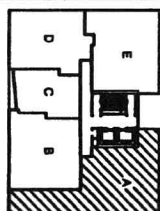
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

APARTMENT A - FLR 9
3 BEDROOMS
2.5 BATHS

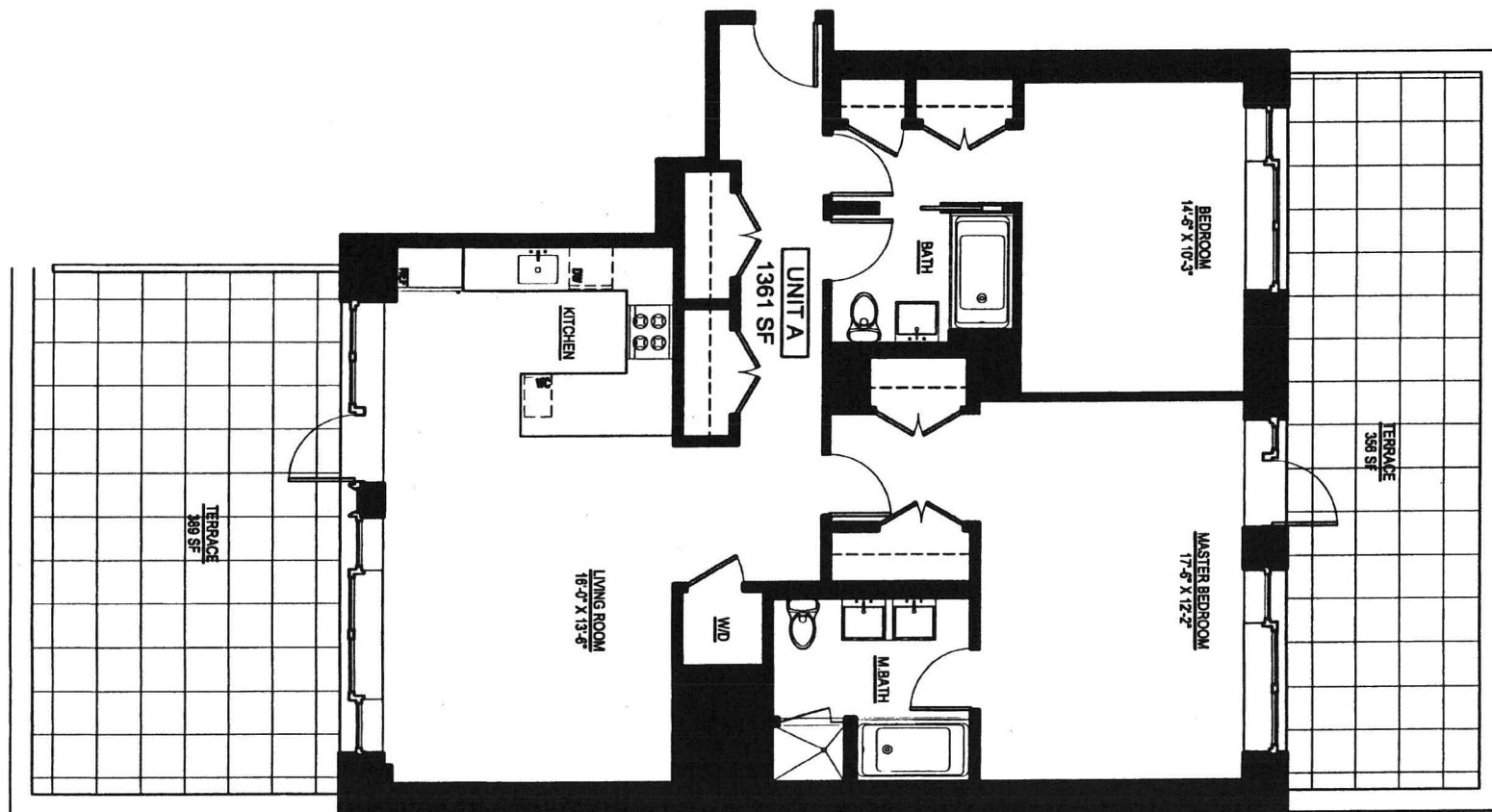
1684 SQ. FT. INTERIOR
76 SQ. FT. EXTERIOR



0' 2' 4' 8' 12'
SCALE: 1/8"=1'-0"

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

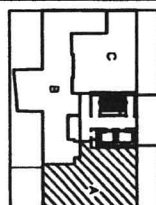
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



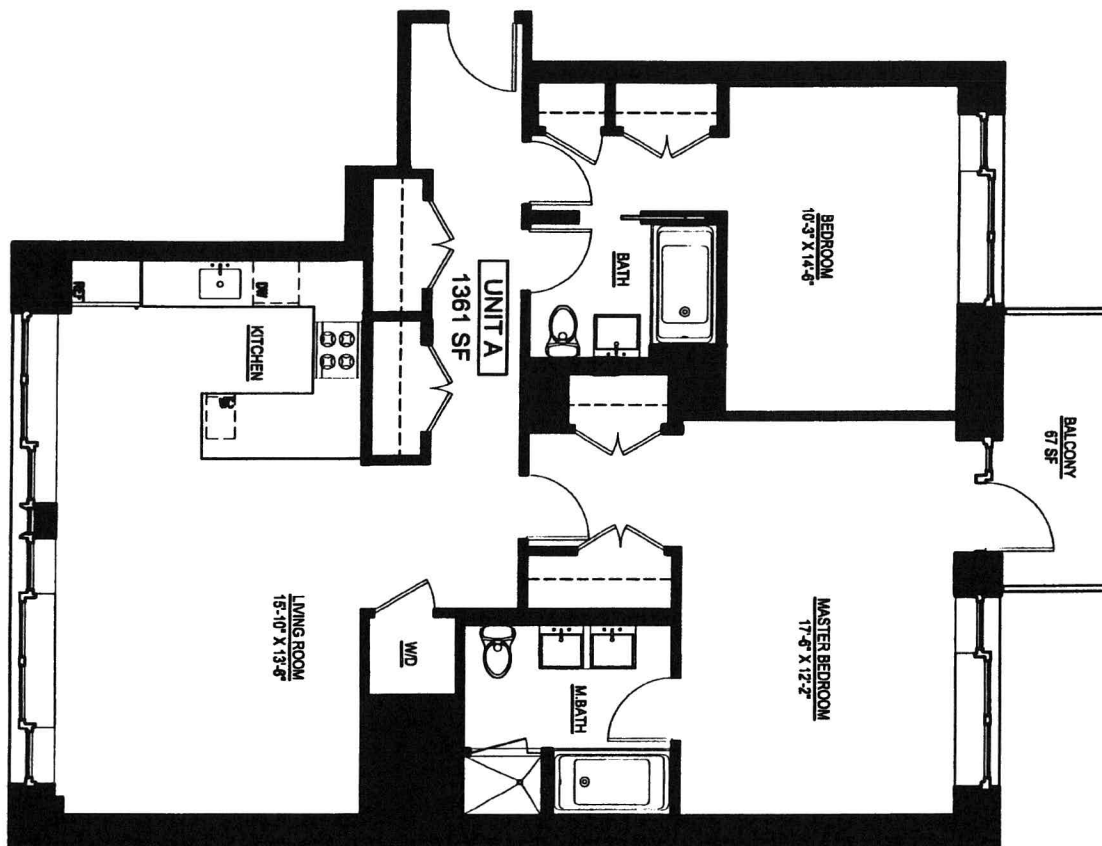
THE INDIGO CONDOMINIUM
 125 WEST 21ST STREET
 NEW YORK, NY 10011

APARTMENT A - FLR 10
 2 BEDROOMS
 2 BATHS

1361 SQ. FT. INTERIOR
 745 SQ. FT. EXTERIOR



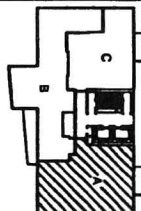
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
 PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.
 NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

APARTMENT A - FLRS 11-12
2 BEDROOMS
2 BATHS

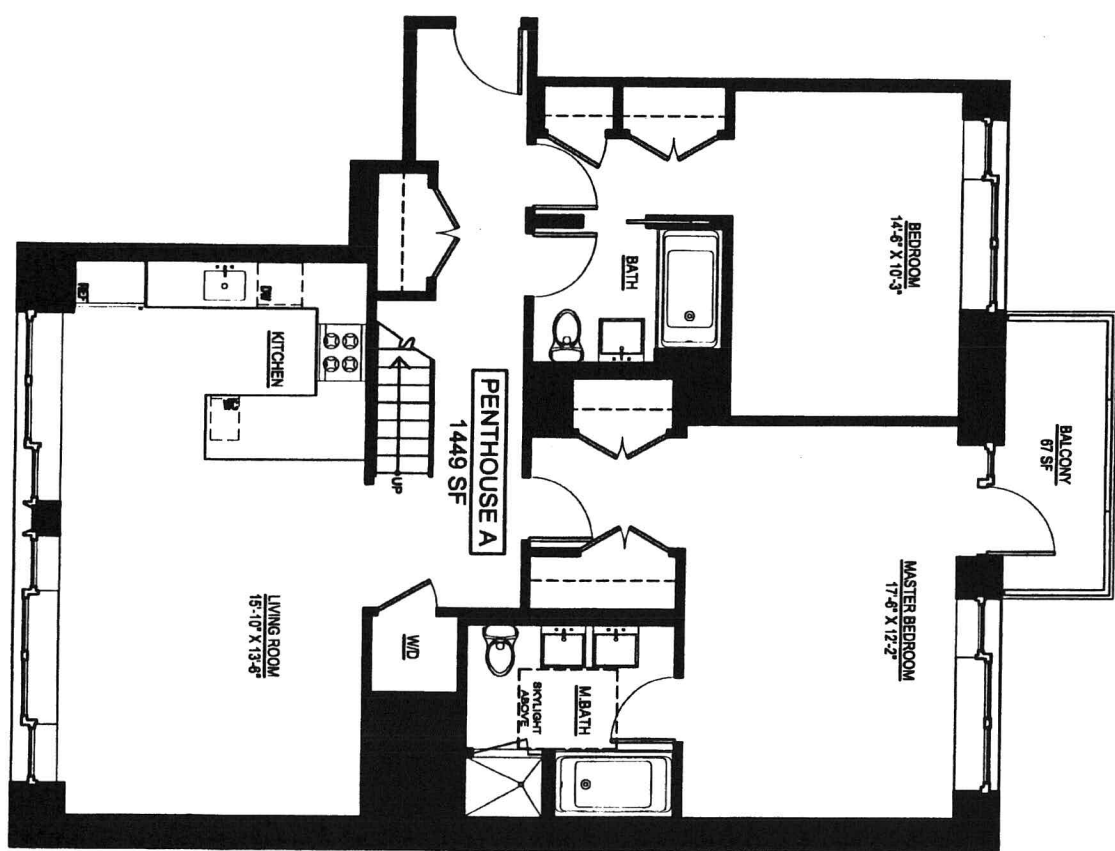
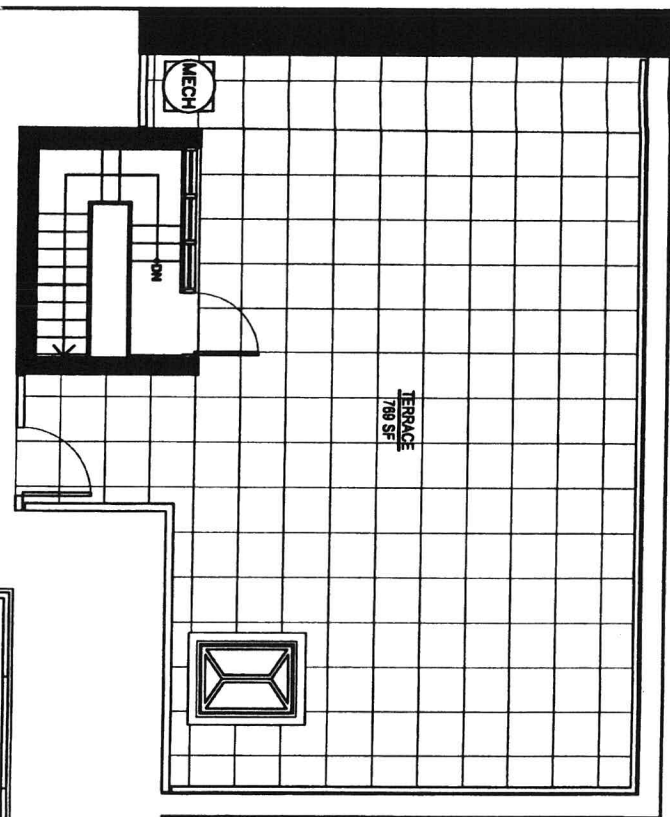
1361 SQ. FT. INTERIOR
67 SQ. FT. EXTERIOR



0' 2' 4' 6' 12'
SCALE: 1/8"=1'-0"

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

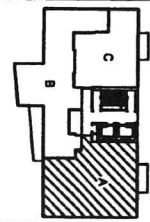
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



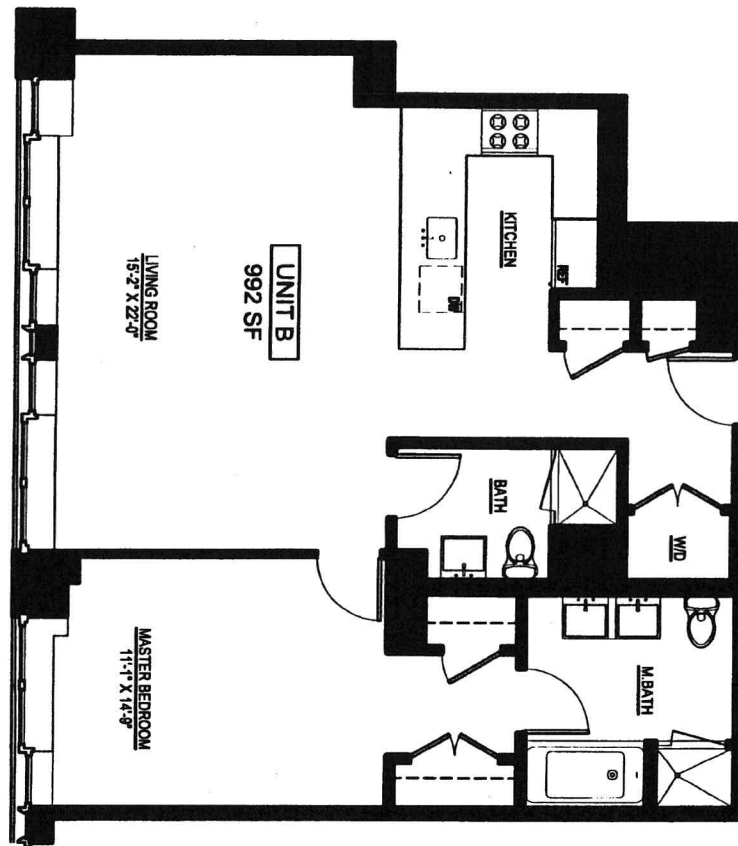
THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

PENTHOUSE A
2 BEDROOMS
2 BATHS

1449 SQ. FT. INTERIOR
836 SQ. FT. EXTERIOR



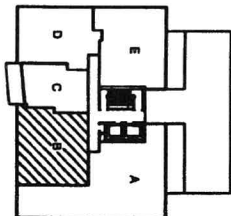
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
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THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

APARTMENT B - FLR 2
1 BEDROOM
2 BATHS

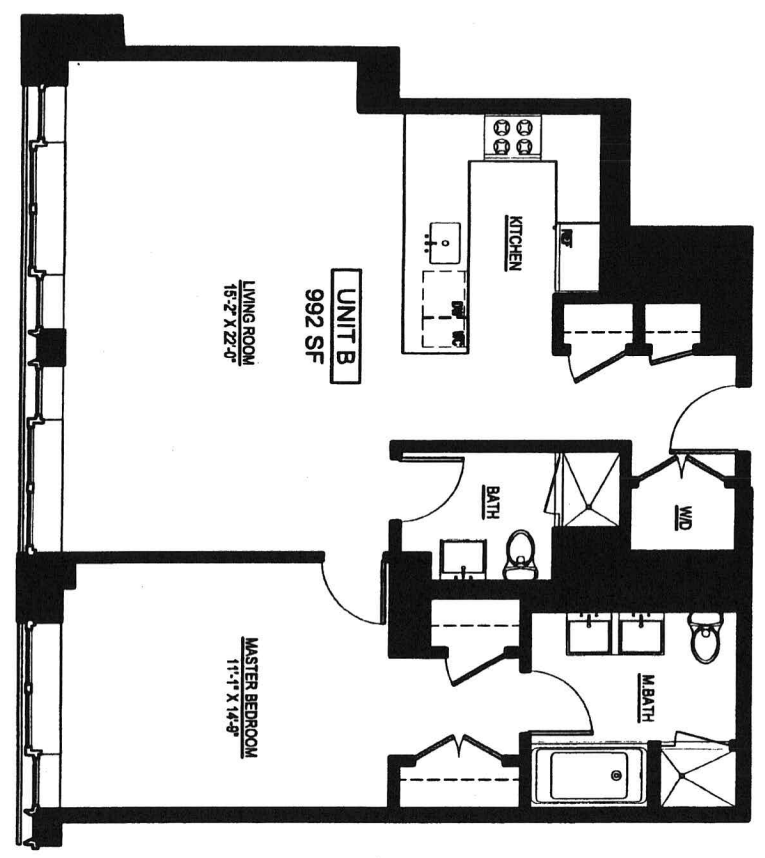
992 SQ. FT. INTERIOR



0' 2' 4' 8' 12'
SCALE: 1/8"=1'-0"

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

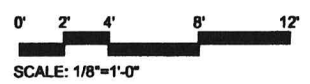
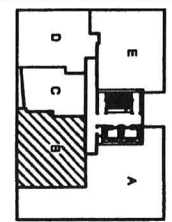
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



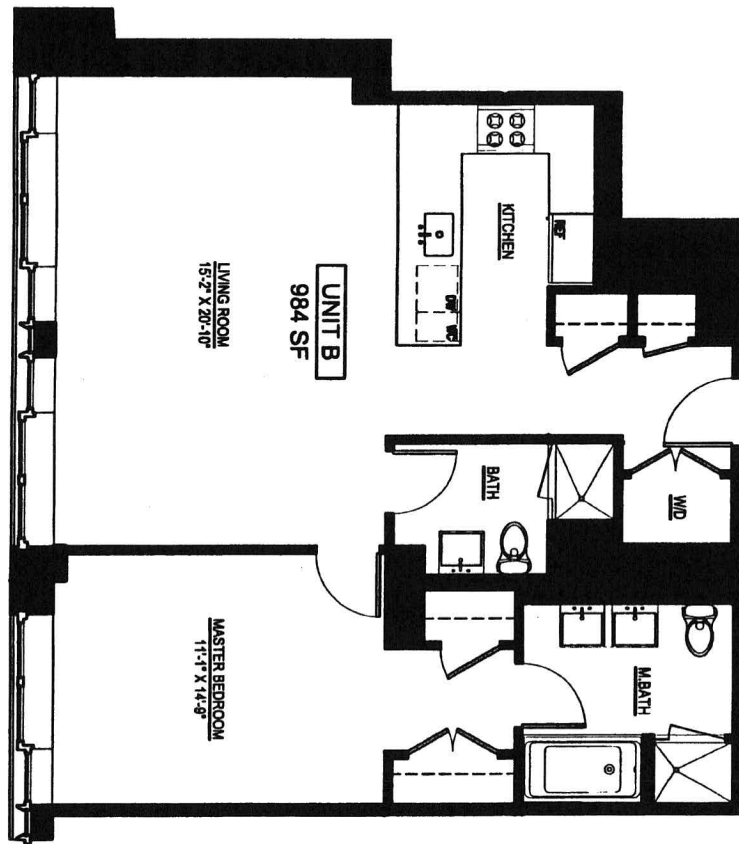
THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

APARTMENT B - FLRS 3-8
1 BEDROOM
2 BATHS

992 SQ. FT. INTERIOR



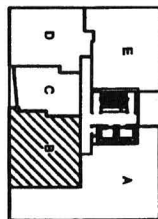
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES.
PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS BETWEEN FLOORS.
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

APARTMENT B - FLR 9
1 BEDROOM
2 BATHS

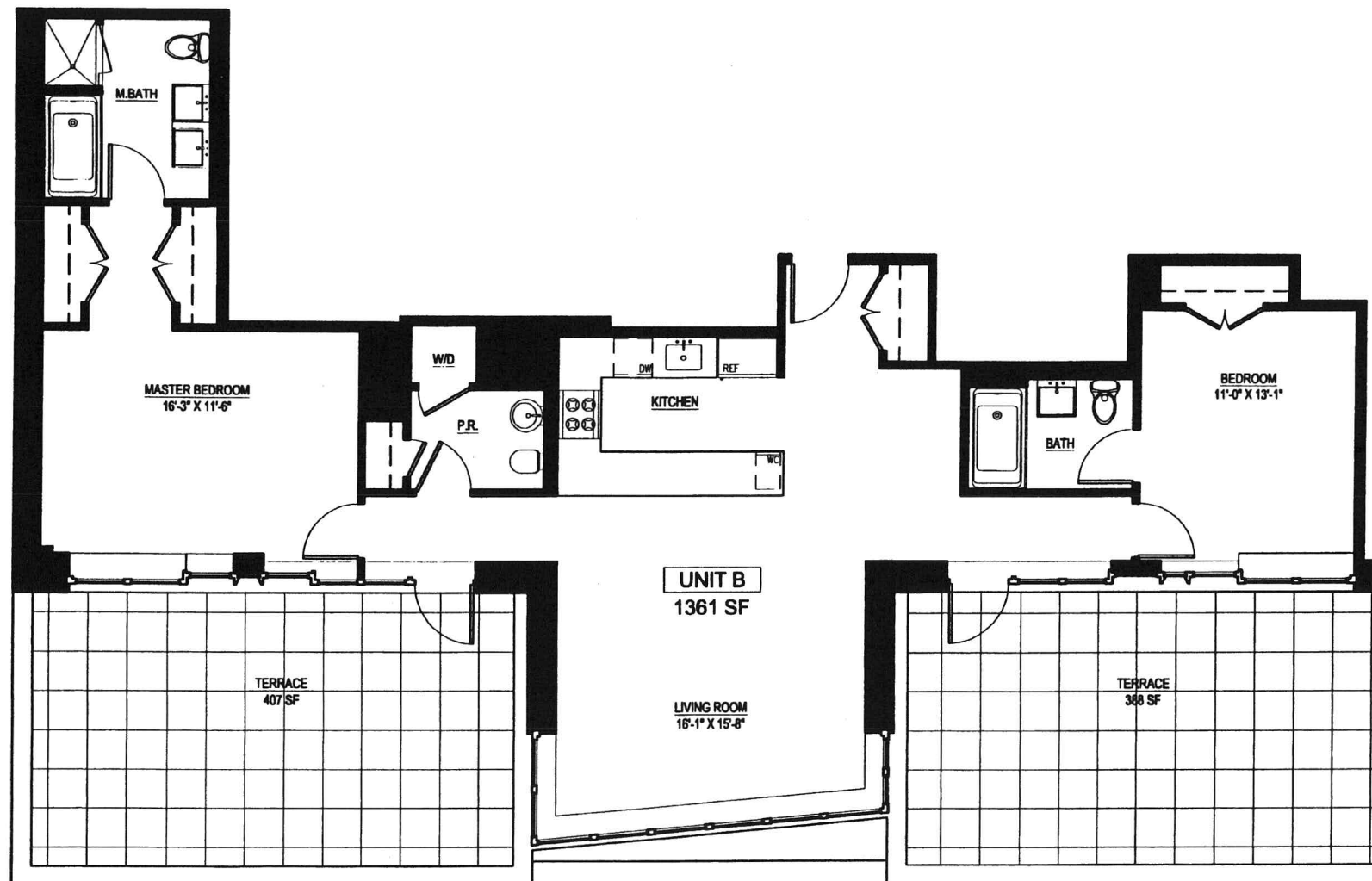
984 SQ. FT. INTERIOR



0' 2' 4' 8' 12'
SCALE: 1/8"=1'-0"

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

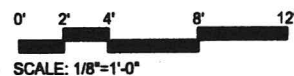
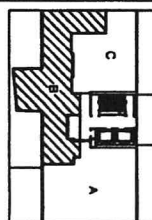
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

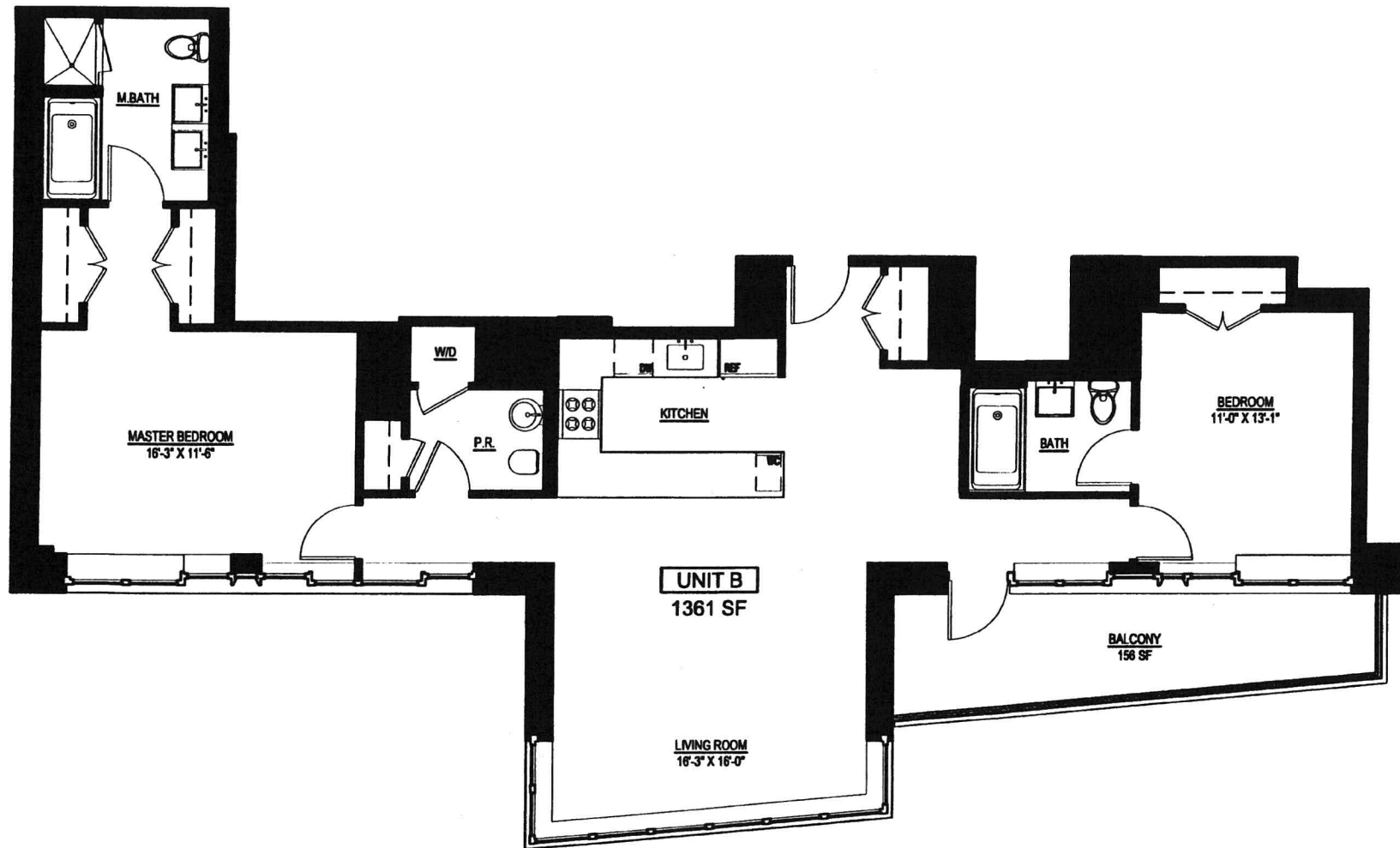
APARTMENT B - FLR 10
2 BEDROOMS
2.5 BATHS

1361 SQ. FT. INTERIOR
795 SQ. FT. EXTERIOR



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

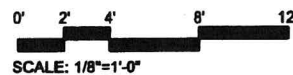
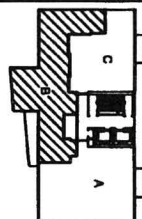
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

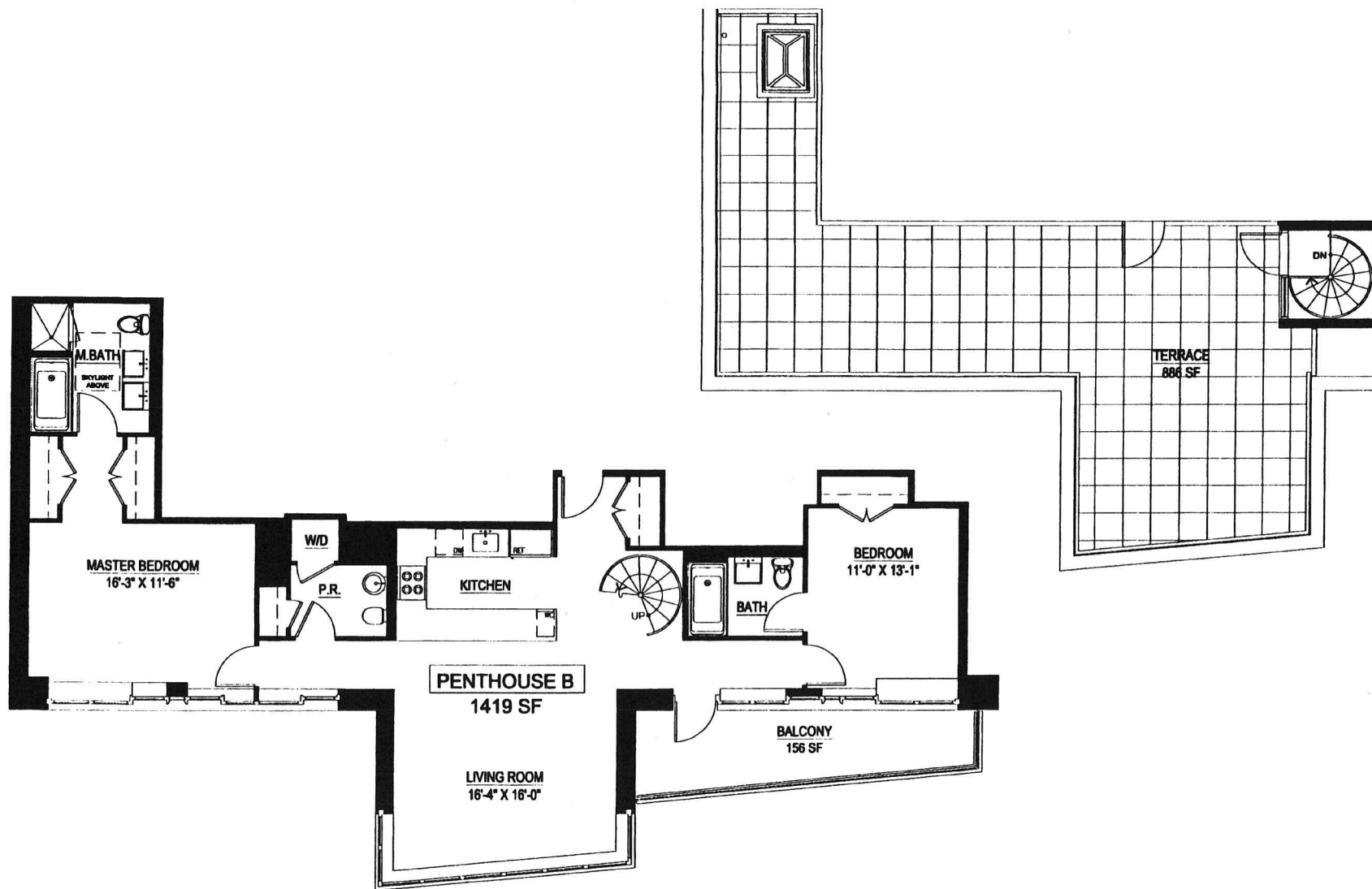
APARTMENT B - FLRS 11-12
2 BEDROOMS
2.5 BATHS

1361 SQ. FT. INTERIOR
156 SQ. FT. EXTERIOR



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

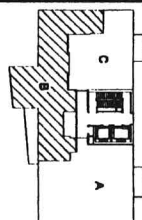
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

PENTHOUSE B
2 BEDROOMS
2.5 BATHS

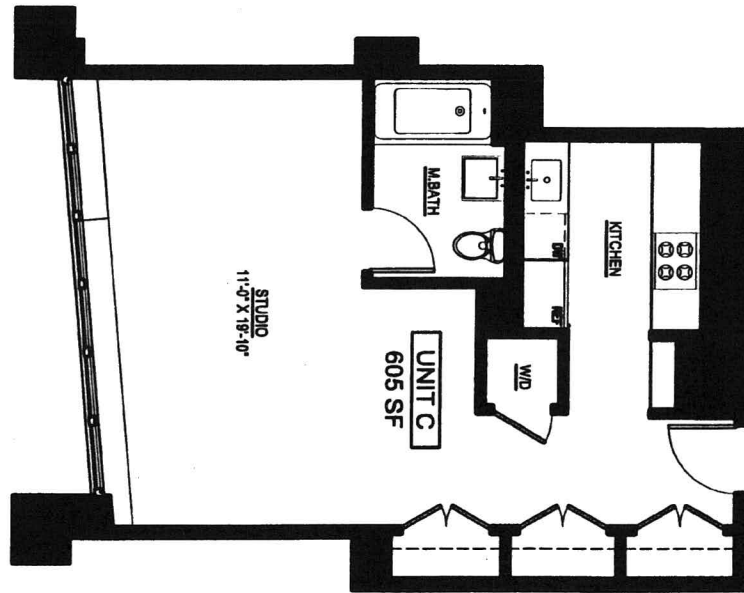
1419 SQ. FT. INTERIOR
1042 SQ. FT. EXTERIOR



0' 2' 4' 8' 16'
SCALE: 3/32"=1'-0"

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

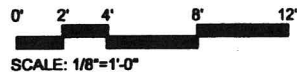
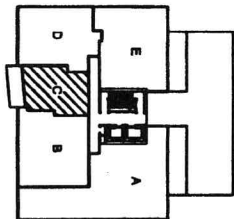
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

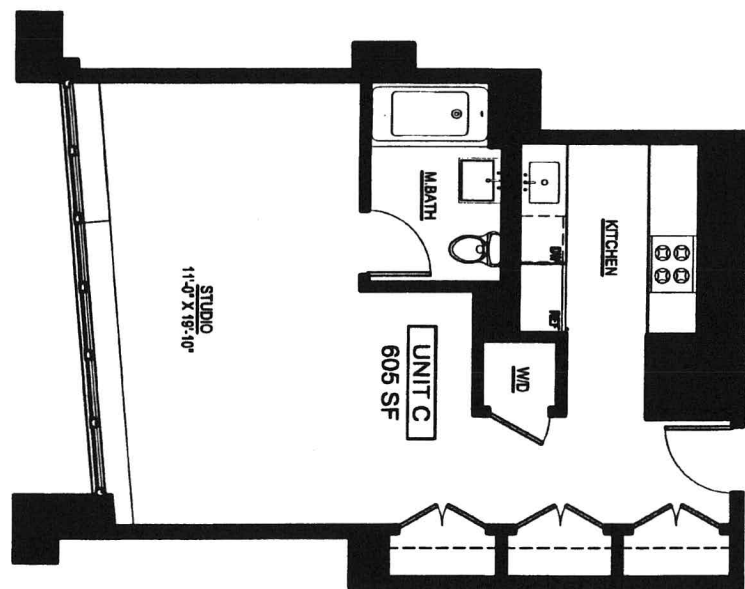
APARTMENT C - FLR 2
STUDIO
1 BATH

605 SQ. FT. INTERIOR



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

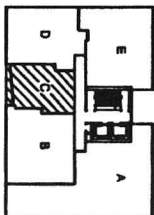
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

APARTMENT C - FLRS 3-8
STUDIO
1 BATH

605 SQ. FT. INTERIOR

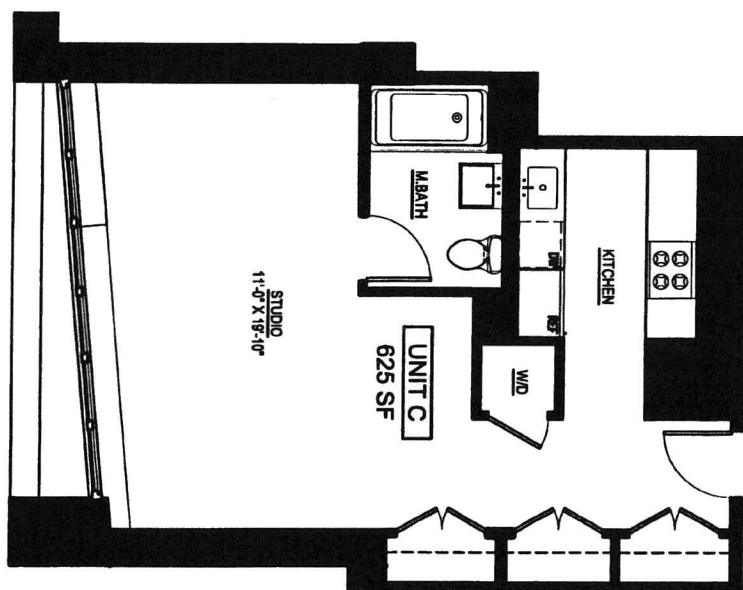


0' 2' 4' 8' 12'

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

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

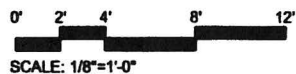
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

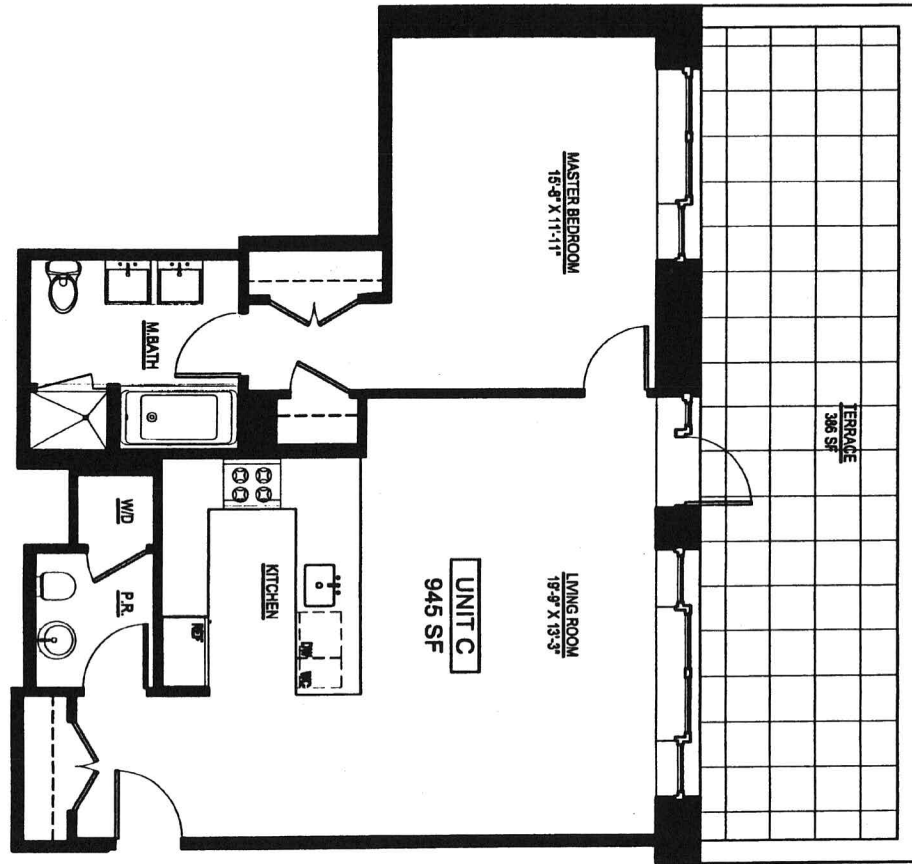
APARTMENT C - FLR 9
STUDIO
1 BATH

625 SQ. FT. INTERIOR



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

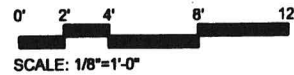
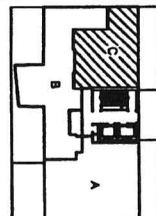
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THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

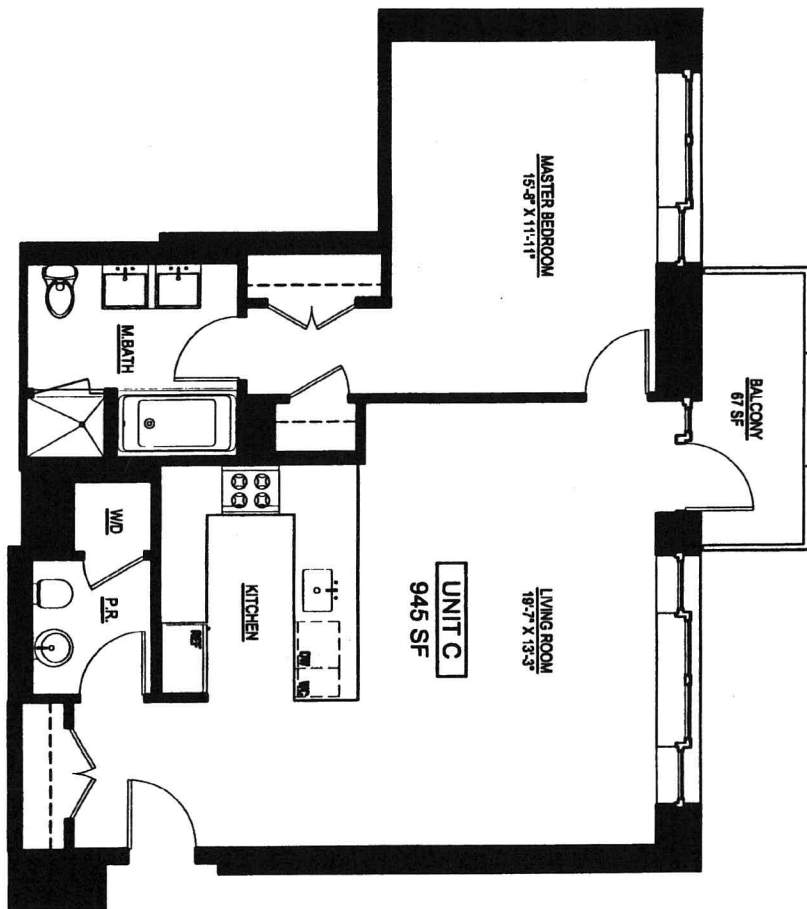
APARTMENT C - FLR 10
1 BEDROOM
1.5 BATHS

945 SQ. FT. INTERIOR
386 SQ. FT. EXTERIOR



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THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

APARTMENT C - FLRS 11-12
1 BEDROOM
1.5 BATHS

945 SQ. FT. INTERIOR
67 SQ. FT. EXTERIOR

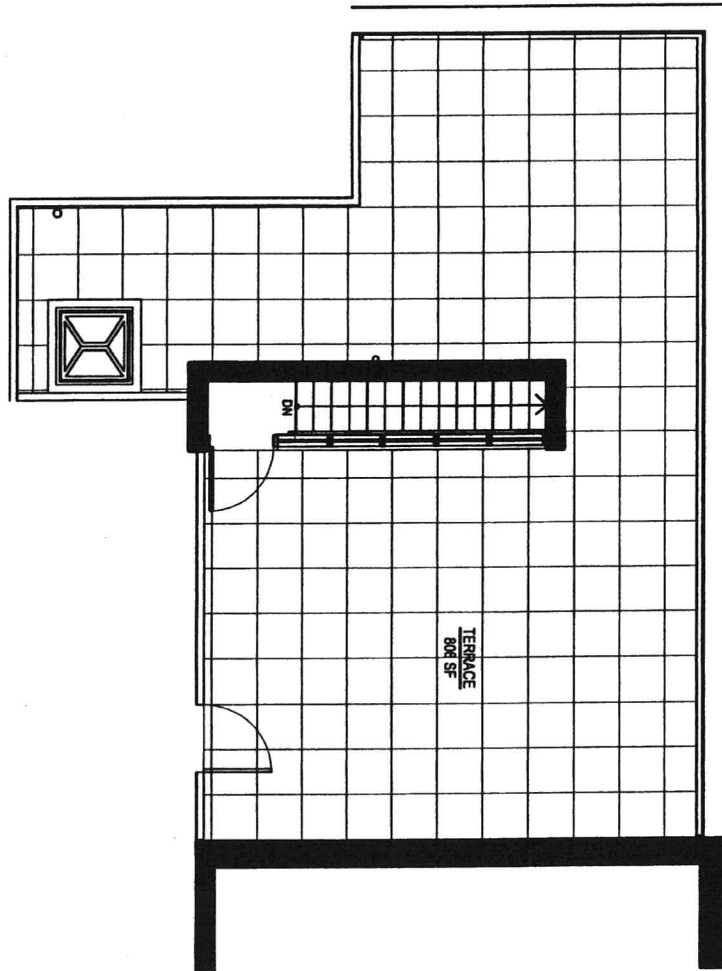
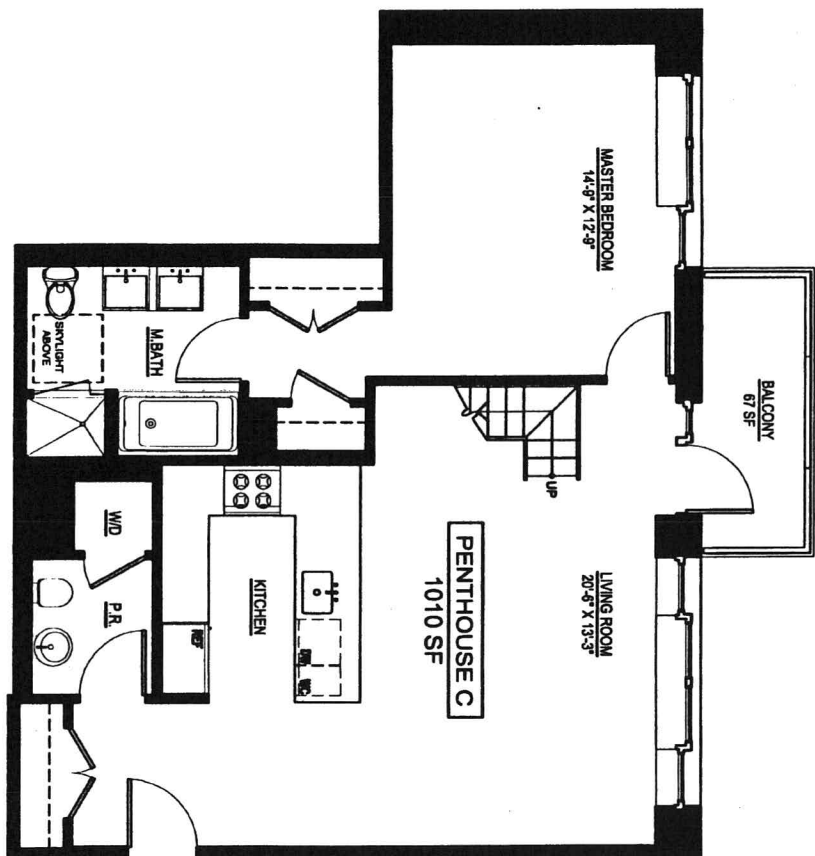


0' 2' 4' 8' 12'

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

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

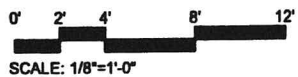
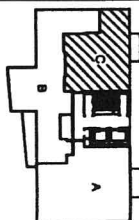
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

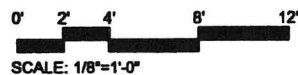
PENTHOUSE C
1 BEDROOM
1.5 BATHS

1010 SQ. FT. INTERIOR
873 SQ. FT. EXTERIOR



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

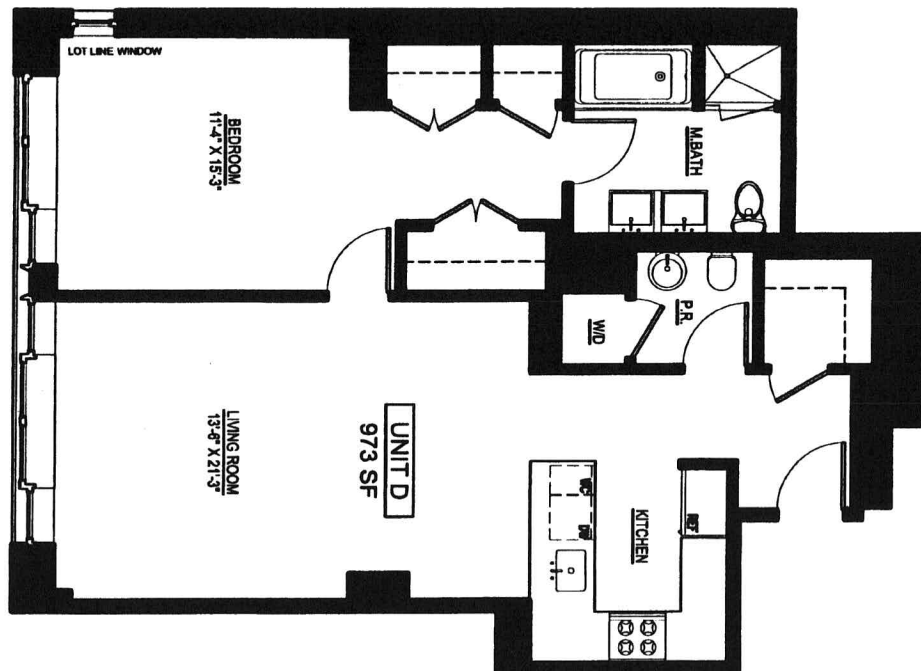
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



961 SQ. FT. INTERIOR



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

APARTMENT D - FLRS 3-8
1 BEDROOM
1.5 BATHS

973 SQ. FT. INTERIOR

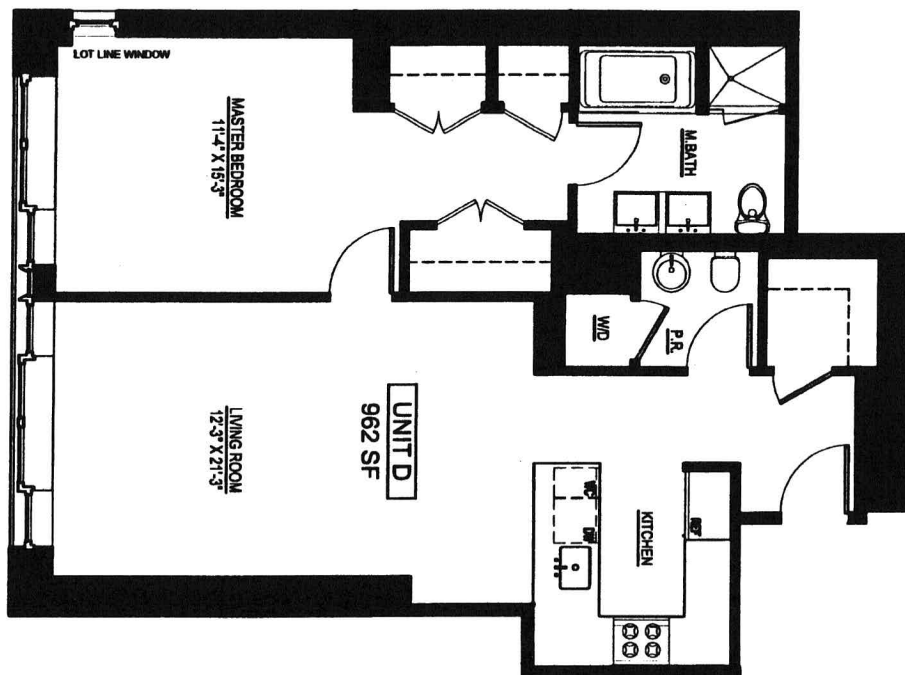


0' 2' 4' 8' 12'

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

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

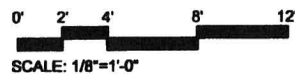
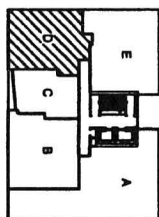
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

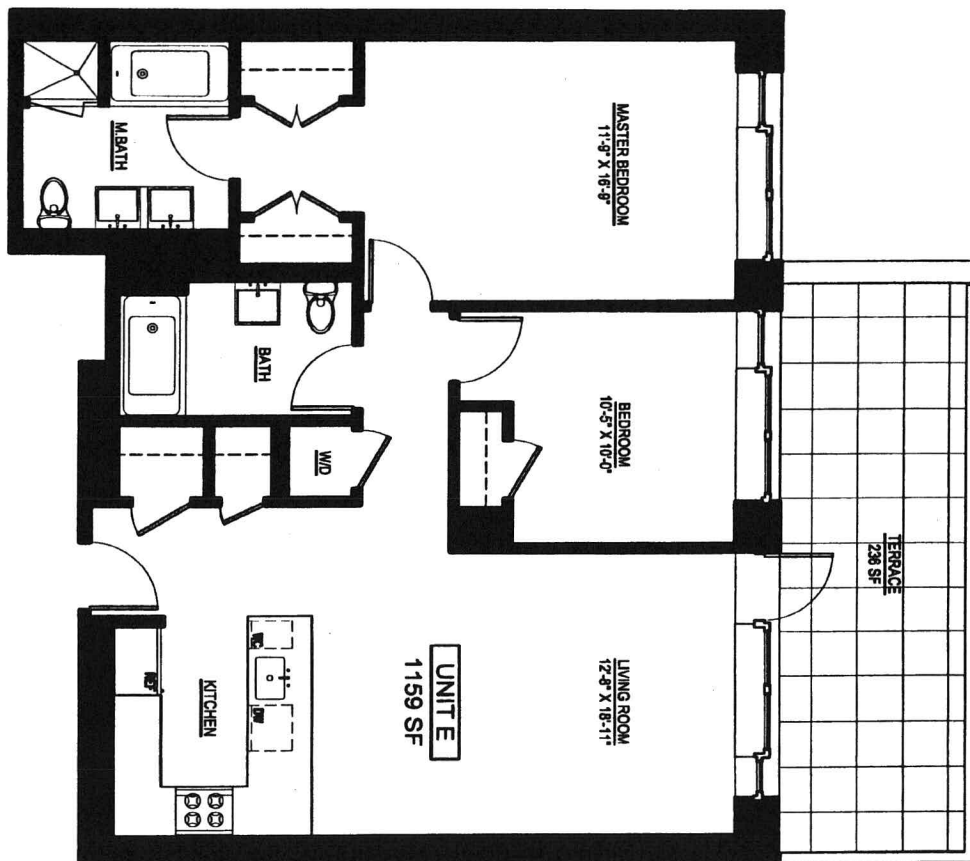
APARTMENT D - FLR 9
1 BEDROOM
1.5 BATHS

962 SQ. FT. INTERIOR



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

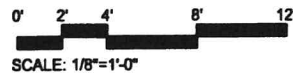
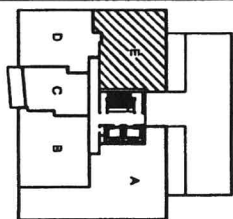
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

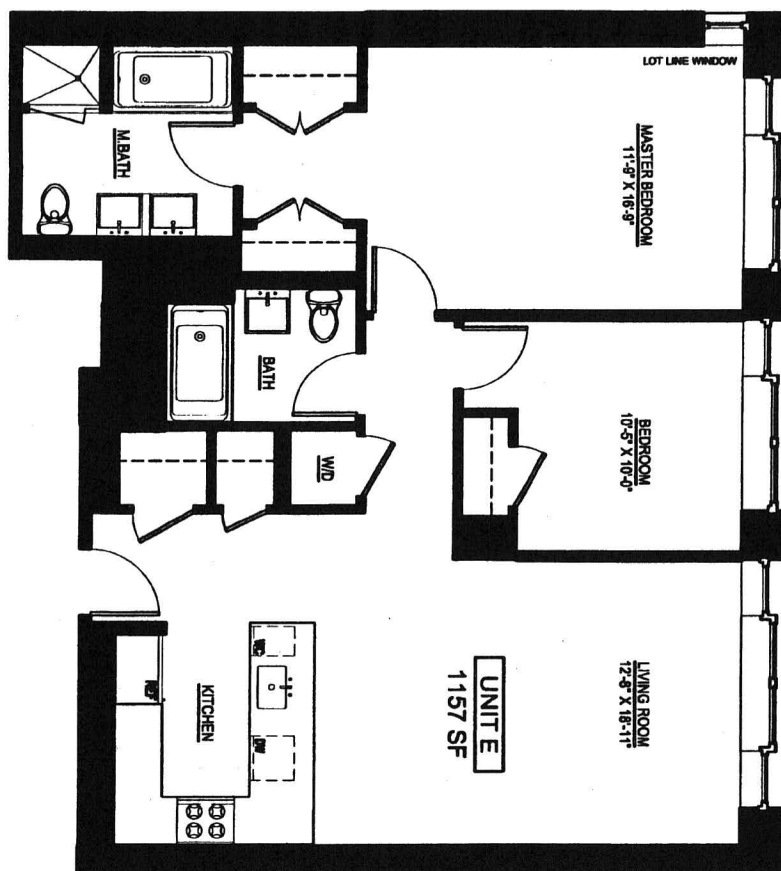
APARTMENT E - FLR 2
2 BEDROOMS
2 BATHS

1159 SQ. FT. INTERIOR
236 SQ. FT. EXTERIOR



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

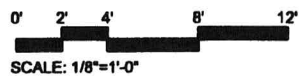
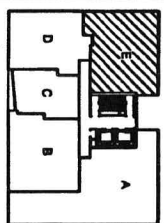
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

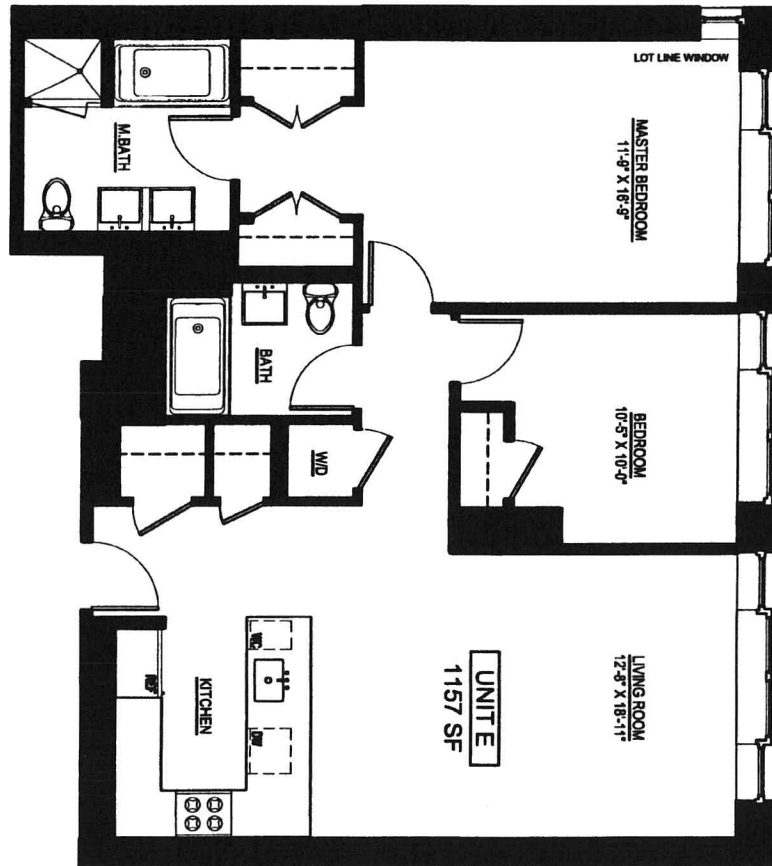
APARTMENT E - FLRS 3-8
2 BEDROOMS
2 BATHS

1157 SQ. FT. INTERIOR



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

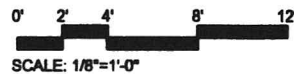
NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NY 10011

APARTMENT E - FLR 9
2 BEDROOMS
2 BATHS

1157 SQ. FT. INTERIOR



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

NOTED DIMENSIONS REFLECT INTERIOR DIMENSIONS OF SPACE.



EXHIBIT “6”

CONDOMINIUM DECLARATION



DECLARATION

Establishing a Plan for Condominium Ownership
of the Premises known as
The Indigo Condominium
125 West 21st Street, New York, New York 10011

Pursuant to Article 9-B of the Real Property
Law of the State of New York

Name

The Indigo Condominium

Declarant

125 West 21st LLC

c/o Alchemy Properties Inc.

200 Madison Avenue

New York, New York 10016

Date of Declaration

_____, 2007

The land affected by the within instrument lies in
Block ____ formerly known as Base Lot ____
now known as Lots ____ - ____
on the Tax Map of the Borough of Manhattan, City of New York

Wolf Haldenstein Adler Freeman & Herz LLP

Attorneys for Declarant

270 Madison Avenue

New York, New York 10016

(212) 545-4600



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Exhibits

- A. Description of the Land
- B. Description of the Units
- C. Definitions
- D. By-Laws
- E. Residential Unit Power of Attorney



**DECLARATION
OF
THE INDIGO CONDOMINIUM**

(Pursuant to Article 9-B of the Real Property Law
of the State of New York)

125 West 21st LLC, a Delaware limited liability company, having an office c/o
Alchemy Properties Inc., 200 Madison Avenue, New York, New York 10016 ("Declarant"),
does hereby declare as follows:

**ARTICLE 1
DEFINITIONS**

All capitalized terms used in this Declaration (hereinafter referred to as the
"Declaration") that are not otherwise defined in the Articles hereof will have the meanings set
forth in Exhibit C annexed hereto, unless the context in which they are used will otherwise
require.

**ARTICLE 2
SUBMISSION OF THE PROPERTY**

2.1 Declarant hereby submits the Land and Building (each as hereinafter defined), all
other improvements erected and to be erected thereon, all easements, rights and appurtenances
belonging thereto and all other property, real, personal or mixed, intended for use in connection
therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law
of the State of New York (the "Condominium Act") and pursuant thereto does hereby establish a
condominium to be known as "The Indigo Condominium" (the "Condominium").

2.2 Attached to this Declaration and made a part hereof are the By-Laws of the
Condominium which set forth detailed provisions governing the operation, use and occupancy of
the Condominium (said By-Laws, as they may be amended from time to time, are hereinafter
referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall
have the meanings given to those terms in the By-Laws.

**ARTICLE 3
THE LAND**

Included in the Property described in Article 2 is all that certain tract, plot, piece
and parcel of land (the "Land") situate, lying and being in the City, County and State of New
York, and more particularly described in Exhibit A annexed hereto and made a part hereof. The
Land is owned by Declarant in fee simple absolute. The Land has an area of approximately 9,475
square feet.

ARTICLE 4 THE PROPERTY

Included in the Property described in Article 2 is one thirteen (13) story building plus the upper portion of each Penthouse Unit (the "Building") consisting of one (1) commercial unit (subject to the Commercial Unit Owner's right to subdivide) (the "Commercial Unit"), 52 residential units (collectively, the "Residential Units" and individually, a "Residential Unit") and thirty (30) storage bin licenses (collectively the "Storage Bins"). The Commercial Unit and the Residential Units are sometimes hereinafter collectively referred to as the "Units" and individually as a "Unit". The Residential Units, together with the Residential Common Elements, the Residential Limited Common Elements and the Storage Bins are collectively referred to as the "Residential Section". The Commercial Unit together with the Commercial Common Elements and the Commercial Limited Common Elements (as hereinafter defined) are collectively referred to as the "Commercial Section". The owner of a Residential Unit is herein called a "Residential Unit Owner" and all the owners of the Residential Units are herein collectively called the "Residential Unit Owners". The owner of the Commercial Unit at any time, or its designees, is herein called the "Commercial Unit Owner" and to the extent the Commercial Unit is divided each of the owners of the Commercial Units shall collectively be called the "Commercial Unit Owners". The Residential Unit Owners and the Commercial Unit Owner are collectively referred to herein as the "Unit Owners" and individually as a "Unit Owner". The Commercial Unit may engage in any lawful uses subject to the limitations set forth in the By-Laws.

ARTICLE 5 THE BUILDING

The Building consists of one building mixed-use tower building containing thirteen (13) stories plus the upper portion of each Penthouse unit with 52 Residential Units and the Commercial Unit (referred to as the "Building"). The Building is constructed of various structural systems including: (a) a foundation of reinforced slab on well compacted porous fill at the Cellar level; (b) all concrete columns and foundation walls are constructed of reinforced poured concrete bearing on a reinforced concrete mat of varying thickness with spread footings for the one-story high portion in the rear of the site; (c) the superstructure is conventional cast-in-place flat plate concrete system with interior and perimeter reinforced concrete columns as well as concrete shear walls; and (d) the lateral system is concrete shear walls that extend up from the foundation. The floors in the Building are named (from bottom to top): Cellar, First Floor, Floors 2-12, Penthouse and one additional partial floor located above the Penthouse floor which will contain the upper floor of the penthouse duplex apartments. The Building has an entrance on West 21st Street. The Commercial Unit occupies the First Floor of the Building.

ARTICLE 6 THE UNITS

6.1 Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; floor designation; tax lot number; approximate square foot area; and the percentage interest in the General Common Elements appurtenant to such Unit. The location of each Unit is shown on the

floor plans of the Buildings (the "Floor Plans") certified by FX Fowle Architects and intended to be approved by the Real Property Assessment Department of the City of New York and filed in the New York County office of the Register of the City of New York (the "City Register's Office") following the recording of this Declaration.

6.2 Each Unit includes, and each Unit Owner shall be responsible for, the front entrance door and any other doors to such Unit, smoke and carbon monoxide detectors, all windows to such Unit for cleaning purposes, all plumbing, gas and heating fixtures and equipment such as refrigerators, dishwashers, heating, ventilating and air conditioning ("HVAC") units (including the fans inside the units), heating equipment, ranges and other appliances, as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures and appliances within the Unit, and (ii) any special equipment, fixtures or Facilities (as hereinafter defined) affixed, attached or appurtenant to the Unit, to the extent located within a Unit from the panel and serving or benefiting only that Unit. Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Unit or of the Building. The Residential Units will include all related Facilities exclusively serving the Residential Units.

6.3 The Commercial Unit will include all related Facilities exclusively serving the Commercial Unit including outdoor signage panels for the Commercial Unit.

6.4 As of the date of the filing of this Declaration with the City Register's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

DIMENSIONS OF UNITS AND STORAGE BINS

7.1 The approximate indoor floor area of each Unit, taken horizontally, shall extend to: (i) the exterior face of any exterior walls directly enclosing the Unit, except that the Unit shall not extend beyond the property line; (ii) the centerline of any wall or partition separating the Unit for another Unit; and (iii) the center line of demising wall or partition separating the Unit from any corridor, stairs, mechanical equipment space or elevator shaft, where those elements do not exclusively serve the Unit.

7.2 Vertically, each Unit shall consist of the space between the top of the subfloor concrete slab forming the floor structure to the exposed face of the finished ceiling or exposed concrete slab above.

7.3 The approximate physical area of each Storage Bin, taken horizontally, which is included in the total area of each Residential Unit, shall extend to: (i) the interior face of any building walls directly enclosing the Storage Bin; and (ii) the centerline of any Storage Bin partition separating the Storage Bin from another Storage Bin or from any corridor.

7.4 Common Elements, including but not limited to structural members with their enclosures, demising and enclosure walls, pipes, wiring and shaftways with pipes, conduits, or ducts, may fall within the horizontal or vertical boundaries of the Unit, and are not part of the Unit, but are not deducted from the area of the Unit.

7.5 The area of any Terrace appurtenant to a Unit is not included in the Unit floor area.

ARTICLE 8 COMMON ELEMENTS

8.1.1 The common elements of the Condominium (the "Common Elements") consist of the entire Property, including the Land and all parts of the Buildings and improvements thereon other than the Units. The Common Elements encompass the General Common Elements (as hereinafter defined), the Residential Common Elements (as hereinafter defined), the Residential Limited Common Elements (as hereinafter defined), the Commercial Common Elements (as hereinafter defined) and the Commercial Limited Common Elements (as hereinafter defined). The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Buildings and all Facilities (defined below) therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The Limited Common Elements of the Condominium (the "Limited Common Elements") consist of those Common Elements that serve or benefit exclusively (a) the Residential Units or the Residential Unit Owners (in which event they are called "Residential Common Elements"), (b) one or more but not all of the Residential Units or the Residential Unit Owners (in which event they are called "Residential Limited Common Elements"), (c) the Commercial Unit or the Commercial Unit Owner (in which event they are called "Commercial Common Elements"), or (d) one or more but not all of the Commercial Unit or the Commercial Unit Owner (in which event they are called "Commercial Limited Common Elements"). The General Common Elements are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the General Common Elements. The General Common Elements are for the common use of all Unit Owners.

8.1.2 As used in this Declaration, the word "Facility" or "Facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term (the fact that same are listed does not mean they exist): system, equipment, apparatus, convertor, radiator, heater, convertor, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat,

thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mail box, carpeting, tile or other floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box. The word "Facility" or "Facilities" does not include any portion of the Building that is specifically listed as a Residential Unit, a Residential Common Element, a Residential Limited Common Element, a Commercial Unit, a Commercial Common Element or a Commercial Limited Common Element.

8.2 The Common Elements will remain undivided and no Unit Owner or other person will bring or will have the right to bring any action for partition or division thereof except as may be specifically provided for herein and in the By-Laws.

8.3 The General Common Elements consist of the following:

8.3.1 The Land (as more particularly described in Exhibit A attached to this Declaration), together with all easements, rights and privileges appurtenant thereto.

8.3.2 Any of the following: all foundations, footings, columns, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls, and the exterior walls except where such walls are designated as Residential Common Elements.

8.3.3 Mechanical equipment rooms located in the cellar as follows: sprinkler room, electrical room, boiler room, MDF room, and gas room, including their respective concrete floor slabs and ceilings, and any staircases, landings and stairs therein, together with all fixtures, equipment, and furnishings located therein except where specifically designated otherwise.

8.3.4 Service rooms located in the cellar as follows: locker rooms, office, lounge, janitor's closet, storage, including their respective concrete floor slabs and ceilings, and together with all fixtures, equipment, and furnishings located therein except where specifically designated otherwise.

8.3.5 Fire pump with all piping, valves, controls, and connections.

8.3.6 Fire standpipe with all risers, valves, hoses, and connections, including Siamese connections.

8.3.7 Water service located below grade level, combined house sewer line, sanitary house drain which connects the combined house sewer line to sanitary house drains, storm house drain which connection combines the house sewer line to storm leaders, house trap and vent pipe which serve the sanitary system and running trap which serves the storm drain system.

8.3.8 Sewage ejector pump with all piping, valves, controls and connections.

8.3.9 Lighting equipment which illuminates the exterior portions of all entrances to the Building (except for lighting specifically servicing the Commercial Unit's storefront).

8.3.10 That portion of the sprinkler system which serves the General Common Elements, including, but not limited to, corridors which are not Residential Common Elements.

8.3.11 Exhaust systems and outside air intake systems including the exhaust fan, ductwork and intake and discharge connections where the system serves both Residential and Commercial Sections of the Building.

8.3.12 Heating and Air Conditioning systems serving spaces designated as General Common Elements.

8.3.13 All passages and corridors at cellar and first floor, mechanical and other rooms and areas located at the Property serving or benefiting both the Commercial Section and the Residential Section.

8.3.14 The vault projecting under the sidewalk beyond the property line.

8.3.15 Any other Facilities in the Building which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of all of the Commercial Section and the Residential Section and are not a part of any Unit, Residential Common Elements, Commercial Common Elements or any Limited Common Element.

8.4 The Residential Common Elements consist of the following:

8.4.1 Residential electric meters and panels, electric closets, feeders, risers and Facilities, Residential gas meter and telephone cables serving exclusively the Residential Section.

8.4.2 The domestic water pressure booster pumps with all piping, valves, controls and connections.

8.4.3 The boiler and domestic hot water heating equipment with all piping, wiring, controls, and valves, including circulation piping, except for branch piping exclusively serving a specific Unit.

8.4.4 The cooling tower with all piping, wiring, controls, and valves, including circulation piping, except for branch piping exclusively serving a specific Unit.

8.4.5 Kitchen, bathroom and dryer exhaust ducts, corridor and Residential Unit supply air ducts, supply and return pipes for heating, water pressure reducing valve system, and all other Facilities in the floor and ceilings serving or benefiting exclusively the Residential Section.

8.4.6 CATV riser and all other related Facilities located in the Property serving or benefiting exclusively the Residential Section.

8.4.7 The rooms and Facilities located as follows: residential refuse rooms on each floor servicing the Residential Units; compactor room; the passenger elevators including its shaft, pit, machine room and Facilities the mechanical equipment rooms and areas and the elevator machine rooms located on the roof; the residential lobby, mail room, concierge station, sitting area, and elevator lobby.

8.4.8 All passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building which are not Residential Units, Residential Limited Common Elements or part of the Commercial Unit, Commercial Common Elements, Commercial Limited Common Elements, or General Common Elements, including their concrete floor slabs and ceilings.

8.4.9 Fire staircases and their landings and stairs from the landing from the First Floor to the roof.

8.4.10 The roof over the Building excepting that portion thereof which is a Residential Limited Common Element.

8.4.11 The exterior walls of the Building appurtenant to the Residential Section.

8.4.12 The roof over the elevator machine rooms.

8.4.13 Window glass in the Residential Section where it is not designated as part of a Residential or Commercial Unit.

8.4.14 Corridor supply risers and ducts, kitchen and toilet exhaust risers and ducts, kitchen and toilet water vent and soil stacks, gas risers, electric risers, and shafts serving Residential Units.

8.4.15 Air conditioning system for the elevator machine room on the Roof including fan, motor, ductwork and controls; toilet and kitchen exhaust fans located on the Roof.

8.4.16 Gas piping for domestic hot water heater serving Residential Limited Common Elements and Residential Units.

8.4.17 Rooftop equipment room.

8.4.18 All passages and corridors, mechanical and other rooms, areas and indoor and outdoor spaces located at the Property serving exclusively the Residential Section and which are not General Common Elements, Commercial Limited Common Elements or part of any Unit.

8.4.19 All doors in the Residential Section, excluding (i) doors opening from common corridors and providing entrance to Residential Units, (ii) interior doors in the

Residential Units, and (iii) doors in a Residential Unit (the excluded doors being considered part of the Residential Unit).

8.4.20 All other facilities of the Property (including but not limited to shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Section.

8.4.21 All other Facilities exclusively serving the Residential Section, excluding the Residential Units, the Residential Limited Common Elements, the Commercial Common Elements, the Commercial Limited Common Elements and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Section.

8.4.22 Notwithstanding anything to the contrary in this Article 8, if a Residential Common Element benefits only certain Residential Unit Owners, then the Residential Section's costs of alteration, addition, repair, replacement and restoration thereto shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interests of all benefiting Residential Unit Owners. In addition, except as otherwise provided in Subsection 6.9.2.1 of the By-Laws, such Residential Unit Owners shall be responsible for the normal operation, maintenance and repair of any such Residential Common Element at their sole cost and expense.

8.5 The Residential Limited Common Elements consist of the following:

8.5.1 Certain portions of the Residential Common Elements are limited and further restricted in use to the owners of Residential Units to which such Residential Limited Common Elements are appurtenant, subject to the right of the Board of Managers to enter upon any such Residential Limited Common Element to make structural repairs or structural replacements to said Residential Limited Common Element or any Common Element contained therein, and subject to the Rules and Regulations of the Condominium.

8.5.2 The Residential Limited Common Elements include, without limitation, the terrace or balcony appurtenant to a specified Residential Unit, including any planter installed thereon and fences and rails, if any, enclosing said terrace or balcony. Any portion of the Residential Limited Common Elements which is not restricted in use may be used by any Residential Unit Owner.

8.5.3 All normal and ordinary maintenance, repair and replacement of Residential Limited Common Elements (i.e., cleaning surface areas, patching chipped concrete or pavers, repairing and/or replacing fencing or railing enclosures, etc.) shall be tended to and paid for by the Residential Unit Owner having the exclusive use thereof. The cost of repairing and/or replacing a divider separating two or more terrace areas shall be shared equally by the Unit Owners whose terraces are affected, unless the need for repair or replacement was occasioned by the negligence of one of the Unit Owners or his or her guest(s) or agent(s), in which case the cost shall be borne exclusively by said Unit Owner. However, washing exteriors of windows will be borne by the Residential Unit Owners as a Residential Common Expense.

Structural or extraordinary repairs of the Residential Limited Common Elements, including such items as complete replacement of concrete in rear yards, and retarring and resurfacing the roof under terraces, will be borne by the Residential Unit Owners as a Residential Common Expense.

8.5.4 Residential Unit Owners shall be responsible for washing the interior side of any and all windows in their Unit and the exterior side of tilt/turn windows, and for replacing broken window glass in their Unit unless the glass was broken through the negligence of the Condominium Board or its agents, in which case the cost or replacement shall be borne by the Residential Unit Owners as a Residential Common Expense. The portion of all curtains, drapes, blinds or other window treatments visible from the exterior of the Building must be white to give the Building a uniform exterior appearance.

8.5.5 Any Residential Unit Owner having access to a terrace or balcony shall keep it free from ice, snow and water.

8.5.6 That portion of equipment, fixtures or Facilities serving or benefiting one Residential Unit, to the extent located within another Unit or within a Common Element to which there is direct and exclusive access from the interior of a Residential Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Residential Unit Owner who is so served or benefited by such Residential Limited Common Element shall have the exclusive right to use such Residential Limited Common Element and shall be responsible for its normal operation, maintenance and repair at such Unit Owner's sole cost and expense.

8.5.7 All other Facilities exclusively serving one or more but not all Residential Units, excluding the Residential Units, the Residential Common Elements, the Commercial Common Elements, the Commercial Limited Common Elements and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all of the Residential Units.

8.6 The Commercial Common Elements consist of the following:

8.6.1 Commercial electric meter, separate cold water meter, gas meter and other utility meters (if any) serving or available for the exclusive use of the Commercial Section and any equipment installed by the Commercial Unit Owner for its exclusive use.

8.6.2 Ductwork and all other HVAC and electric and similar Facilities serving or benefiting exclusively the Commercial Section.

8.6.3 All remaining Facilities exclusively serving the Commercial Unit, excluding the Commercial Unit, the Commercial Limited Common Elements, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Unit.

8.6.4 Notwithstanding anything to the contrary in this Article 8, if a Commercial Common Element or a General Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement

and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Limited Common Element at their sole cost and expense.

8.7 The Commercial Limited Common Elements (to the extent they exist) consist of the following:

8.7.1 All exterior glass surfaces of all windows in the Commercial Unit.

8.7.2 That portion of equipment, fixtures or Facilities serving or benefiting one Commercial Unit, to the extent located within another Unit or within a Common Element to which there is direct and exclusive access from the interior of a Commercial Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Commercial Unit Owner who is so served or benefited by such Commercial Limited Common Element shall have the exclusive right to use such Commercial Limited Common Element and shall be responsible for its normal operation, maintenance and repair at such Unit Owner's sole cost and expense.

8.7.3 All remaining Facilities exclusively serving the one or more but not all Commercial Units, excluding the Commercial Units, the Commercial Common Elements, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all Commercial Units.

8.7.4 Notwithstanding anything to the contrary in this Article 8 or the By-Laws, if a Commercial Limited Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Limited Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Common Element at their sole cost and expense.

ARTICLE 9 USE OF BUILDING AND UNITS

9.1 As more particularly set forth in the By-Laws a Residential Unit may be used for any lawful purposes, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for such Residential Unit, (2) applicable governmental laws and regulations, (3) the use of such Residential Unit not adversely affecting the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, and (4) the Restrictions as defined in Section 6.14 of the By-Laws. Residential Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

9.2 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may without the permission of the Condominium Board, (1) grant permission for the use of any Unsold Residential Unit (as defined in Exhibit C) owned by it as a professional office or for any other purpose, provided such use is permitted by law, and does not violate the then existing certificate of occupancy for such Residential Unit or any other governmental regulations and (2) use any Unsold Residential Units owned by it as models and sales and/or promotion offices in connection with the sale or rental of the Units, subject only to compliance with applicable governmental laws and regulations.

9.3 The Commercial Unit can be used for any lawful purpose under the New York City Zoning Resolution provided such use is not (a) noxious or immoral or a so-called "adult entertainment" facility under New York zoning laws, or for obscene or pornographic purposes or activities or the sale or distribution of any obscene or pornographic material, as such terms are defined in Section 235 of New York Penal Law; (b) manufacturing use; (c) for the purpose of performing any abortions or providing any professional counseling or advice advocating abortions or family planning; or (d) an off-track betting facility.

9.4 The Storage Bins shall be used only for storage purposes, in compliance with Law. No articles or materials which pose a threat to the health or safety of the Unit Owners or other occupants of the Building, or that cause the dissemination of noxious odors, dirt or other sanitary problems or otherwise create a nuisance shall be permitted to be brought into or stored in any Storage Bin. Except for Sponsor, a Storage Bin cannot be owned independently of a Residential Unit.

ARTICLE 10 CHANGES IN THE RESIDENTIAL SECTION

Except to the extent prohibited by law, Declarant or its designee shall have the right, without the vote or consent of the Board, other Unit Owners or the Residential or Commercial Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Unsold Residential Units; (b) change the use (subject to Section 9.2 above) or layout of, or number of rooms in, any Unsold Residential Units from time to time; (c) change the size and/or number of Unsold Residential Units by subdividing one or more Unsold Residential Units into two or more separate Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, converting a Residential Unit or any portion thereof to a Residential Common Element, a Residential Limited

Common Element a Commercial Unit, a Commercial Common Element or a Commercial Limited Common Element, altering the boundary walls between any Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Unit; (d) designate a General Common Element or a Residential Common Element as part of a newly created Residential Unit, Residential Limited Common Element, Commercial Unit, Commercial Common Element or Commercial Limited Common Element or designate all or part of a Residential Unit as a newly created Commercial Unit, Residential Common Element, Residential Limited Common Element or Commercial Common Element or Commercial Limited Common Element; and (e) if appropriate, reapportion among the Unsold Residential Units affected by such change in size, use or number pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that (i) the percentage interest in the Common Elements of any other Residential Units (other than Unsold Residential Units) shall not be changed by reason thereof unless the owners of such Residential Units shall consent thereto; (ii) Declarant or its designee, as the case may be, shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Article 10 may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee. By written permission of the Condominium Board, which permission, shall not be unreasonably withheld, any other Residential Unit Owner may be given, with respect to his or her Residential Unit, the same rights and be subject to the same limitations and conditions as are set forth in this Article 10 with respect to Unsold Residential Units. Notwithstanding the other provisions of this Article 10, no reapportionment of the interests in the Common Elements appurtenant to any Residential Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, will be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The certification referred to in the preceding sentence shall be delivered (i) at Declarant's election, by Declarant, the managing agent of the Residential Section or of the Condominium or any other person reasonably acceptable to the Condominium Board in the case of any Unsold Residential Unit, and (ii) by either the managing agent of the Residential Section or of the Condominium, or any other person reasonably acceptable to the Condominium Board in the case of any other Residential Unit.

ARTICLE 11

CHANGES IN THE COMMERCIAL SECTION

Except to the extent inconsistent with Article 15 or the By-Laws or prohibited by law, the Commercial Unit Owner shall have the right, subject to the approval of the Condominium Board, which shall not be unreasonably withheld to: (1) decorate or make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Limited Common Elements; (2) change the layout or number of rooms in the Commercial Unit from time to time; (3) change the Commercial Unit, by subdividing the same, into any desired number of Commercial condominium units, combining any of the Commercial Units or combining any units resulting from a subdivision, altering the

boundary walls between the Commercial Units, or otherwise; (4) designate a Commercial Limited Common Element as part of a newly created Commercial condominium unit or designate all or part of a Commercial Unit as a newly created Residential Unit, Residential Common Element, Commercial Common Element or Commercial Limited Common Element; (5) reapportion among the newly created Commercial Units and/or Residential Units resulting from any subdivision, combination or otherwise their percentage interests in the Common Elements which shall be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit, and provided that in no case may such reapportionment result in a greater percentage of Common Interest for the total of the new Commercial Units and/or Residential Units than existed for the original Commercial Unit; and (6) change, alter or modify the facade and exterior portion of the Commercial Unit up to the height of the ceiling of the first floor of the Condominium; provided, however, that the percentage interest in the Common Elements of any portion of the Commercial Unit owned by another Commercial Unit Owner or of any Residential Unit shall not be changed by reason thereof unless the owner of such Unit shall consent thereto, and the Commercial Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Board and all other Unit Owners harmless from any liability arising therefrom.

ARTICLE 12 PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated to receive service of process in any action which may be brought against the Condominium, the Residential Section or the Commercial Section.

ARTICLE 13 DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

13.1 Determination of Percentage of Interest in Common Elements. The percentage of interest in the Common Elements applicable to each Unit, as shown on Exhibit B, was determined pursuant to Section 339-i(i)(iv) of the Condominium Act, and is based upon floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of a particular Unit. The aggregate Common Interest for all Units is 100%.

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

ARTICLE 14 ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachments shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board, or made by Declarant or its designee, a Commercial Unit Owner in accordance with this Declaration or the By-Laws or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 15 ACCESS TO COMMON ELEMENTS

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 his or her Unit including an easement to connect to existing utilities including, but not limited to utilities for gas, electricity, steam and ventilation. Each Unit shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace all Common Elements located in such Unit or elsewhere on the Property which serve other Units. In addition, the Condominium Board or its agents, to the extent the Board is permitted to act by the By-Laws for such purposes, shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property. All easements and rights of access described in this Article 15 shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entries shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building).

ARTICLE 16 EASEMENTS AND NAME OF CONDOMINIUM

16.1 Except as set forth in this Declaration, each Residential Unit Owner shall have, in common with all other Residential Unit Owners, an easement for the use of the Residential Common Elements. The Commercial Section and the Residential Section shall be subject to such easement.

16.2 Except as set forth in this Declaration, each Commercial Unit Owner shall have, in common with all other Commercial Unit Owners, an easement for the exclusive use of the

Commercial Common Elements. The Commercial Section and the Residential Section shall be subject to such easement.

16.3 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Residential Section and the Commercial Section as the case may be, and for the use of any Common Element, to the extent necessitated by an emergency including but not limited to an easement by the Commercial Unit Owner for emergency access through and over the fire stairs in the Building. The Residential Section and the Commercial Section shall be subject to such easement.

16.4 Each Residential Unit Owner shall have, in common with all other Residential Unit Owners, and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Residential Common Elements or Residential Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Residential Units, the Residential Common Elements; or the Residential Limited Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes and provided, further, that the Commercial Unit's easement to penetrate below the floor for pipes, ducts and similar installations is limited to the area which is not shaded on the floor plan for the Commercial Unit as set forth in the Plan. Such entry shall be permitted on not less than one days' notice, except that no notice will be necessary in the case of an emergency.

16.5 Each Commercial Unit Owner shall have, in common with all other Commercial Unit Owners, and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Commercial Common Elements or the Commercial Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of any Commercial Unit, the Commercial Common Elements or the Commercial Limited Common Elements or the installation of any equipment required to operate in the Commercial Unit; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Commercial Unit or Residential Units for their permitted purposes. Such entry shall be permitted on not less than one days' notice, except that no notice will be necessary in the case of an emergency.

16.6 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

16.7 Declarant or its designee and the Commercial Unit Owner and their successors and assigns shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property (other than on the exterior walls of the Building surrounding Units not owned by the party erecting the sign) for the purposes of

advertising (i) the sale or lease of any Unsold Residential Unit, the sale or lease of all or any portion of the Commercial Unit and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit or of any Unsold Residential Units, as the case may be.

16.8 Declarant or its designee and the Condominium Board shall have the right to grant such additional electric, gas, steam, ventilation or other easements for utilities or otherwise or relocate any easements in any portion of the Residential Section, the Commercial Section or the Property, as the case may be, as Declarant or its designee or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or to complete the Building as described in the Plan or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes.

16.9 Declarant shall have, and the Units and Common Elements shall be subject to, an easement, (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace (i) satellite dishes and similar equipment on the roof of the Building and the conduit and other Facilities relating thereto, other than those portions of the roof which constitute Residential Common Elements or Residential Limited Common Elements, and (ii) ventilation shafts from the Commercial Units on the exterior of the Buildings, and (b) to maintain any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided that access to any Unit or Common Element in furtherance of such easement shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

16.10 The Condominium shall have an easement through the ceiling of the Commercial Unit for: the Building's HVAC pipes and riser control valves, the pipes to the bathrooms and kitchens on the second floor and wiring.

16.11 The Condominium and the Building shall be designated and known as "The Indigo Condominium". Declarant shall own and control all rights and interests, and shall be responsible for all obligations and liabilities, appurtenant to the name of the Condominium and/or the Building. For so long as Declarant owns any Units in the Building, only Declarant shall have the right to change or assign the name of the Condominium and/or the Building, subject to the consent of the Condominium Board.

16.12 Declarant for so long as it shall own any Unsold Residential Unit, the Commercial Unit Owner with respect to the Commercial Unit, and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Declarant, the Commercial Unit Owner or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that the granting of such additional utility easements or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business carried on within the Commercial Units or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to each Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business carried on within the Commercial Units or with the use of the Residential Units for their permitted purposes. Notwithstanding any other provision of this Declaration, the By-Laws or the Rules and Regulations, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

16.13 Declarant and its contractors, employees and agents for so long as Declarant shall own any Unsold Residential Unit, shall have an easement for ingress and egress through all of the Common Elements in order to make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Residential Units.

16.14 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.

ARTICLE 17

POWER OF ATTORNEY TO THE BOARD

17.1 Each Residential Unit Owner shall grant to the persons who shall from time to time constitute the Condominium Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Condominium Board shall determine) following due authorization (if required) from the Residential Unit Owners (a) to acquire or lease any Residential Unit, together with its Appurtenant Interests (as defined hereinafter), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Units so acquired, or to sublease any Residential Unit so leased, without the necessity of further authorization by the Residential Unit Owners, on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal,

settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate and (c) to execute, acknowledge and deliver any declaration or other instrument affecting the entire Residential Section which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the entire Residential Section or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the entire Residential Section or the Common Elements which the Condominium Board deems necessary or appropriate.

17.2 Each Commercial Unit Owner shall grant to the persons who shall from time to time constitute the Condominium Board an irrevocable power of attorney, coupled with an interest (in such form and content as the Condominium Board shall determine) following due authorization (if required) from the Commercial Unit Owner (a) to acquire or lease any Commercial Unit or portion thereof, together with its Appurtenant Commercial Interests (as hereinafter defined), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of the Commercial Unit Owner, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not to vote the interest appurtenant to) any Commercial Unit or portion thereof so acquired, or to sublease any Commercial Unit or portion thereof so leased, without the necessity of further authorization by the Commercial Unit Owners, on such terms as the attorneys-in-fact may determine, and (b) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Commercial Section which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Commercial Section, (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Commercial Section or the Common Elements which the Condominium Board deems necessary or appropriate, or (iii) any easement permitting access between the Commercial Section and any property adjoining the Land, including the right to penetrate any General Common Elements located between the Commercial Section and such adjoining property, provided such penetration does not materially weaken the structural soundness of the Building.

ARTICLE 18

ACQUISITION OF UNITS BY BOARD

18.1 If (a) any Residential Unit Owner surrenders his or her Unit, together with (i) the undivided interest in the Residential Common Elements and Residential Limited Common Elements and General Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Condominium Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the

Residential Section or the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, (b) the Condominium Board, pursuant to Article 8 of the By-Laws, acquires or leases a Residential Unit or Commercial Unit, together with the Appurtenant Interests, or (c) the Condominium Board purchases, at a foreclosure or other similar sale, a Residential Unit or a Commercial Unit, together with the Appurtenant Interests, then, in any such event, title to any such Residential Unit or Commercial Unit, together with the Appurtenant Interests, shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Residential Unit leased or subleased by the 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 interest in the Common Elements.

18.2 If (a) any Commercial Unit Owner surrenders its Commercial Unit or any portion thereof, together with (i) the undivided interest in the Commercial Limited Common Elements and General Common Elements appurtenant thereto and (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Condominium Board or its designee, corporate or otherwise, on behalf of the Commercial Unit Owner or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Commercial Section or the Condominium (such interests in (i), (ii), and (iii) being hereinafter collectively called the "Appurtenant Commercial Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act, (b) the Condominium Board, pursuant to this Declaration and/or the By-Laws, acquires or leases all or a portion of any Commercial Unit, together with its Appurtenant Commercial Interest, or (c) the Condominium Board purchases, at a foreclosure or other similar sale, all or a portion of any Commercial Unit, together with its Appurtenant Commercial Interest, then, in any such event, title to all or any such portion of the Commercial Unit, together with its Appurtenant Commercial Interests, shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering all or any portion of a Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners in proportion to their respective interests in the Common Elements.

18.3 The Condominium Board shall have the authority to purchase, on behalf of all Unit Owners, a Residential Unit to be used as the residence of the Resident Manager of the Building and, in such event, title to all or any such portion of the Residential Unit, together with its Appurtenant Residential Interests, shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements.

ARTICLE 19

COVENANTS RUNNING WITH THE LAND

19.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article 19, shall to the extent applicable and unless otherwise expressly herein or therein

provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his or her heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

19.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

Subject to Section 19.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 20 AMENDMENTS OF DECLARATION

20.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Units or any Commercial Unit Owner (a) any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws; (b) any provision of this Declaration benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be added to, amended, modified or deleted by vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Residential Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected and (c) any provision of this Declaration benefiting, protecting or otherwise affecting only the Commercial Unit or the Commercial Unit Owners may be added to, amended, modified or deleted with approval of the Commercial Unit Owner, or if more than one Commercial Unit Owner, by the vote of at least 66-2/3% in number and in Common Interest of all Commercial Unit Owners taken in accordance with the provisions of the By-Laws, provided, however, that the Common Interest appurtenant to any Commercial Units shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Unit or any Commercial Unit Owner, no amendment, modification, addition or deletion pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Commercial and Residential Mortgage Representatives (as defined in the By-Laws), if any; no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgage Representatives, if any; and no amendment, modification, addition or deletion pursuant to the provision of clause (c) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Commercial Mortgage Representatives, if any. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Residential Units, or the Commercial Units or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the foregoing provisions of this Section 20.1 and the rights of Declarant or its designee and the Commercial Unit Owner under Articles 9, 10 and 11 of this Declaration, Articles 8 and 9 of this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential and/or Commercial Mortgage Representatives, as the case may be, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby, or if only the Commercial Units are affected, 80% in number and in Common Interest of such Commercial Unit Owners, or if only Residential Units

are affected, 80% in number and in Common Interest of such Residential Unit Owners, approve such amendment, modification, addition or deletion in the manner set forth above.

20.2 If the number of rooms in an Unsold Residential Unit is changed, or the use, size and/or number of Unsold Residential Units is changed (whether as a result of a subdivision or combination of Unsold Residential Units or alteration of boundary walls between Unsold Residential Units, or otherwise) and the appurtenant percentage interests of Units in the Common Elements are reapportioned as a result thereof, all in accordance with Article 10 hereof, then Declarant or its designee causing such changes shall have the right to execute, or (upon its request) to require any other Unit Owner or any Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as Declarant or its designee causing such changes deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Residential Unit or in the use, size and/or number of Unsold Residential Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Units in the Common Elements resulting therefrom, all without the approval of any Board, the Unit Owners or the Residential or Commercial Mortgage Representatives, if any. In addition, if any Residential Unit Owner other than Declarant or its designee causing such changes is given the right by the Condominium Board to make the changes described in this Section 20.2 with respect to such Unit Owner's Residential Unit or Residential Units, all in accordance with Article 10 hereof, then such Residential Unit Owner shall have the right to require the Condominium Board to execute, and record in the City Register's Office and elsewhere, if required by law, any amendment to this Declaration and other documents which are necessary or appropriate (in the reasonable judgment of the Condominium Board) to reflect the changes made by the Residential Unit Owner, all without the approval of the Board, other Unit Owners or the Residential Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.3 If (a) the number of rooms in any Commercial Unit or the size of any Commercial Unit is changed and the percentage interest in the Common Elements appurtenant to such Commercial Unit belonging to the Owner causing such change is reapportioned among any newly created Commercial Units resulting from any subdivision of the Commercial Unit, any combining of the Commercial Units or of any units resulting from a subdivision, any alteration of the boundary walls between Commercial condominium units, or otherwise, or (b) a Commercial Limited Common Element is designated as part of newly created Commercial Units or part of a Commercial Unit is designated as a newly created Commercial Limited Common Element, all in accordance with Article 11 hereof, then the Condominium Board (or the Commercial Unit Owner causing such changes) shall have the right to execute, or (upon request) to require any other Unit Owner to execute, and record in the City Register's Office, and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as (the Commercial Unit Owner or) the Condominium Board deems appropriate to effectuate the same) reflecting (i) such change in the number of rooms in or size of any Commercial Unit, the subdivision of the Commercial Units into separate Commercial Units, the combination of the Commercial Units or of any newly created Commercial Condominium Units resulting from a subdivision, the alteration of boundary walls between Commercial Units, or otherwise, and the reapportionment of the percentage interests in the Common Elements among

such newly created Commercial condominium units or (ii) such designation of a Commercial Limited Common Element as part of newly created Commercial Units or such designation of part of a Commercial Unit as a newly created Commercial Limited Common Element, all without the approval of the Board, the Unit Owners or the Commercial or Residential Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.4 Amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Units or with the subdivision, combination or alteration of the Commercial Units, or of any newly created Commercial Units and/or the offering for sale or lease of all or any portion of the Commercial Unit and in connection therewith the Condominium Board, (or, when permitted, the Commercial Unit Owner) will cause this Declaration, the By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provision thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section or the Residential Unit Owners, the Condominium Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

20.5 The provisions of 20.1 and 20.2 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant or its designee, and the provisions of 20.1, 20.3, and 20.4, may not be modified, amended, added to or deleted, in whole or in part, without the consent of the Condominium Board.

ARTICLE 21 TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote shall be effective, however, (a) without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential and Commercial Mortgage Representatives, if any, and (b) without the written consent of Declarant, until such time as Declarant and its designees have conveyed title to all Residential Units, provided that in no event shall Declarant's consent be required more than five years after the date fee title to a Residential Unit is first conveyed to a purchaser by Declarant or its designees pursuant to an offering plan. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of his or her share of such net proceeds all liens on his Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 22 WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 23 CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 24 CERTAIN REFERENCES

24.1 A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

24.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

24.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 25 SEVERABILITY

Subject to the provisions of 19.2 and 19.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

ARTICLE 26 COVENANT OF FURTHER ASSURANCES

26.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

26.2 If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Board, Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board which represents such Unit Owner, Board or other party is hereby authorized as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party.

26.3 If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver pursuant to this Declaration at the request of Declarant or its designee, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 27 SUCCESSORS AND ASSIGNS

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee, or, with the consent of Declarant or its designee, any transferee of some or all of the then Unsold Residential Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owner. Subject to the foregoing, Declarant, its designee, and/or the Commercial Unit Owner, as the case may be, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

ARTICLE 28 CONSENTS

Whenever the consent, approval, satisfaction or permission of Declarant or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction or permission will not be required when Declarant or such designee no longer owns any Unsold Residential Units.

**ARTICLE 29
INCORPORATION BY REFERENCE**

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Residential Unit Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ____ day of _____, 200__.

125 WEST 21st LLC

By: Open Heir LLC, Sole Member

By: Alchemy 15-21 LLC, Managing Member

By: _____

Name: Kenneth Horn

Title: Managing Member

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

On the _____ day in _____ in the year 200__ before me personally appeared Kenneth L. Horn, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public



EXHIBIT A
DESCRIPTION OF THE LAND



EXHIBIT B

DESCRIPTION OF THE UNITS



EXHIBIT C**DEFINITIONS**

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

"Building" refers to the structures and improvements including above and below grade segments, known as 125 West 21st Street, New York, New York in which the Units of the Condominium are located.

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

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

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

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

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

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

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

"Commercial Limited Common Elements" refers to those Common Elements which serve or benefit one or more (if the Commercial Unit is divided) but not all of the Commercial Units and/or the Commercial Unit Owner.

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

"Commercial Unit" refers to the Commercial Unit located on the Cellar and First Floor of the Building, and, to the extent the Commercial Unit is divided, the Commercial Unit shall refer to all of the Commercial Units resulting from the subdivision of the Commercial Unit.

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

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

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

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

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

"Condominium" refers to The Indigo Condominium.

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

"Condominium Board" refers to the overall board of managers of the Condominium representing the Residential Unit Owners and the Commercial Unit Owner.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Property” refers to the Land, the Building and the appurtenances thereto.

“Property Deed” refers to the deed dated August 18, 2004 pursuant to which the Sponsor acquired fee title to the Property.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Selling Agent” refers to Alchemy Properties, Inc., or any successor selling agent at the time in question

“Sponsor” refers to 125 West 21st LLC, a Delaware limited liability company, and its successors and assigns.

"Sponsor and/or its designee(s)", "Sponsor or a designee of Sponsor" or similar terms refers to Sponsor and any designee of Sponsor.

"Sponsor Control Period" refers to the period during which members of the Condominium Board designated by Sponsor constitute a majority of the members of said Board.

"Storage Bins" refers to the bins to be located in the cellar of the Building which will be used for storage by Unit Owners.

"Superintendent's Unit" refers to the apartment in the Building in which the Condominium's Superintendent will reside.

"Terrace(s)" refers to terraces and/or balconies appurtenant to certain Residential Units which are Residential Limited Common Elements.

"Unavoidable Delays" refers to delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, terrorist acts, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or lightning, earthquake, fire, storm, hurricane, flood, explosion, act of God or any cause similar to any of the causes hereinabove state; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

"Unit" or "Condominium Unit" refers to space designated as a Residential Unit or a Commercial Unit in the Declaration, consisting, generally, of either a specific residence or a portion of the Commercial space in the Building, together with an appurtenant proportionate undivided interest in the General Common Elements and, as the case may be, in the Residential Common Elements, the Residential Limited Common Elements or in the Commercial Common Elements. All of such Units are collectively referred to as "Units".

"Unit Owner" refers to any Residential Unit Owner or Commercial Owner, and all of such Residential Unit Owners and Commercial Unit Owner are collectively referred to as the "Unit Owners".

"Unsold Residential Unit" refers to (a) any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee, or a Residential Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of their principals, is a member or (b) any Residential Unit for which there is a signed Purchase Agreement but for which Closing has not yet occurred.



EXHIBIT D

**BY-LAWS
OF**

**THE INDIGO CONDOMINIUM
125 WEST 21st STREET
NEW YORK, NEW YORK**



EXHIBIT E

RESIDENTIAL UNIT POWER OF ATTORNEY



EXHIBIT "7"

CONDOMINIUM BY-LAWS



BY-LAWS
OF
THE INDIGO CONDOMINIUM
125 WEST 21ST STREET
NEW YORK, NEW YORK



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BY-LAWS

ARTICLE 1

GENERAL

1.1 **Purpose.** The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of The Indigo Condominium (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately 9,475 square feet of land (the "Land") which forms a part of Block 797 of Section 3 on the Tax Map of the Borough of Manhattan, City, County and State of New York, the buildings and other improvements now or hereafter to be constructed thereon or therein, as the case may be (hereinafter collectively called the "Buildings"), including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the New York County Office of the Register of The City of New York ("City Register's Office"), together with these By-Laws. All terms used herein including, but not limited to, "Declarant or its designee" and "Declarant or a designee of Declarant," which are not separately defined herein, shall have the meanings given to those terms in the Declaration.

1.2 **Applicability of By-Laws.** These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration are accepted, ratified, and will be complied with.

1.3 **Principal Office of Condominium.** The principal office of the Condominium shall be located within the Property or at such other place within the Borough of Manhattan reasonably convenient thereto, as may be designated from time to time by the Condominium Board (as hereinafter defined).

ARTICLE 2

BOARD OF MANAGERS

2.1 Number, Term and Qualification.

2.1.1 As more particularly set forth in 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"). From and after the first annual meeting of the Unit Owners as provided in Section

3.1, the Condominium Board shall consist of five persons: four persons elected by the Residential Unit Owners and one person designated by the Commercial Unit Owner(s), subject to Declarant's 3.9.3 rights. The Condominium Board is herein sometimes referred to as the "Board."

2.1.2 Each member of the Condominium Board except for the first Board as provided in 2.4 and except as otherwise provided herein, shall serve until the next annual meeting thereof and until successors have been elected and qualified. There shall be no limit on the number of successive terms a Board member may serve.

2.1.3 Except for Board members elected or designated by Declarant or its designee, the members of the Condominium Board elected by the Residential Unit Owners shall be (a) either Residential Unit Owners or officers, directors, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries or any other entities which own Residential Units, Permitted Mortgagees, or family members of any of the foregoing. The fifth member of the Condominium Board shall be designated by either a Commercial Unit Owner or officers, directors, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries, or any other entities which may own a Commercial Unit, Permitted Mortgagees of the Commercial Unit, lessees of the Commercial Unit or portions thereof, or family members of any of the foregoing. Other than Board members elected or designated by Declarant or its designee no Board member shall continue to serve after he ceases to be qualified as set forth above. As used herein the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units which is permitted to be placed thereon pursuant to these By-Laws.

2.2 Powers and Duties.

2.2.1 The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by law, the Declaration or these By-Laws may not be delegated to the Board by the Unit Owners). All determinations with respect to the administration of the affairs of the Condominium including, without limitation, determinations which (i) relate to the Residential Section and adversely affect the Commercial Section, or (ii) relate to the Commercial Section and adversely affect the Residential Section, or (iii) relate to or affect the General Common Elements, shall be made by the Condominium Board.

2.2.2 Subject to the provisions of 2.2.1 and without limiting the generality thereof:

2.2.2.1 The Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1(a) Operation, care, upkeep, maintenance, repair and replacement of the General Common Elements, including contracts for utilities, services and supplies;

2.2.2.1(b) The amount of General Common Charges (as hereinafter defined).

2.2.2.1(c) Employment and dismissal of the personnel necessary for the maintenance and operation of the General Common Elements.

2.2.2.1(d) Adoption of, and amendments and additions to, the General Rules and Regulations (as hereinafter defined).

2.2.2.1(e) Making additions and improvements to, or alterations of, the General Common Elements.

2.2.2.1(f) Making repairs and restorations of the General Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.1(g) Enforcing obligations of Unit Owners.

2.2.2.1(h) Levying fines against Unit Owners for violations of the General Rules and Regulations (any such fines shall constitute Common Charges payable by the Unit Owner against which they are levied).

2.2.2.1(i) Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

2.2.2.1(j) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves the Residential Section, the Commercial Section or the General Common Elements, as set forth in 6.2.

2.2.2.1(k) Borrowing money on behalf of the Condominium, when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the General Common Elements; provided, however, that (i) the consent of at least 51% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$250,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph 2.2.2.1(1) is not repaid by said Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

2.2.2.1(l) Organizing corporations to act as designees of the Condominium Board with respect to such matters as such Board may determine.

2.2.2.1(m) Execution, acknowledgment and delivery of (i) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or

requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Buildings, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Condominium Board deems necessary or appropriate.

2.2.2.1(n) Prepare, execute and record, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws.

2.2.2.1(o) Obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of 6.2.

2.2.2.1(p) Leasing or purchasing an apartment for use as the residence of the Building Resident Manager, either in the Buildings or elsewhere (in compliance with applicable law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such lease.

2.2.2.1(q) Imposition of move in fees and charges, and transfer fees in connection with the sale or lease of a Residential Unit, provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant.

2.2.2.1(r) To prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modification, additions and deletions theretofore made to the same;

2.2.2.1(s) Commencement of summary eviction proceedings in the name of or on behalf of the Condominium Board and/or Unit Owner or Unit Owners, as the case may be, against an authorized guest and/or a Tenant of a Unit Owner if such authorized Guest and/or Tenant does not conform to the Rules and Regulations of the Condominium, annexed hereto as Schedule A, as said Rules and Regulations may at any time and from time to time, be modified, amended or added to in accordance with the terms of these By-Laws. All costs in connection with the removal of the authorized guest and/or Tenant, including reasonable attorney's fees, shall be borne by the Unit Owner.

2.2.2.1(t) To carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

2.2.3 Any act with respect to a matter determinable by the Board and deemed necessary or desirable by the Board in connection therewith shall be done or performed by the Board or shall be done on its behalf and at its direction by the agents, employees or designees of the Board.

2.2.4 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or its designee shall continue to own at least one Unsold Residential Unit but in no event later than five years from the First Closing of a sale made under an Offering Plan, the Condominium Board may not, without Declarant's prior written approval: (i) make any addition, alteration or improvement to the General Common Elements, the Residential Common Elements or to the Residential Limited Common Elements or to any Residential Unit; (ii) increase or decrease the number, or change the kind of employees initially hired for the Residential Section of the Condominium; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or Residential Section or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium or on behalf of the Residential Section; (v) assess any General Common Charges or Residential Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Residential Unit; provided that Declarant's written consent is not necessary to perform any function or take any action described in items (i) through (vi) above if and only if the performance of such function or the carrying out of such an action is necessary and no other alternative is available to enable the Condominium Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

2.3 **Managing Agent and Manager.** With respect to matters the determinations concerning which the Board is entitled to make, the Board may employ a managing agent and/or a manager at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to such managing agent or manager other powers granted to the Board by these By-Laws, except the powers set forth in 2.2.2.1(b), (e), (g), (h), (1), (m), (n), (o), . Subject to the limitations set forth in this Section 2.3.

2.4 **First Board.** The Condominium Board shall initially consist of the three (3) persons designated by Declarant. The Board members shall be deemed to have been "elected" as members of the Board for the purposes of these By-Laws. Within 180 days after the date of the First Closing the Condominium Board will call for the first annual meeting of Unit Owners for the purpose of electing a new Board in accordance with the provisions of 3.1. The terms of each such member of the Condominium Board shall expire annually. Notwithstanding the foregoing, for as long as Declarant has the voting power to elect all members of Condominium Board, the Condominium Board shall have three (3) members.

2.5 **Resignation and Removal.** Any Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Subject to the provisions of 3.9.3, any Condominium Board member may be removed, with or without cause, by a majority vote of Unit Owners present in person or by proxy at a regular or special meeting of Unit Owners at which a quorum is present. Any Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Condominium Board members designated by Declarant or its designee may only be removed with cause and replaced as described in 2.6. In addition, any member of either Board who is

designated as such by Declarant or its designee, may be removed by such designating party at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member.

2.6 Vacancies. Subject to the provisions of 3.9.3, any vacancy on the Condominium Board for whatever reason shall be filled by the members of the Condominium Board then in office, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the respective Board until the next annual meeting of the Unit Owners, when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on the Board, created by the resignation, removal or any other cause which results in any Board member designated by Declarant or its designee, ceasing to be a member of any such Board, Declarant or its designee, as the case may be, shall have the sole right to designate a replacement for such member.

2.7 Organizational Meetings of the Board. The first meeting of the Condominium Board following each annual meeting of the Unit Owners shall be held immediately following each such annual meeting.

2.8 Regular Meetings of the Board. Regular meetings of the Condominium Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail, e-mail or telegram, at least five business days prior to the day named for such meeting.

2.9 Special Meetings of the Board. Special meetings of the Condominium Board may be called by the President or Vice President of the Board by giving five business days' prior notice to each member of the Board by personal delivery, mail, e-mail or telegram, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting.

2.10 Resolutions of the Board. The Condominium Board shall cause to be promptly delivered to the Secretary of the Condominium Board copies of all resolutions adopted by it except to the extent (a) of matters privileged under applicable law, (b) relating to the terms of the sale, leasing or subleasing of any Unit or portion of any Unit, other than the nature of the use thereof, and (c) relating to matters not related to the Property.

2.11 Waiver of Notice. Any Board member may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.12 Determinations by Board; Quorums.

2.12.1 Except as otherwise set forth in 2.12.2, all determinations by the Board shall be made at a meeting of the Board at which a quorum thereof is present. At any

Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of the Board.

2.12.2 If at any Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.12.3 Members of the Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all members of the Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of the Board.

2.13 **Compensation.** No member of the Board shall receive any compensation for acting as such.

2.14 **Liability of the Board and Unit Owners.**

2.14.1 To the extent permitted by applicable law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of any managing agent or manager in connection with the affairs or operation of the Condominium, the Commercial Section, or the Residential Section or any Limited Common Element (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Board or by any managing agent or manager thereof shall state that it is made by the Board, managing agent or manager only as agent for all Unit Owners, Residential Unit Owners, or Commercial Unit Owner, as the case may be, that the Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium or the Residential or Commercial Section, as the case may be, or any Limited Common Element shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, and, unless expressly stated to the contrary in such contract (as determined by the relevant Board in its sole and absolute discretion), to the extent permitted by applicable law, shall be limited to such Unit Owner's interest in his Unit and his appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract or agreement may also provide that it covers the assets, if any, of the Board. Board members shall have no liability to Unit Owners except that a Board member shall be liable for his own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their

appurtenant Common Interests, indemnify each Condominium Board member against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Board may contract or effect any transaction with any Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.14.2 Neither the Board nor any member thereof shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, the Board or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Board or any member thereof or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit or any General or Limited Common Element.

2.15 Fidelity Bonds. The Board shall obtain or ensure maintenance of fidelity bonds, in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds shall constitute General Common Expenses, Commercial Common Expenses, or Residential Common Expenses, as the case may be.

2.16 Committees. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint an Executive Committee and such other committees as the Board may deem appropriate, each to consist of as many members as the Board shall deem appropriate for the purpose of making such reports and studies as the Board deems appropriate. Any Executive Committee of the Condominium Board shall be required to consist of at least one member elected by the Residential Unit Owners and the one member designated by the Commercial Unit Owner. For so long as Declarant is entitled to designate members to the Board, any committee appointed by the Board shall have as at least one of its members a member appointed by Declarant.

2.17 Principal Office of the Board. The principal offices of the Board shall each be located within the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by the Board.

2.18 Status of the Board. In addition to the status conferred upon the Board under or pursuant to the provisions of the Condominium Act, the Board shall, to the extent permitted by applicable law, be deemed to constitute a separate unincorporated association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of the Board pursuant to the provisions of 2.20, the provisions of this Section 2.19 shall no longer be applicable to the Board.

2.19 Incorporation of Board. To the extent and in the manner provided in the Condominium Act, the Board may by action of the Board as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that the Board so incorporates, it shall have, to the extent permitted by applicable law, the status conferred upon it under such statutes in addition to the status conferred upon the Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration

and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions hereof and the provisions of such certificate of incorporation and by-laws.

2.20 Board as Agent of Unit Owners. In exercising their respective powers and performing their respective duties under the Declaration and these By-Laws, the Board shall act in good faith as, and shall be, the agent of the Unit Owners, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3

UNIT OWNERS

3.1 Annual Meetings. The first annual meeting of Unit Owners shall be called on or no more than 180 days after the First Closing. Such meeting shall be held not less than 10 days nor more than 40 days after such date. At such meeting, the Residential Unit Owners shall elect or designate four of the Condominium Board's members, and the Commercial Unit Owner shall designate one of the Condominium Board's members in accordance with Section 2.1 and as otherwise provided in these By-Laws. Thereafter, annual meetings of Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At each such annual meeting, the incumbent Condominium Board members shall resign and new Board members shall be elected or designated in accordance with Section 2.1 and as otherwise provided in these By-Laws.

3.2 Place of Meetings. Meetings of all or any Unit Owners shall be held at the principal office of the Condominium, or at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the Board.

3.3 Special Meetings. The President of the Condominium Board shall call a special meeting of Unit Owners, if so directed by resolution of the Condominium Board or upon a petition signed and presented to the Secretary of the Condominium Board by not less than 25% in Common Interest of Unit Owners.

3.4 Notice of Meetings and Actions Taken. Notice of each annual or special meeting shall be given by the Secretary to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, mail or telegram, at least ten (10) but no more than thirty (30) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address at the Property or elsewhere as any Unit Owner has designated by notice in writing to the appropriate Secretary at least ten (10) days prior to the giving of notice of the applicable meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least thirty (30) days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment.

3.5 Adjournment of Meetings. If any joint or separate meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

3.6 Order of Business. The order of business at all joint or separate meetings of Unit Owners shall be as follows:

- (a) Call to order;
- (b) Roll call;
- (c) Proof of notice of meeting;
- (d) Reading of minutes of preceding meeting;
- (e) Reports of officers;
- (f) Reports of members of the Board;
- (g) Reports of committees;
- (h) Election of inspectors of election (when so required);
- (i) Election of members of the Board (when so required);
- (j) Unfinished business;
- (k) New business; and
- (l) Adjournment.

3.7 Title to Units. Title to Units may be taken by any individual, corporation, partnership, association, trust or other entity, or any two or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8 Voting.

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on his or her behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the Board and shall be revocable at any time by written notice to the Secretary by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Neither the Board nor its designee shall be entitled to vote the interest appurtenant to any Unit owned by the Board and the Common Interest of

such Unit shall be excluded from the total Common Interests when computing the interest of Unit Owners for voting purposes.

3.8.2 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or his proxy) entitled to vote thereat (including Declarant with respect to Units owned by Declarant or its designee) shall be entitled to cast a vote the percentage of Common Interests that he or she owns.

3.8.3 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is in terms of the Residential Unit Owners, as a group, or the Commercial Unit Owners as a group (as opposed to all Unit Owners as a whole), such required percentage shall mean a percentage in terms of total Common Interests attributable to that particular group and not the percentage of Common Interests attributable to all Unit Owners.

3.9 Election of Board Members; Rights of Declarant.

3.9.1 All elections of Board members shall be determined by plurality vote.

3.9.2 When voting for members of the Condominium Board, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Each Unit Owner shall be entitled to cast the number of votes determined in accordance with 3.8.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Units owned by it until Declarant has closed title to all of the Unsold Units owned by it (excluding Unsold purchased by Declarant or its designee). Declarant shall not hold a majority of seats on the Board after the earlier to occur of two (2) years from the date of the First Closing or (ii) that date upon which the Declarant and its designees own less than a majority of the Common Interests of the Residential Units (the "Initial Control Period"). In addition, for so long as Declarant owns at least two Residential Unsold Units (excluding Unsold Units purchased by Declarant or its designee) as the case may be, (a) Declarant shall have the right to designate at least one member of the Board instead of voting the Common Interests attributable to Unsold Units owned by it and (b) the number of members of the Board may not be increased without the consent of Declarant. Any vacancy created by removal of a Board member designated by Declarant, or by any other cause which results in a Board member designated by Declarant ceasing to be a member of the Board, shall be filled by a person designated by Declarant. After the Initial Control Period, a majority of the Board must be Unit Owners who are unrelated to the Sponsor or its principals.

3.10 **Majority of Unit Owners.** Except as may otherwise be provided by law, as used in these By-Laws, the terms "Majority of Residential Unit Owners," "Majority of Commercial

Unit Owners" and "Majority of Unit Owners" means either those Residential Unit Owners, Commercial Unit Owners, or Unit Owners, as the case may be, having more than 50% of the total authorized votes of either Residential Unit Owners, Commercial Unit Owners, or all Unit Owners, as the case may be, determined in accordance with the provisions of 3.8, who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11 **Quorum.** Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning more than 50% of the Units shall constitute a quorum at all meetings of Unit Owners.

3.12 **Majority Vote.** Except where otherwise provided by law, the Declaration or these By-Laws, at all meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

ARTICLE 4

OFFICERS

4.1 **Designation.** The principal officers of the Condominium shall be a President, Vice President and Treasurer, and Secretary. The Condominium Board may appoint an Assistant Treasurer, Assistant Secretary and such other officers as in its judgment may be desirable. None of the officers of the Condominium need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Board after the first annual meeting of Unit Owners. Thereafter, the President and Vice President of the Condominium must be members of the Condominium Board. Any one may hold multiple offices.

4.2 **Election of Officers.** The officers of the Condominium Board shall be elected annually by the Condominium Board at the organizational meetings thereof, except that the initial officers of the Board shall be elected, respectively, by the initial Board and shall hold office at the pleasure of the Board and until their successors are elected.

4.3 **Resignation and Removal of Officers.** Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

4.4 **President.** The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all meetings of Unit Owners and at all meetings of the Condominium Board. The President shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners from time to time as he or she may in his or her discretion decide are appropriate to assist in the conduct of the affairs of the entire Condominium.

4.5 Vice President. The Vice Presidents shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice President of the Condominium are unable to act, the Board shall appoint some member of the Board to act in the place of the President and Vice President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board or by the President.

4.6 Secretary. The Secretary of the Condominium shall keep the minutes of all joint meetings of Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Board shall direct and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 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 Board (or in the name of the managing agent appointed by the Board) in such depositories as may from time to time be designated by such Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 Execution of Documents. Unless otherwise delegated by the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer thereof or by such other person or persons as may be designated by the Board. However, any significant expenditure by the Condominium Board must be countersigned by two members of the Condominium Board. If for any reason whatsoever one member refuses to countersign such an expenditure which has been authorized, the Condominium Board shall designate and authorize another Board member to countersign the expenditure.

4.9 Compensation of Officers. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such.

ARTICLE 5

NOTICES

5.1 Notices. All notices required or desired to be given hereunder to the Board shall be personally delivered or sent by registered or certified mail to the office of the Board or to such other address as the Board may designate from time to time, by notice in writing to all Unit Owners, and if there is a managing agent of the Board, a duplicate shall be sent in like manner to such managing agent. All notices to any Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail to the Property address of such Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Condominium Board. All notices to Permitted Mortgagees shall be personally delivered or sent by mail to their respective addresses, as designated by them from time to time, in writing to the Condominium Board. All notices shall be deemed to have been

given when personally delivered or mailed in a postage-prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

5.2 Waiver of Service of Notice. Whenever notice is required to be given by law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6

OPERATION OF THE PROPERTY

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 Except as otherwise provided herein, all costs and expenses attributable to the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements ("General Common Expenses") shall be determined by the Condominium Board as set forth below, and shall be borne by Unit Owners. General Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be General Common Expenses. General Common Expenses shall also include such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the General Common Elements and the rental or purchase of an apartment to be used as the residence of the Building Resident Manager and all costs and expenses associated therewith. The Condominium Board shall from time to time and at least annually prepare a budget to meet General Common Expenses and shall allocate and assess to the Unit Owners, pro rata in accordance with the aggregate respective Common Interests of the Unit Owners (except as otherwise provided in the Declaration or these By-Laws or to the extent a different method of allocation is described in Schedule B, Projected Budget for First Year of Condominium Operation), charges as set forth in the Plan) ("General Common Charges") to meet General Common Expenses. Such budgets shall include such amounts for reserves, as the Condominium Board deems appropriate. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the law. Notwithstanding anything to the contrary set forth above, the Condominium Board may not modify its method of allocations and assessments or increase the number of building employees servicing the Commercial Unit in such a manner as would increase the Common Charges otherwise payable by the Commercial Unit Owner, without the consent of the Commercial Unit Owner.

6.1.2 Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of and any alteration, addition or improvement to, Residential Common Elements or the Residential Limited Common Elements ("Residential Common Expenses") shall be determined exclusively by the Condominium Board and shall be borne solely by the Residential Unit

Owners in proportion to their respective Common Interests. Notwithstanding anything to the contrary in this Section 6.1.2, if a Residential Common Element or Residential Limited Common Element benefits only certain Residential Unit Owners, then the costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Residential Unit Owners who benefit from the Residential Common Element or Residential Limited Common Element in the proportion that the Common Interest of each benefiting Residential Unit Owner bears to the Common Interest of all benefiting Residential Unit Owners. In addition, except as otherwise provided in the By-Laws, such Residential Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Residential Common Element or Residential Limited Common Element at their sole cost and expense. Residential Common Expenses shall include, without limitation, such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Residential Common Elements or the Residential Limited Common Elements. Residential Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Residential Common Expenses. The Condominium Board shall from time to time and at least annually prepare a budget to meet Residential Common Expenses and shall allocate and assess to the Residential Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Residential Common Charges") to meet (a) Residential Common Expenses and (b) the Residential Unit Owners' pro rata share of General Common Charges. Such budgets shall include such amounts for reserves as the Condominium Board deems appropriate. From time to time the Condominium Board may increase or decrease the amount of Residential Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Residential Common Expenses for such fiscal year or any portion thereof. During the Condominium's initial two fiscal years but not thereafter, the Condominium Board's authority shall include the right to base the amount of Residential Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Residential Common Charges payable by Residential Unit Owners for any period to reflect actual operating costs for such period. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of Residential Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of law. The Condominium Board shall advise all Residential Unit Owners promptly in writing of the amount of Residential Common Charges payable by each of them and shall furnish copies of each annual budget to all Residential Unit Owners and Permitted Mortgagees thereof. In the event that the annual receipts levied against Unit Owners during the first year of Condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of \$100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Sponsor during the first year of condominium operation will be distributed by the

Condominium Board to Sponsor and the Residential Unit Owner(s) in proportion to the amount of time the Sponsor and each Residential Unit Owner owned such Unit.

6.1.3 Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, Commercial Common Elements or Commercial Limited Common Elements ("Commercial Common Expenses") shall be determined by the Condominium Board and shall be borne solely by the Commercial Unit Owner. Notwithstanding anything to the contrary in this Section 6.1.3, if a Commercial Common Element or Commercial Limited Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Common Element or Limited Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the normal operation, maintenance and repair, including but not limited to the cost of staff necessary for such operation, maintenance and repair, of any such Commercial Common Element or Commercial Limited Common Element at their sole cost and expense. Commercial Common Expenses shall also include such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Commercial Common Elements, and such amounts, determined by the Condominium Board as may be required for the purchase, lease or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Commercial Unit Owners, of any portion of a Commercial Unit whose owner has elected to sell, lease, transfer or convey such portion of the Unit or which is to be sold at a foreclosure or other sale. Commercial Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Commercial Common Expenses. The Condominium Board shall from time to time and at least annually prepare a budget to meet Commercial Common Expenses and shall allocate and assess to the Commercial Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Commercial Common Charges") to meet (a) Commercial Common Expenses, and (b) the Commercial Unit Owner's pro rata share of General Common Charges. Such budgets shall include such amounts for reserves as the Condominium Board deems appropriate. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of Commercial Common Expenses in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of law. The Condominium Board shall advise all Commercial Unit Owners promptly in writing of the amount of Commercial Common Charges payable by each of them and shall furnish copies of each budget on which such Commercial Common Charges are based to all Commercial Unit Owners and Permitted Mortgagees thereof.

6.1.4 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any General Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection

therewith shall be collected by the Condominium Board as agent for and on behalf of the Unit Owners. Notwithstanding any provision contained in these by-laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.1.5 Common Expenses shall include real estate taxes on the Property until the Units are separately assessed.

6.1.6 Notwithstanding anything to the contrary herein, no part of the net earning of the Condominium may inure (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

6.2 Insurance.

6.2.1 The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Board and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the building (exclusive of foundation and footings), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering the Board and all officers, directors, managing agents and employees of the Condominium, the Residential Section, and the Commercial Section; (i) directors and officers liability insurance; and (j) such other insurance as the Condominium Board may determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a General Common Expense and shall be borne by the Residential Unit Owners and the Commercial Unit Owner in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or other such parties designated by the Condominium Board). If any such insurance carrier, agent, broker or other party fails to make such determination and the Board disagrees with any such determination made by such insurance carrier, agent, broker or other party or if there is any other dispute under this Subsection 6.2.1, the matter shall be determined by Arbitration.

6.2.2 All such policies shall provide that adjustment of loss shall be made the Condominium Board if the loss involves the Residential Section, the Commercial Section or the General Common Elements. Insurance proceeds with respect to any loss shall be payable to the Board, except that the proceeds of all policies of physical damage insurance, if in excess of \$1,000,000, shall be payable to a New York City bank or trust company designated by the Condominium Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of 12.5.

6.2.3 All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees at least thirty (30) days prior to expiration of the then current policies.

6.2.4 The Condominium Board shall also be required to obtain and maintain, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Board may from time to time determine, covering (i) the Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium and Residential and Commercial Section, (ii) the Commercial Unit Owner, all officers, directors and employees thereof, and its managing agent or agents and each Residential Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit or within the Limited Common Elements, if any, exclusive to his Unit. The Condominium Board shall review such limits once each year. The insurance required in accordance with this Subsection 6.2.4 shall also cover cross-liability claims of one insured against another.

6.2.5 Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Board determines.

6.2.6 The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum coverage as established by the Condominium Board from time to time and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in

the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. The Condominium Board and the Managing Agent shall not be responsible for ensuring that Unit Owners as insured and shall have no liability for the failure of a Unit Owner to have insurance. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

6.2.7 Any insurance on the Commercial Section obtained by the Condominium Board shall be subject to the approval of the owner of the Commercial Unit, which approval shall not be unreasonably withheld or delayed. In the event the owner of the Commercial Unit requires more expensive insurance, the increased cost shall be borne by the owner of the Commercial Unit.

6.3 Repair or Reconstruction after Fire or Other Casualty.

6.3.1 In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless three-fourths or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Condominium Board will arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit) and the Board or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. If only the Commercial Section (including the Commercial Common Elements or the Commercial Limited Common Elements) is destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owner, in proportion to its respective Common Interests, will bear the entire amount of the deficit as a Commercial Common Expense, or shall receive all of the surplus, as the case may be. Similarly, if only the Residential Section (including the Residential Units, Residential Common Elements and/or the Residential Limited Common Elements) is damaged or destroyed by fire or other casualty and the insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be borne as a Residential Common Expense or profit, respectively, and shared entirely by all Residential Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the Commercial Section, the Residential Section and the General Common Elements, or any combination of two thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Commercial Section and General Common Elements, as the case may be, bears to the total cost of repairing all damage or destruction. However, the Commercial Unit Owner shall still have the right to make all arrangements for the prompt repair and restoration of the Commercial Unit to the extent it is affected by such damage or destruction. If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance

proceeds shall be borne as a General Common Expense or profit, respectively, as provided in 6.1.1 or shared by all Unit Owners in proportion to their Common Interests. Any surplus payable to any Unit Owner pursuant to this Subsection 6.3.1 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order or priority of such liens.

6.3.2 If three-fourths or more of the Building is destroyed or substantially damaged and if 75% or more in Common Interest of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his share of such funds, such amounts as may be necessary to discharge or reduce all unpaid liens on his Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens. As used in this Section 6.3, the words "promptly resolve" mean resolve as promptly as practical under the circumstances but in any event, not more than 60 days from the date of such damage or destruction.

6.4 Payment of Common Charges.

6.4.1 The Residential Unit Owners and the Commercial Unit Owner shall be obligated to pay to the Condominium Board the General Common Charges assessed to them by the Condominium Board pursuant to the provisions of Section 6.1 at such time or times as the Condominium Board determines. All Residential Unit Owners and the Commercial Unit Owner shall be obligated to pay Residential or Commercial Common Charges, as the case may be, assessed by the Condominium Board pursuant to the provisions of Section 6.1 at such time or times as the Board determines. Unless otherwise determined by the Board, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale or other conveyance by him or her (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges, and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then existing with respect to such Unit, convey for no consideration such Unit together with its appurtenant Common Interests, to the Condominium Board or its designees, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Residential or Commercial Common Charges or General Common Charges, as the case may be, thereafter accruing. A purchaser of a Unit shall not be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him or her of such Unit, except that, to the extent permitted by law, a purchaser of a Unit at a foreclosure sale of a Permitted Mortgage shall not be liable for, and such Unit shall not

be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by law, the Condominium Board, on behalf of all Unit Owners, shall have a lien for Common Charges unpaid to it by (i) the Residential Unit Owners, together with interest thereon, on the Residential Unit owned by a non-paying Residential Unit Owner, in proportion to their respective Common Interests, and (ii) the Commercial Unit Owner, together with interest thereon, on the Commercial Unit, in proportion to its respective Common Interests.

6.4.3 All liens provided for in 6.4.2, to the extent permitted by applicable law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.4 Notwithstanding 6.4.2, neither the seller nor the purchaser of a Unit 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 a written statement from the Board.

6.4.5 In the event that prior to the Units being separately assessed for real estate tax purposes, the Board pays real estate taxes on behalf of a Unit Owner, the amount of such real estate taxes shall be deemed to be Common Charges, and the Board shall have a lien (as provided in Section 6.4.2) for any such accrued and unpaid amounts.

6.5 **Collection of Common Charges.** The Board shall take prompt action to collect any Common Charges due to the Board which remain unpaid for more than thirty days after the due date for payment thereof.

6.6 **Default in Payment of Common Charges.** In the event any Unit Owner fails to make payment of Common Charges when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of \$150.00 or one (1%) percent of such amounts which remain unpaid for more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts computed from the due date, thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by law. All such "late charges", interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, the Board may establish its own alternate fees for late payments, whether such fees are more or less than the charges set forth herein.

6.7 **Foreclosure of Liens for Unpaid Common Charges.** In any action brought by the Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner

shall be required to pay a reasonable rental for the use and occupancy of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Condominium Board, acting on behalf of all Unit Owners, shall have the power to purchase any such Unit or portion thereof at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit or portion thereof (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit. Notwithstanding anything to the contrary set forth above, the Condominium Board, at the request of Declarant, will enter into a recognition agreement with any tenant with which Declarant has entered into a lease for the Commercial Unit. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Board will agree that so long as there is no event of default under said lease, as would entitle the Declarant or any successor landlord under the lease to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Board lien on a Commercial Unit for Common Charges or any other sums of any sort, and the Board shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Commercial Unit in question be interfered with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Board, or, in case the Board takes possession of the Commercial Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that the Board or any other party succeeds to the interests of the Declarant under the lease the tenant will agree to be bound to the Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to the Board or party as its landlord.

6.8 Statement of Common Charges. The Board shall promptly provide any Unit Owner who so requests with a written statement of all unpaid Common Charges due to it from Unit Owners.

6.9 Maintenance and Repairs.

6.9.1 Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, (a) in or to any Unit (excluding Common Elements included therein except as otherwise provided in these By-Laws and the entrance doors thereto) shall be made by the owner of such Unit at such Unit Owner's sole cost and expense, (b) in or to the Common Elements shall be made by the Condominium Board and the cost and expense thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owner as a Common Expense, (c) in or to the Residential Common Elements shall be made by the Condominium Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense, (d) in or to the Commercial Common Elements or the Commercial Limited Common Elements shall be

made by the Condominium Board and the cost and expense thereof shall be charged to all Commercial Unit Owners as a Commercial Common Expense.

6.9.2 Notwithstanding the provisions of 6.9.1:

6.9.2.1 In the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner, the entire cost thereof shall be borne by such Unit Owner, or (b) the Condominium Board, the entire cost thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owner as a General Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof

6.9.2.2 The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and the windows may not be modified, altered or replaced without the consent of the Condominium Board. Terraces and Balconies are Residential Limited Common Elements. All normal maintenance, repairs and replacements of any Terrace shall be made by the Residential Unit Owner having access to such Terrace at his or her own cost and expense, but any structural or extraordinary repairs or replacements to such Terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Condominium Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense. No plantings, structures or installations may be placed on Terraces or Balconies without the prior written approval of the Condominium Board. Any planting or other installations to be placed on Terraces or Balconies shall be subject to the rules and regulations promulgated by the Condominium Board and any New York City and Department of Buildings regulations, including, but not limited to, any applicable weight restrictions. The Condominium Board may require a Residential Unit Owner to remove plantings and other installations placed on Terraces and Balconies by said Residential Unit Owners if the Condominium Board determines, in its reasonable discretion, that such plantings and other installations adversely affect the integrity of the surface beneath the Terrace. The Condominium Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants.

6.9.2.3 The exterior surface of all windows in the Residential Section if so determined by the Condominium Board, shall be washed and cleaned by such Board and the cost and expense thereof shall be a Residential Common Expense. Otherwise, the exterior of all windows in the Residential Section shall be washed or cleaned at the cost and expense of the Residential Unit Owner. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Commercial Unit shall be washed and cleaned by the Unit Owner or occupant thereof at his sole cost and expense. The portions of all curtains, drapes blinds or other window treatments visible from the exterior of the Building should be white to give the Building a uniform exterior appearance.

6.9.2.4 The exterior of all front doors of Residential Units shall not be painted or decorated other than in accordance with the standard for the Residential Section.

6.9.2.5 Any repairs or maintenance work performed with respect to the incremental HVAC units in each Residential Unit shall only be performed by a company or individual previously approved by the Condominium Board.

6.9.3 Each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any Terrace, roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good, clean and neat appearance, in conformity with the dignity and character of the Building, by (a) the Board with respect to such parts of the Building required to be maintained by it, (b) the Commercial Unit Owner with respect to the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in the Commercial Unit, and (c) each Residential Unit Owner with respect to the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit. The portions of all curtains, drapes, blinds or other window treatments which are visible from the exterior of the Building must be white to give the Building a uniform exterior appearance. The sidewalks surrounding the Buildings including snow shall be maintained by the Condominium Board and the cost thereof shall be a General Common Expense.

6.9.4 In the event of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building or other persons, or required to avoid the suspension of any necessary service in the Building) (i) affecting the Residential Section, Commercial Section employees will assist Residential Section employees, and (ii) affecting the Commercial Section, Residential Section employees will assist Commercial Section employees and the costs thereof shall be appropriately allocated to the Section receiving the benefit of such assistance.

6.10 Violations of Maintenance Obligations.

6.10.1 In the event that any Residential Unit Owner, within a reasonable time after receipt of written notice from the Condominium Board, fails to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Article 6 or of any Limited Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Condominium Board may, but shall not be obligated to, perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Residential Unit Owner, within thirty (30) days after receiving notice of such default from the 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 by the Condominium Board, together with interest thereon at the rate of 2% per month from the date on which such Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by law), shall be

immediately payable by such Residential Unit Owner to such Board and shall, for all purposes hereunder, constitute Common Charges payable by such Residential Unit Owner.

6.10.2 In the event that any Commercial Unit Owner fails or neglects in any way to perform any obligation with respect to the painting, decorating, maintenance, repair or replacement of such Unit Owner's portion of the Commercial Unit, the Condominium Board may, but shall not be obligated to, perform or cause to be performed any such painting, decorating, maintenance, repair or replacement provided that (a) the Condominium Board gives the Commercial Unit Owner written notice that such repair or replacement is necessary and that the Condominium Board will complete such repair or replacement in the event the Commercial Unit Owner does not promptly act or complete the repair or replacement, and (b) the Commercial Unit Owner, within ten (10) days after receiving such notice, fails to cure its default, or in the case of a default not reasonably susceptible to cure within such period, fails to commence and to thereafter prosecute to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement by the Condominium Board, together with interest thereon at the rate of 2% per month from the date on which the Condominium Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by law) shall be payable by such Commercial Unit Owner to the Condominium Board and shall, for all purposes hereunder, constitute Commercial Common Charges payable by such Commercial Unit Owner. The Condominium Board shall have the right, in the event that the Commercial Unit Owner disputes the amount of such payment or whether the Commercial Unit Owner is obligated to pay the same, to submit such dispute to Arbitration. The Commercial Unit Owner shall pay the cost of such repair or replacement only after a determination by Arbitration to the effect that (i) the repair or replacement was required to be performed by the Commercial Unit Owner, (ii) the Commercial Unit Owner failed to perform such repair or replacement, and (iii) the cost of such repair or replacement by the Condominium Board was reasonable. Any repair or replacement performed by the Condominium Board in accordance with the terms of this Subsection 6.10.2 shall be its sole responsibility with respect to the quality of such repair or replacement and the proper completion thereof. The Condominium Board shall indemnify the Commercial Unit Owner and hold it harmless from and against any claims, costs, expenses or liabilities whatsoever, including reasonable counsel fees, in any way incurred by the Commercial Unit Owner, in connection with the manner of completion of such painting, decorating, maintenance, repair or replacement by the Condominium Board of any defect described herein (but not for the existence of the condition requiring such repair or replacement).

6.11 Structural Alterations, Additions, Improvements and Repairs of Units.

6.11.1 Except as otherwise provided in the Declaration, no Unit Owner shall make any structural alteration, addition, improvement or repair in or to his or her Unit without the prior written approval of the Condominium Board. The Board shall have the obligation to answer any written request by the Unit Owner for approval of a proposed structural alteration, addition, improvement or repair in or to such Unit Owner's Unit within 45 days after such request is received, and the failure to do so within the stipulated time shall constitute the Board's consent to the proposed alteration, addition, improvement or repair. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Board may exercise the right to reasonably approve the Unit Owner's

contractors and suppliers, and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. The Board may impose fees upon a Unit Owner to reimburse the Condominium for its costs incurred in reviewing or supervising the aforesaid work. Notwithstanding anything to the contrary contained in this 6.11.1, neither Declarant or its designee nor a Permitted Mortgagee (or its designee) of Declarant or its assignee shall be required to obtain the approval of the Board for any structural alteration, addition, improvement or repair in or to Unsold Residential Units or the Commercial Unit or enter into any alteration agreement with respect thereto.

6.11.2 All structural alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any structural alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to hold the Board and all other Unit Owners harmless from any costs or liability arising therefrom.

6.11.3 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit so approved by the Board shall, if required by law or such department or authority, be executed by the Board, provided that the Board shall not incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, materialman, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom. Notwithstanding anything to the contrary set forth above, Declarant is hereby authorized on behalf of the Board to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, Commercial Unit and Common Elements as Declarant is entitled to perform in accordance with the terms of the Declaration and these By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the "Required Documentation") and the Board, if requested by Declarant, shall execute the Required Documentation.

6.11.4 In the event that any alterations, additions, improvements or repairs made by any Residential Unit Owner materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance or reissuance of a temporary or permanent certificate of occupancy for other Units or the building, then upon the written request of Declarant or the Condominium Board, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the Declarant or the Board, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

6.11.5 Until such time as the initial construction of the building is complete, including the completion of "punch list" work, neither the Board nor any Unit Owner shall use

or suffer to be used in any part of the Buildings any labor forces incompatible with the labor forces which are completing the construction of the building on behalf of Declarant. In addition, the prosecution of the work necessary to complete initial construction of the building, including the completion of "punch list" work by or on behalf of Declarant, shall take precedence over the prosecution of any other work at the Buildings.

6.12 Alterations, Additions, Improvements or Repairs to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to any General or Limited Common Element shall be made by the Board or Unit Owner(s) required to maintain such General or Limited Common Element and the cost and expense thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owner as a General Common Expense, to all Residential Unit Owners or Commercial Unit Owners as Residential or Commercial Common Expense, or to the Unit Owner(s) responsible therefor, as the case may be. Whenever in the judgment of the Condominium Board, the cost of any alteration, addition, or improvement would exceed \$100,000 in the aggregate in any calendar year (except if such alteration, addition, or improvement is provided for in a duly approved budget), then such proposed alteration, addition, or improvement shall not be made unless first approved by a Majority of Residential Unit Owners, a Majority of Commercial Unit Owners, or a Majority of Unit Owners, as the case may be, who shall be required to bear the cost and expense thereof as aforesaid with respect to alterations, additions, or improvements made by the Condominium Board. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions, or improvements costing in the aggregate \$100,000 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners. Required repairs to the Common Elements including replacement of existing elements of the Buildings shall be made by the Board in their own discretion regardless of the cost.

6.13 Alterations of Certain Common Elements.

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by the Board or any Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (sometimes collectively referred to in this Section 6.13 as an "Alteration"), proposed to be made by Declarant or its designee, Unit Owners or the Board (sometimes collectively referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by such Board or Unit Owner (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within 30 days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Opposing Party) within such 30-day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the

Alteration to be paid by it, and (ii) that all costs and expenses for maintaining and repairing such Alteration after its completion will not be charged to Unit Owners represented by the Opposing Party as Common Expenses (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Opposing Party; and (c) the proposed Alteration would not materially weaken the structure of the building.

6.13.2 Nothing contained in 6.13.1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as such Proponent believes will meet the objections of the Opposing Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

6.14 Restrictions on Use of Units.

6.14.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, each Residential Unit shall be used as described below.

6.14.1.1 A Residential Unit may be used for any purpose permitted by law, provided such use (1) does not violate the then existing certificate of occupancy for such Residential Unit, (2) does not adversely affect the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, and (3) complies with all applicable governmental regulations.

6.14.1.2 No portion of a Residential Unit (other than the entire Unit) may be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this Subsection 6.14.1) may be accommodated therein.

6.14.1.3 Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of ten (10) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. Declarant shall not be responsible for supplying Unit Owners with window guards for the windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent. Please see the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers" for further details.

6.14.2 Notwithstanding the provisions of 6.14.1, Declarant or its designee may, without the permission of the Condominium Board, (a) grant permission for the use of any Unsold Residential Unit as a professional office or for any purpose, provided such use is permitted by law, does not violate the Deed Restrictions, does not violate the then existing certificate of occupancy for such Residential Unit and the user of such Unit complies with all applicable governmental regulations. and (b) use any Unsold Residential Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other

purpose, subject only to the provisions of the Declaration and these By-laws and in compliance with applicable governmental laws and regulations.

6.14.3 The Condominium Board may, in its sole discretion, consent to the use of a Residential Unit as a professional or business office or for any purpose provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering the Building. Any such consent shall be in writing and shall be personal to such Unit Owner. Any lessee of, or successor in title to, such Unit Owner shall be required to obtain the prior written consent of the Condominium Board before using such Unit for any purpose other than that set forth in paragraph 6.14.1.

6.14.4 Each Storage Bin shall be used only for storage purposes, in compliance with Law. No articles or materials which pose a threat to the health or safety of the Unit Owners or the Building, or that cause noxious odors, dirt or other sanitary problems or otherwise create a nuisance, shall be permitted to be brought into or stored in any Storage Bin. Except for Sponsor, a Storage Bin cannot be owned independently of a Residential Unit.

6.14.5 There shall be no restrictions on the use of the Commercial Unit(s), except as may be required under the New York Zoning Resolution and as specified in Article 9.3 if the Declaration of Condominium.

6.15 Use of Common Elements.

6.15.1 Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the General or Limited Common Elements other than in (a) Residential Limited Common Elements for the exclusive use of a particular Residential Unit Owner or (b) in the areas designated as storage areas, without the prior consent of the Condominium Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise or other objects.

6.15.4 Except pursuant to rules adopted by the Condominium Board, which may not be adopted or amended without the Commercial Unit Owner's consent, and the terms and provisions of the Declaration and these by-laws, in no event shall the Condominium Board or Unit Owners impair, restrict or impede the use of the General Common Elements described in the Declaration, by the Commercial Unit Owner or anyone claiming by, through or under the Commercial Unit Owner including, but not limited to, the tenants and occupants of any portion of the Commercial Unit or their respective licensees or invitees.

6.15.5 The owner of any two or more Residential Units, which Units are serviced or benefited by any Common Element adjacent or appurtenant to such Units (for

example, that portion at the end of any residential hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by law and with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Common Element as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made, provided such owner agrees, at its sole cost and expense, to (a) be responsible for the operation, maintenance and repair of such Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Units which are Unsold Residential Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if an owner transfers or conveys his or her Residential Unit to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

6.16 Other Provisions as to Use. No nuisance shall be allowed in the Residential Section nor shall any use or practice be allowed in the Residential Section which is a source of annoyance to the residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of the Residential Section or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Board, whoever shall have the obligation to maintain or repair such part of the Property. Except as otherwise provided in the Declaration and Section 6.14.3, the Commercial Section may be used for any lawful purpose; and no sale, lease, sublease or use of all or any portion of the Commercial Section shall be deemed to adversely affect the Residential Section.

6.17 Right of Access.

6.17.1 A Residential Unit Owner shall grant a right of access to his or her Unit to the Declarant for the completion of the Building including but not limited to any punch list work in such Unit Owner's Unit, and to the Board, the managing agents, managers, Resident Manager and/or any other person authorized by any of the foregoing. All Unit Owners shall, upon the same terms and conditions as set forth in 6.24.1, grant a right of access to its Unit to the Board, the managing agents, managers, Resident Manager and/or any other person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the General or Limited Common Elements or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in his or her Unit and threatening another Unit or all or any part of the General or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the General or Limited Common Elements within his or her Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the General or Limited Common Elements, his or her Unit or any other Unit in the building or to correct any condition which

violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by the tenants and occupants of the Commercial Units or with the use of the Residential Units for their permitted purposes. In case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.17.2 A Unit Owner shall grant a right of access to his or her Unit, and the Board shall grant rights of access to the General Common Elements and the respective Limited Common Elements to Declarant and its contractors, subcontractors, agents and employees, for the completion of punch list work, provided that access thereto shall be exercised upon reasonable notice during reasonable hours in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

6.18 Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations (the "Residential Rules and Regulations") concerning the use of the Residential Common Elements and the Residential Limited Common Elements. The Condominium Board may from time to time, modify, amend or add to the Residential Rules and Regulations except that a Majority of Residential Unit Owners may overrule such Board with respect to any such modification, amendment or addition. The Condominium Board shall also have the authority to promulgate special rules and regulations concerning the use of storage space, if any, for the personal property of the Residential Unit Owners. The Condominium Board may also adopt and from time to time, modify, amend or add to reasonable rules and regulations (the "Commercial Rules and Regulations") concerning the use of the Commercial Unit, the Commercial Common Elements and the Commercial Limited Common Elements, except that a Majority of Commercial Unit Owners may overrule said Board with respect to any adoption, modification, amendment or addition and provided further that the Commercial Unit Owners having exclusive access to the Commercial Limited Common Elements, may overrule said Board with respect to any adoption, modification, amendment or addition affecting such Commercial Unit Owners. The Condominium Board may adopt and from time to time, modify, amend or add to reasonable rules and regulations (the "General Rules and Regulations") concerning the use of the General Common Elements, except that a Majority of Unit Owners may overrule said Board with respect to any such adoption, modification, amendment or addition. As used herein, the term "Rules and Regulations" shall mean a collective reference to the Residential Rules and Regulations, Commercial Rules and Regulations, and General Rules and Regulations, together with all modifications, amendments or additions thereto. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto, shall be furnished by the Board to each affected Unit Owner not less than 30 days prior to the effective date thereof.

6.19 Real Estate Taxes, Water Charges and Sewer Rents. Water and sewer services shall be supplied to and for all of the Units and the Limited Common Elements through one or more building systems by the City of New York. Except to the extent Unit Owners are billed directly by the City Collector, the Condominium Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. The Board shall collect such charges from the Commercial Unit Owner based on separate submetering of such Units. The remaining costs for the Building will be paid by the Residential Unit Owners and included in Residential Common Charges. Until the Units are

separately assessed for real estate tax purposes, the Residential and the Commercial Unit Owner shall pay their respective pro rata share of all real estate taxes with respect to the Property (in the proportion that the Common Interest of all Residential Units or Commercial Units, as the case may be, bears to the Common Interests of all Units) to the Condominium Board as Common Charges, which will in turn pay such taxes to the proper authorities of The City of New York. In the event of a proposed sale of any Residential Unit, the Condominium Board, on request of the selling Residential Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title insurance company, a letter agreeing to pay all charges for water, sewer rents and real estate taxes (so long as such Board is still collecting and paying such charges) affecting such owner's Unit to the date of the closing of title to such Unit, promptly after such charges have been billed by the proper authorities.

6.20 Steam. Steam for the Building shall be supplied from the Con Edison steam distribution system and the charges therefor shall be paid by the Condominium Board. The costs incurred by the Condominium Board shall be allocated to the Residential and the Commercial Unit Owner as a General Common Charge. If the steam for the Commercial Unit is submetered, the Condominium Board will collect such charges from the Commercial Unit Owner based on his respective submetered usages. The remaining Condominium costs will be paid by the Residential Unit Owners and included in Residential Common Charges. Until such time as the Units are submetered, the cost of Steam shall be allocated as set forth in "Schedule B-Projected Budget for First Year of Condominium Operation" in Part I of the Plan.

6.21 Gas. Gas for the Residential Section will be supplied from the Con Edison gas distribution system and charges therefor shall be paid by the Condominium Board. The cost of gas consumed in the Residential Section will be borne by the Residential Unit Owners as a Residential Common Charge. Gas consumed in the Commercial Section will be separately metered and billed directly to each Commercial Unit Owner utilizing gas.

6.22 Electricity.

6.22.1 Electricity for each Residential and Commercial Unit (including tenants occupying portions of the Commercial Unit) shall be supplied through a separate electric meter for each Unit (or portion thereof). However, the Condominium Board, at its sole discretion, shall have the right to require that electricity be supplied to the Residential Section or the Commercial Section, as the case may be, through one or more electrical meters and that the cost thereof be borne by each Unit Owner based upon sub-metering or any other reasonable basis, as determined by the Board. Each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit (or portion thereof) directly to the utility company, except that in the event that the Condominium Board has elected to sub-meter electricity to each Residential or Commercial Unit, then in such event each such Unit Owner shall be required to pay bills for electricity consumed or used in his Unit either to the Board or to the utility company as directed by the Board. Electricity for the Residential Limited Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Board and will be borne by the Residential Section Unit Owners as a Residential Common Charge.

6.22.2 In the event the Property is submetered, no Unit Owners will be charged an amount (including any charge for billing costs) which exceeds the rate contemporaneously paid by customers who are served directly by the utility company and who are in the service classification that would be applicable if the Unit Owners were served directly by the utility company.

6.22.3 A Unit Owner who has a complaint about his or her submetered electricity bill shall first attempt to resolve any dispute regarding electrical service or charges with the Managing Agent. If a satisfactory resolution is not obtained then a Unit Owner shall bring said complaint in writing before the Condominium Board and shall send a copy of the complaint to the Managing Agent. If the Condominium Board is unable to provide a satisfactory resolution to the Unit Owner within 30 days after the Condominium Board receives the complaint, then the complainant will be provided written notice of the grievance procedure rules summarized below and the complaint shall be submitted to arbitration proceedings which shall be conducted in accordance with the rules of the American Arbitration Association. The cost of such arbitration shall be paid by the Condominium Board. The American Arbitration Association shall be asked to appoint the arbitrator.

6.22.4 The arbitrator shall be obliged to provide a full and fair hearing within 15 days of the filing of the complaint with the arbitrator, unless the Unit Owner requests a longer period to prepare his case. At the hearing both sides may be represented by counsel or other designated persons, produce witnesses, submit documentary evidence and cross-examine adverse witnesses. The arbitrator shall be obligated to issue a written decision specifying the grounds for its decision and evidence relied upon therein, within 10 days of the hearing. The decision of the arbitrator shall be binding on all parties to the proceeding, and shall not be appealable. Records on all such complaints and decisions shall be maintained by the Condominium Board for at least 3 years from the date the complaint is first brought.

6.22.5 Notwithstanding the fact that a Unit Owner has filed a complaint about an electricity bill or that an arbitration is pending or proceeding, the complaining Unit Owner must continue to pay his or her electricity bill to the Condominium Board or its agent. Failure to make any payment when due may subject the Unit Owner to penalties and/or interest charges, as the same may be established, from time to time by the Condominium Board. Any refund due a complaining Unit Owner will be paid or credited to such Unit Owner by the Condominium Board or its agent promptly upon receipt by the Condominium Board or its agent of such payment or credit from the utility company.

6.22.6 Rates and charges to be paid by Unit Owners shall be based on the actual cost of the energy consumed. The Condominium Board or its agent may charge the Unit Owner the actual cost of providing an electricity billing statement charged by the Managing Agent or a submetering company. The capital and repair costs of the electronic submetering equipment will not be passed on to Unit Owners as part of their individual charges for electrical service. The capital costs of submetering the Property have been included in the Purchase Price for each Unit. Any costs for repair of the submetering system will be treated as a Residential Common Expense of the Condominium and paid for through Residential Common Charges.

6.22.7 Nothing contained herein shall preclude the Condominium Board, on behalf of Unit Owners, from filing a complaint concerning electricity provided to the Property with the Public Service Commission.

6.23 Utilities Serving the General Common Elements. Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, electricity and gas serving or benefiting any General Common Element shall be (a) considered part of the expense of maintaining such General Common Element, (b) determined by the Condominium Board, and (c) charged to the Residential Unit Owners and the Commercial Unit Owner as a General Common Expense. Any dispute as to the amount of such cost or expense shall be determined by Arbitration.

6.24 Abatement and Enjoinment of Violations by Unit Owners.

6.24.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Condominium Board the right, in addition to such other rights set forth in these By-Laws, (i) to enter any Residential Unit or Commercial Unit or General or Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Board shall not thereby be deemed guilty or liable in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

6.24.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant or its designee shall give to Declarant and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

ARTICLE 7

MORTGAGES

7.1 Notice to Board. A Unit Owner who mortgages his or her Unit, or the holder of any mortgage encumbering such Unit, shall notify the Condominium Board of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Board. Such Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against his or her Unit other than Permitted Mortgages. A Unit Owner who satisfies a mortgage covering his or her Unit shall so notify the Board and shall file a conformed copy of the satisfaction of mortgage with the Board. The Board shall maintain such information in a book entitled "Mortgages of Units."

7.2 Notice of Default and Unpaid Common Charges. Whenever so requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default in the payment of Residential Common Charges or Commercial Common Charges, as the case may be, or any other default by the Unit Owner of such Unit under

the provisions of the Declaration or these By-Laws which may to the Board's knowledge then exist. The Board, when giving notice to a Unit Owner of any such default, shall, if requested, also send a copy of such notice to any Permitted Mortgagee thereof.

7.3 Performance by Permitted Mortgagees. The Condominium Board shall accept, by any Permitted Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner.

7.4 Examination of Books. Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium (including, in the case of Residential or Commercial Unit Owners and Permitted Mortgagees thereof, the books of account of the Residential Section or the Commercial Section, as the case may be) at reasonable times, on business days, but not more than once a month.

7.5 Representatives of Mortgagees.

7.5.1 In the manner more particularly set forth in 7.5.2, the holders of Institutional Residential Mortgages or Institutional Commercial Mortgages (as both are hereinafter defined) may, at their election, designate one or more (but not more than three) representatives ("Residential Mortgage Representatives" or "Commercial Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Residential or Commercial Mortgages, as the case may be, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Residential or Commercial Mortgage Representatives are so designated and notice thereof is given to the Condominium Board, the act of any such Representative (or a majority of such Representatives if more than one is so designated) shall be deemed binding upon the holders of all Institutional Residential or Commercial Mortgages, as the case may be. As used herein, the term and "Institutional Residential Mortgage" means an Institutional Mortgage (defined below) covering a Residential Unit or Units and the term "Institutional Commercial Mortgage" means an Institutional Mortgage covering all or a portion, of any Commercial Unit. As used herein the terms "Permitted Mortgage" and "Institutional Mortgage" means any first mortgage covering a Unit or Units, the initial holder of which is (i) Declarant or its designee, (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust, or (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

7.5.2 Any designation of a Residential Mortgage Representative or a Commercial Mortgage Representative made by the holders of Institutional Residential or Commercial Mortgages, respectively, constituting a majority in principal amount of all Institutional Residential Mortgages or Institutional Commercial Mortgages, respectively, shall be binding upon the holders of all Institutional Residential or Commercial Mortgages, as the case may be. Any such designation of any Residential or Commercial Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the Board. Unless otherwise required by law, all Permitted Mortgagees other than holders of an Institutional Residential

Mortgage or Institutional Commercial Mortgage, shall have no right to participate in the selection of Residential or Commercial Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Residential or Commercial Mortgage Representatives, as the case may be, pursuant to the Declaration or these by-laws.

7.6 Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Board, officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his mortgagor.

ARTICLE 8

SELLING, LEASING AND MORTGAGING OF UNITS

8.1 Selling and Leasing. No Residential Unit Owner, other than Declarant or its designee may sell or lease his or her Residential Unit except by complying with the following provisions:

8.1.1 Any Residential Unit Owner who receives a bona fide offer to (a) purchase his or her Residential Unit together with its appurtenant Common Interest, or (b) lease his or her Residential Unit (such offer to purchase or lease a Residential Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror" and the Residential Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which he or she intends to accept, shall give notice by certified or registered mail, return receipt requested, to the Condominium Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as such Board may reasonably require. The giving of such notice to the Condominium Board, on behalf of all the Unit Owners, shall constitute an offer by such Unit Owner to sell his or her Residential Unit together with its appurtenant Common Interest or to lease his or her Residential Unit to such Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Residential Unit Owner who has received such Outside Offer to such Board acting on behalf of all Residential Unit Owners that such Residential Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as such Board may reasonably request. Not later than twenty (20) days after receipt of such notice together with such information as may have been requested, the Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Unit Owners represented by such Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

8.1.2 In the event the Condominium Board shall timely elect to purchase a Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, title shall close at the office of the attorneys for such Board, in accordance with the terms of the Outside Offer, within 45 days after the giving of notice by such Board of its election to accept such offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed and deemed effective on the date such Board elects to accept such offer. Notwithstanding the foregoing, in the event that the closing date with respect to a purchase or the commencement date of the term of the lease, as the case may be, set forth in the Outside Offer, shall be later than 45 days after the giving of notice by such Board of its election to accept the aforesaid offer, such Board shall be required to perform or cause to be performed all of the terms of the Outside Offer (except as otherwise expressly set forth in this Article 8) including, but not limited to, payment of a downpayment or advance rentals and security deposits, as the case may be, and such closing of title or the commencement of the term of the lease shall be the date set forth in the notice to such Board referred to in 8.1.1 as the intended closing date or commencement date, as the case may be. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board may purchase the Residential Unit and assume or take title to the Residential Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Residential Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Condominium Board, or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Offeree Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Board, or its designee, corporate or otherwise, as of the closing date. In the event such Residential Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, covering such Residential Unit, for the rental and term contained in such Outside Offer.

8.1.3 In the event the Board or its designee shall fail to accept such offer within 20 days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Unit Owner thereafter elect to sell such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Condominium Board, in its discretion, may waive the Offeree Unit Owner's obligation to comply with either or both of the 60 day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

8.1.4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.1.5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Residential Unit shall be consistent with these By-Laws and shall provide that the lease may not be materially modified, amended or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign his interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of such Board and that such Board, if permitted by applicable law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.6 Except as hereinbefore set forth, the form of any such lease executed by the Condominium Board or an Outside Offeror shall be a printed, reasonably applicable form of residential lease which is generally approved by the Board to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by such Board. Any lease executed by the Condominium Board as tenant shall provide that such Board may enter into a sublease of the premises without the consent of the landlord.

8.1.7 The foregoing restrictions of this Section 8.1 shall not apply to Unsold Residential Units (including the lease of a Residential Unit to Declarant or its designee) or the Commercial Units (or any Commercial condominium units into which the Commercial Units may hereafter be divided). Declarant or its designee and the Commercial Unit Owner shall have the right to freely sell their respective Units, or to freely lease all or any part of the Unsold Residential Units or the Commercial Unit, as the case may be, without having to first offer the same for sale or lease to the Board.

8.2 Consent of Residential Unit Owners to Purchase or Lease of Residential Units by the Board. The Condominium Board shall not exercise any option hereinabove set forth to purchase or lease any Residential Unit without the prior approval of a Majority of Residential Unit Owners. However, the Condominium Board shall have the right to release or waive such option without the prior approval of a Majority of Residential Unit Owners.

8.3 No Severance of Ownership.

8.3.1 No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of,

except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.3 shall permit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.3.2 Notwithstanding anything to the contrary set forth in the Declaration or these By-Laws, in the event a Commercial Unit is subdivided into Commercial Units, each of which constitutes an individual storage space for the storage of materials, such Commercial Units can only be sold to another Residential Unit Owner, to the Condominium Board or to a party who is simultaneously acquiring a Residential Unit. Declarant or its designee shall be entitled to lease any such Commercial Units to a tenant who is not a Residential Unit Owner or simultaneously acquiring a Residential Unit.

8.4 **Release by Condominium Board of Right of First Refusal.** The right of first refusal contained in 8.1 may be released or waived by the Condominium Board only in the manner provided in 8.5. In the event the Condominium Board shall release or waive its right of first refusal as to any Residential Unit, such Residential Unit together with its appurtenant Common Interest may be sold, conveyed or leased, free and clear of the provisions of 8.1.1 and 8.1.2, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to 8.1.3.

8.5 **Certificate of Termination of Right of First Refusal.** A certificate executed by an officer of the Residential Section stating that the provisions of 8.1.1 have been met by a Residential Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Condominium Board, and that as a result thereof the rights of such Board thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to 8.1.3), shall be conclusive upon such Board and the Residential Unit Owners in favor of all persons who rely on such certificate in good faith. The Condominium Board shall furnish such certificate upon request to any Residential Unit Owner with respect to whom the provisions of 8.1.1 have, in fact, terminated.

8.6 **Financing of Purchase of Residential Units by Condominium Board.** The purchase of any Residential Unit by the Condominium Board or its designee, on behalf of all Residential Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of such Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Residential Unit Owner in proportion to his respective Common Interest, as a Common Charge, and/or such Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its (their) appurtenant Common Interest(s).

8.7 **Exceptions.** The provisions of 8.1 shall not apply with respect to any lease, sale or conveyance of any Residential Unit together with its appurtenant Common Interest by (a) the Unit Owner thereof to his or her spouse, adult children or grandchildren, parents, grandparents, adult siblings or to any one or more of them or to any affiliate of the Unit Owner thereof, (b) Declarant or its designee, (c) the Condominium Board, (d) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such

Residential Unit or delivering a deed in lieu of such foreclosure, or (e) a Permitted Mortgagee or his nominee, who has acquired title to any Residential Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Residential Unit Owner shall be bound by, and his Residential Unit subject to, the provisions of this Article 8. In addition, the provisions of 8.1 shall not apply to any lease, sale or conveyance of the Commercial Unit or any part thereof. The term "affiliate" shall be deemed to be an individual or entity which owns more than 50% of the legal and beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than 50% of the legal and beneficial interest.

8.8 Gifts and Devises, etc. Any Residential Unit Owner shall be free to convey or transfer his or her Residential Unit by gift, or may devise his or her Residential Unit by will or have his or her Residential Unit pass by intestacy, without being subject to the restrictions of Section 8.1; provided, however, that each succeeding Residential Unit Owner shall be bound by, and his or her Residential Unit subject to, the provisions of this Article 8.

8.9 Unauthorized Sales or Leases of Residential Units. Any purported sale or lease of a Residential Unit consummated in violation of Section 8.1 or 8.3 shall be voidable at the election of the Condominium Board and if such Board shall so elect, the Residential Unit Owner shall be deemed to have authorized and empowered such Board to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Residential Unit Owner as the owner or landlord, as the case may be. Said Residential Unit Owner shall reimburse such Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.10 Charges Imposed on Sale or Lease of Residential Units. The Condominium Board shall be entitled to fix by resolution and collect, before any sale or lease of a Residential Unit is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by such Board, in connection with the sale or lease. If such charge is adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charge shall not apply to the lease of a Residential Unit to Declarant or its designee, to the sale or lease of Unsold Residential Units by Declarant or its designee, or to the sale or lease of Unsold Residential Units by a Permitted Mortgagee of Declarant that acquires title to Unsold Residential Units. Upon the acquisition of a Residential Unit, Purchasers of Residential Units shall also pay to the Condominium Board two months common charges as a non-refundable contribution to working capital.

8.11 Power of Attorney. At the time of acquiring title to a Residential Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the New York City register's office, the Residential Unit Power of Attorney required by Article 17 of the Declaration, in the form set forth as Exhibit E to the Declaration.

8.12 Notices Concerning Residential Unit Occupancy. Within five (5) days following acquisition of a Residential Unit or the commencement of a lease relating thereto, the new Unit Owner or lessor, as the case may be, shall notify the Managing Agent of the Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by

the By-Laws, who will be using or occupying the Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent.

8.13 Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Condominium Board or its respective designees, corporate or otherwise, on behalf of all Unit Owners as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit as herein provided.

8.14 Payment of Assessments. No Residential Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease his Residential Unit unless and until he shall have paid in full to the Board all unpaid Common Charges theretofore assessed by said Board against such Residential Unit and until such Residential Unit Owner shall have satisfied all unpaid liens against his Residential Unit other than Permitted Mortgages.

8.15 Mortgage of Units. Subject to Article 7 and Section 8.14, each Unit Owner shall have the right to mortgage his Unit without restriction, provided that, with respect to any mortgage covering a Residential Unit, the Residential Unit Owner making such mortgage shall notify in writing the Condominium Board of the making of such mortgage.

8.16 Lease or Purchase of Residential Unit or Other Apartment for Superintendent's Residence. The Condominium Board shall have the right to lease or purchase a Residential Unit or other apartment for the Superintendent's use and shall have the right to amend, modify, extend, renew and otherwise deal in any way with respect to any such lease without the approval of a Majority of Unit Owners.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the General or Limited Common Elements, the Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the General or Limited Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by such Board. The award made for any such taking shall be payable to the Board responsible for the repair and restoration thereof, as aforesaid; provided, however, that if any such award exceeds \$1,000,000, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be (a) borne and shared by all Unit and Owners with respect to any taking of the General Common Elements pro rata, as follows: first, to the Residential Unit Owners and the Commercial Unit Owner in accordance with their respective Common Interests; thereafter, each Board shall allocate such deficit or surplus, as the case may be, pro rata, to the Residential Unit Owners and to the Commercial Unit Owner, respectively, in accordance with their respective Common Interests; (b) borne and shared by all Residential Unit Owners with respect to any taking of the Residential Common Elements pro rata in accordance with their Common Interests; and (c)

borne and shared by all Residential Unit Owners having exclusive access to the Residential Limited Common Elements pro rata in accordance with their respective interest in such Residential Limited Common Interests; (d) borne and shared by all Commercial Unit Owners with respect to any taking of the Commercial Common Elements pro rata in accordance with their Common Interests, and (e) borne and shared by all Commercial Unit Owners having exclusive access to the Commercial Common Elements with respect to any taking of the Commercial Limited Common Elements pro rata in accordance with respective interest in such Commercial Limited Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that (1) 75% or more in Common Interest of all Residential Unit Owners and/or 75% or more in Common Interest of all Commercial Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of their respective Limited Common Elements, or (2) 75% or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with such repair and restoration of the General Common Elements, then such repairs or restorations of the Limited Common Elements and/or General Common Elements shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners pro rata in the same manner as is set forth in (a), (b) and (c) above, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted Mortgages. As used in this Article 9 the words "promptly resolve" shall mean not more than 60 days from the date of such taking. Any dispute between any Board under this Article 9 shall be settled by Arbitration.

ARTICLE 10

RECORDS AND AUDITS

10.1 **Records.** The Board or its managing agent, if any, shall keep detailed records of the actions of such Board, minutes of the meetings of such Board, minutes of the meetings of the Unit Owners for whom such Board serves and financial records and books of account with respect to the activities of such Board, including a listing of all receipts and expenditures. In addition, the Condominium Board shall keep a separate account for each Residential Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Condominium Board against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 **Audits.** Within four months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by the Condominium Board to all Unit Owners, and, if so requested, to any Permitted Mortgagee, as the case may be. The cost of such report submitted by the Condominium Board shall be paid by Unit Owners as a General Common Expense.

10.3 **Availability of Documents.** Copies of the Declaration, these by-laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 11

ARBITRATION

11.1 General Procedure. Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York. The decision of the arbitrator so chosen shall be given within 10 days after his appointment. Any arbitrator appointed or selected in connection with any arbitration hereunder shall be a member of a law firm whose principal office is in the Borough of Manhattan and which has at least five members.

11.2 Costs and Expenses. The fees, costs and expenses of the arbitrator will be borne by the losing party in the arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants. Each disputant will also bear the fees and expenses of his counsel and expert witnesses. All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, will constitute General Common Expenses.

11.3 Agreement by Parties. The parties to any dispute required or permitted to be submitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of 11.1 with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 12

MISCELLANEOUS

12.1 Waiver. No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

12.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

12.3 Certain References.

12.3.1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.3.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

12.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4 **Severability.** Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 **Insurance Trustee.** The Insurance Trustee shall be a bank or trust company in The City of New York, designated by the Condominium Board and having a capital surplus and undivided profits of \$500,000,000 or more. In the event the Insurance Trustee resigns or the Condominium Board wishes to replace it, the Condominium Board shall promptly appoint a new Insurance Trustee. The Condominium Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a General Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York. If required by Declarant's construction or permanent lender, such lender shall be the Insurance Trustee until its release of all Units from the lien of its mortgage.

12.6 **Successors and Assigns.** Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee or, with the consent of Declarant or its designee, any transferee of some or all then Unsold Residential Units then owned by Declarant or its designee, as the case may be. The rights and/or obligations of the Commercial Unit Owner as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owner. Subject to the foregoing, Declarant, its designee, and/or the Commercial Unit Owner, as the case may be, shall have the right, at any time in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

12.7 **Covenant of Further Assurances.**

12.7.1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.7.2 If any Unit Owner, Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, or (ii) to deliver a written notice to the party requesting such execution, acknowledgment or delivery, and to the Board representing such Unit Owners, stating the reasons why such Unit Owner, Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then the Board which represents such Unit Owner, Board or other party is hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party.

12.7.3 If any Unit Owner, Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant or its designee, or (ii) to deliver a written notice to Declarant or its designee, as applicable, and to the Board representing such Unit Owners stating the reasons why such Unit Owner, Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 13

AMENDMENT TO BY-LAWS

13.1 **Amendments by Unit Owners.** Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee or any Unsold Residential Units, or the Commercial Units or any Commercial Unit Owner, (a) any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these by-laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected, (b) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of these By-Laws and (c) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Commercial Section or the Commercial Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Commercial Unit Owners taken in accordance with the provisions of these By-Laws. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its

designee, Permitted Mortgagees, any Unsold Residential Units, the Commercial Section or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by the Condominium Board, as attorney-in-fact for all Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant or its designee, any Unsold Residential Units, the Commercial Section or the Commercial Unit Owners, (i) no amendment, modification, addition or deletion pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential and Commercial Mortgage Representatives, if any, (ii) no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the respective Residential Mortgage Representatives, if any, (iii) no amendment, modification, addition or deletion pursuant to the provisions of clause (c) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Commercial Mortgage Representatives, if any, and (iv) the provisions of this Section 13.1 may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential and/or Commercial Mortgage Representatives, as the case may be), 80% in number and in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

13.2 Amendments Affecting Declarant or its Designee, or Commercial Unit Owners. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Commercial Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner, (b) without the prior written consent of Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, or otherwise adversely affecting Declarant or its designee or the owner of any Unsold Residential Unit, as the case may be, or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit or Commercial Unit, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or Commercial Unit, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit or Commercial Unit.

13.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or 6.1, 6.2, 6.4.2, 6.4.3, 8.7(d) or (e), or 8.10 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

ARTICLE 14

AMENDMENTS CONCERNING COMMERCIAL SECTION

Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Section or the subdivision of any Commercial Unit into separate Commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Unit and it is contemplated that in connection therewith the Condominium Board will cause the Declaration, these By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section, or any Residential Unit Owners, the Condominium Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion. No amendment of the Declaration or By-Laws may be effectuated if same affects the Commercial Unit without the Commercial Unit Owner's consent.

ARTICLE 15

CERTAIN DAMAGES

15.1 Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his or her Unit or its appurtenant Residential Limited Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within 5 days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Residential Limited Common Elements, if any, and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

15.2 Abatement and Enjoinment.

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Condominium Board shall have the right (i) to enter any Unit or Common Elements in which, or

as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity, provided that the Condominium Board gives the Unit Owner notice (which may be by telephone or in writing) that such violation exists, that repairs or replacements are necessary and that the Condominium Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs or replacements, and/or (iii) to levy such fines and penalties as the Condominium Board may deem appropriate, and the Condominium Board shall have the same remedies for non-payment of such fines and penalties as for non-payment of Common Charges

(B) The violation or breach of any of the terms of the By-Laws with respect to any rights, easements, privileges, or licenses granted to Declarant or the Commercial Unit Owner shall give to Declarant and the Commercial Unit Owner the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

15.3 Remedies Cumulative. The remedies specifically granted to the Condominium Board or to Sponsor or to the Commercial Unit Owner in this Article 15 or elsewhere in the By-Laws shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Declarant or the Commercial Unit Owner as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

15.4 Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinder, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 15.1 or paragraph (A) of Section 15.2 hereof or (ii) Declarant or the Commercial Unit Owner in connection with any abatement, enjoinder, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 15.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor or the Commercial Unit Owner, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 15.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

SCHEDULE A
RULES AND REGULATIONS OF THE RESIDENTIAL SECTION

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Residential Section shall not be obstructed or used for any other purpose than ingress to and egress from the Residential Section Units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Residential Section, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Residential Section.

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

4. No public hall or public elevator vestibule of the Residential Section shall be decorated or furnished by any Residential Section Unit Owner in any manner.

5. Each Residential Unit Owner shall keep his or her Unit and any Limited Common Elements appurtenant thereto (including the surface of any Terrace appurtenant to a Residential Unit) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance. Any determination as to what constitutes a good state of preservation and cleanliness for any Unit Owner's Terrace shall be within the sole but reasonable discretion of the Condominium Board.

6. No window guards or window decorations shall be used in or about any Residential Unit, unless otherwise required by law, except such as shall have been approved in writing by the Condominium Board or the managing agent of the Residential Section, which approval shall not be unreasonably withheld or delayed. The portions of all curtains, drapes, blinds or other window treatments visible from the exterior of the Building must be white to give the Building a uniform exterior appearance.

7. No radio, television aerial, satellite or similar device shall be attached to or hung from the exterior of the Residential Section and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Residential Section except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Condominium Board or the managing agent of the Residential Section, nor shall anything be projected from any door or window of the Residential Section without similar approval.

8. No ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Residential Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction and the Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Residential Unit Owner's Unit.

10. No bicycles, scooters or similar vehicles shall be allowed in any of the elevators other than the elevators designated by the Condominium Board or the managing agent of the Residential Section for that purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Residential Section.

11. No Residential Unit Owner shall make or permit any disturbing noises or activity in the Residential Section, or do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the Commercial Section. No Residential Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph or radio or television set or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 9:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Condominium Board. No construction or repair work or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 9:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or unless such work is performed by Declarant.

12. No more than (2) pets shall be permitted, kept or harbored in a Residential Unit without the same in each instance having been expressly permitted in writing by the Condominium Board or the managing agent of the Residential Section and such consent, if given, shall be revocable by the Condominium Board or such managing agent in their sole discretion, at any time. Dogs may not be walked on the Property and all Residential Unit Owners must clean-up after their pets. In no event shall any bird, reptile, or animal be permitted in any public elevator in the Residential Section, other than the elevators designated by the Condominium Board or the managing agent of the Residential Section for that purpose, or in any of the public portions of the Residential Section, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Residential Section or on the sidewalk or street adjacent to the Building. Each Residential Unit Owner who keeps any type of pet in his Residential Unit shall be required to indemnify and hold harmless the Condominium, all Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet.

13. Messengers and tradespeople visiting in the Residential Section shall use the elevators designated by the Condominium Board or the managing agent of the Residential Section for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses, caregivers, babysitters and cleaning personnel in the employ of Residential Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, guests or tenants. However, a guest or visitor of a Residential Unit Owner may use any of the elevators freely, if authorized by such Unit Owner.

14. All service and delivery persons will be required to use the service entrance. All packages, whenever feasible, will be required to be delivered by outside personnel to the package room in the lobby where such packages will be held for pick-up by Residential Unit Owners. Deliveries, if made, will be made from the package room to individual Residential Units only by building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Residential Unit is not so occupied or delivery is declined, the package will be held in the package room until the resident or authorized person returns or requests delivery. In the case of packages containing perishable food items, service or delivery persons who are registered with building personnel will be permitted to make deliveries directly to individual Residential Units after such service or delivery persons have received approval for such delivery from the Residential Unit Owner.

15. Trunks and heavy baggage shall be taken in or out of the Residential Section by the elevators designated by the Condominium Board or the managing agent of the Residential Section for that purpose, and through a designated entrance only.

16. No refuse from the Residential Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Condominium Board or the managing agent of the Residential Section may direct.

17. Water-closets and other water apparatus in the Residential Section and in any Common Area shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Residential Unit shall be repaired and paid for by the Owner of such Unit.

18. No occupant of the Residential Section shall send any employee of the Residential Section or of the managing agent thereof out of the Building on any private business.

19. The agents of the Condominium Board or the managing agent, and any contractor or worker authorized by the Condominium Board or the managing agent of the Residential Section, may enter any room or Residential Unit at any reasonable hour of the day, on at least one day's prior written notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a manner so as not to unreasonably interfere with the use of such Residential Section Unit for its permitted purposes.

20. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

21. The Condominium Board or the managing agent of the Residential Section may retain a passkey to each Residential Unit that has locks. If any lock is altered or a new lock is installed, the Condominium Board or the managing agent of the Residential Section shall be provided with a key thereto immediately upon such alteration or installation. If the Residential

Unit Owner is not personally present to open and permit an entry to his Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to such Board or such managing agent, then the Condominium Board or such managing agent or their agents (but, except in an emergency, only when specifically authorized by an officer of such Board or an officer of the managing agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care under the circumstances is given to such Unit Owner's property).

22. No vehicle belonging to a Residential Unit Owner or to a member of the family or guest, tenant or employee of a Residential Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building by another vehicle.

23. Complaints regarding the services of the Residential Section shall be made in writing to the Condominium Board or to the managing agent of the Residential Section.

24. Any consent or approval given under these Residential Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Condominium Board, at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board, be conditional in nature.

25. Residential Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; and (f) refrain from depositing waste of an explosive nature therein.

26. Except as permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

27. Residential Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units.

28. No Residential Unit Owner or any of his agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

29. If any key or keys are entrusted by a Residential Unit Owner or by any member of his family or by his agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Condominium Board or the managing agent of the Residential Section, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the managing agent of the Residential Section shall (except as provided in paragraph

21 above) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

30. Nothing shall be done or kept in any Residential Unit or in the General or Limited Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Condominium Board. No Residential Unit Owner shall permit anything to be done or kept in his Unit or in the General or Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the General or Limited Common Elements.

31. The Board shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.

32. No group tour or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the prior consent of the Condominium Board or the managing agent of the Residential Section.

33. In the event that any Residential Unit is used for home occupation purposes which are permitted by law and the by-laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

34. Unless expressly authorized by the Condominium Board in each case, at least 80% of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms and closets) must be covered with rugs, carpeting or equally effective noise-reducing material.

35. There will be no barbecuing in the Residential Units, in their Limited Common Elements (including Terraces and Balconies), or the General Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board.

36. The Condominium Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Residential Section when, in the reasonable judgment of the Condominium Board, the Condominium Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Residential Section, or the preservation of good order therein, or the operation or maintenance of the Residential Section, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Residential Section. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Residential Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

37. No article, including, but not limited to, bicycles and similar vehicles, shall be stored or allowed to stand on Terraces and Balconies other than furniture of the kind usually maintained in outdoor areas. All personal property, furnishings, equipment and furniture left on the Terraces, Balconies or the Roof of the Building shall be anchored. No plantings, structures or installations may be placed on the Terraces or Balconies without the prior written approval of the Condominium Board. Any planting or other installations to be placed on Terraces shall be subject to the rules and regulations promulgated by the Condominium Board and any New York

City and Department of Buildings regulations, including, but not limited to, any applicable weight restrictions.

38. No children may be left unattended in any Common Area of the Building, including but not limited to the hallways and the lobby.

EXHIBIT "8"

STORAGE BIN LICENSE AGREEMENT



STORAGE BIN LICENSE AGREEMENT

AGREEMENT made this ____ day of _____, 200_ (this "Agreement") by and between 125 WEST 21st LLC, having an office c/o Alchemy Properties, Inc., 200 Madison Avenue, New York, New York 10016 ("Sponsor"), and _____ having an address at 125 West 21st Street, New York, New York 10011, and _____ having an address at _____ ("Unit Owner or Licensee");

WHEREAS, The Indigo Condominium ("Condominium") is governed by a certain Declaration of Condominium dated _____, 200_, recorded in the New York County Office of the Register of the City of New York on _____, 200_ in Reel ___, 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 rules and regulations of the Condominium, as the same has been or may be amended from time to time (the "Rules and Regulations") (the "Declaration", the "By-Laws" and the "Rules and Regulations" are collectively, referred to as the "Condominium Documents"); and

WHEREAS, in the basement of the Condominium there are areas designated as the Storage Area (collectively "Licensed Areas"); and

WHEREAS, in these Licensed Areas, storage bins have been allocated for use by permitted Unit Owners (the "Storage Bins"); and

WHEREAS, Unit Owner, owns or simultaneously herewith is acquiring a Unit in the Condominium; and

WHEREAS, Unit Owner desires the right to the exclusive use of the storage bin designated as _____ for so long as Unit Owner owns a Unit in the Condominium (the "Storage Bin");

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. Sponsor hereby grants to Unit Owner, its successors and assigns, a license for the exclusive use of the Storage Bin ("License") and Unit Owner hereby accepts such License from the Sponsor for a term commencing on the date hereof.
2. A Storage Bin may only be used for storage purposes, in compliance with law. No articles or material which pose a threat to the health or safety of the Units Owners or the Building, or that cause noxious odors, dirt or other sanitary problems or otherwise create a nuisance, shall be permitted to be brought into or stored in any Storage Bin. Except for Sponsor, a Storage Bin cannot be owned independently of a Unit.
3. Unit Owner shall not (a) store any property outside of their designated Storage Bin; (b) allow any other person to use the License except in accordance with the terms hereof.

4. The License may be assigned by Unit Owner at any time provided the assignee (i) is a 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, and (iv) no outstanding money is owed to the Condominium Board. The License shall automatically terminate at such time as the Unit Owner no longer owns a Unit in the Condominium unless this License is assigned to and assumed by another Unit Owner. In the event this License terminates without being assigned by the Unit Owner, the Board of Managers of the Condominium shall have the right to designate the successor licensee and retain any payment made for the License.

5. Unit Owner represents that it accepts the Storage Bin in its condition "as is" as of the date of this Agreement. Unit Owner shall throughout the term of this Agreement, take good care of and maintain the Storage Bin. All repairs and replacement to the Storage Bin shall be performed by the Condominium Board and the cost and expense thereof shall be borne by the Unit Owner as a Special Assessment pursuant to the Condominium Documents.

6. Neither Sponsor nor the Condominium nor their respective agents or employees shall be liable for any theft or damage to any property stored in the Storage Bin.

7. 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.

8. If Unit Owner defaults in its obligations hereunder or under the Condominium Documents, Condominium may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of Storage Bin until Unit Owner cures such default or (ii) terminate this Agreement upon written notice to Unit Owner.

9. Licensor or its agents shall have the right (but not the obligation) to open the Storage Bin in an emergency at any time, and, at the other reasonable times upon prior notice to Unit Owner, to inspect and examine the Storage Bin and to make such repairs, replacements and improvements as the Condominium shall deem necessary.

10. This Agreement shall constitute a License only and shall not be construed under any circumstances to be a sale of the Storage Bin or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Condominium and the Unit Owner with respect to this Agreement.

11. Unit Owner shall indemnify and hold the Condominium, the Condominium Board, its 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 Unit Owner or Unit Owner's family, servants, employees, agents, guests and invitees in connection with the License.

12. Unit Owner shall be obligated to reimburse the Condominium for any legal fees and disbursements incurred by the Condominium in defending the rights of the Condominium under

this Agreement, or, in the event Unit Owner defaults under this Agreement beyond any applicable grace period, enforcing Unit Owner's obligations hereunder.

13. 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.

14. 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.

15. 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.

16. 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 conform or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

17. Any failure by the Condominium to insist upon strict performance by Unit Owner 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 the Condominium, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Unit Owner of any and all of the provisions of this Agreement to be performed by Unit Owner.

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

UNIT OWNER:

SPONSOR: 125 WEST 21st LLC

By: OPEN HEIR LLC, Sole Member

By: ALCHEMY 15-21 LLC, Managing Member

By: _____

Name: Kenneth S. Horn

Title: Manager



EXHIBIT “9”

CERTIFICATION OF SPONSOR AND PRINCIPALS



CERTIFICATION OF SPONSOR AND PRINCIPALSAugust 7, 2006

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271

Re: The Indigo Condominium, 125 West 21st Street, New York, New York

The undersigned certify as follows:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibilities for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

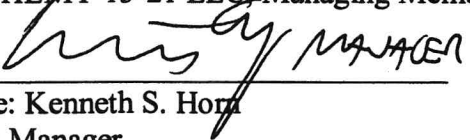
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal law.

SPONSOR:

125 WEST 21st LLC

By: OPEN HEIR LLC, Sole Member

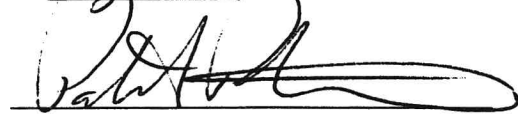
By: ALCHEMY 15-21 LLC, Managing Member

By: 

Name: Kenneth S. Horn

Title: Manager

Sworn to before me this 1 day
of August, 2006



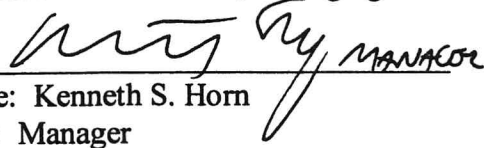
Notary Public

PATRICK PATTERSON
NOTARY PUBLIC, STATE OF NEW YORK
ID No. 01PA0134900
QUALIFIED IN KINGS COUNTY
MY COMMISSION EXPIRES 10/11/2009

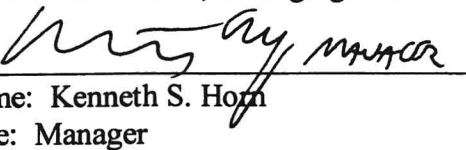
SPONSOR'S PRINCIPALS:

OPEN HEIR LLC, Sole Member of Sponsor

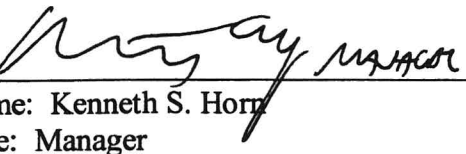
By: ALCHEMY 15-21 LLC, Managing Member

By: 
 Name: Kenneth S. Horn
 Title: Manager

ALCHEMY 15-21 LLC, Managing Member of Open Heir LLC

By: 
 Name: Kenneth S. Horn
 Title: Manager

ALCHEMY 21st Street LLC, Member of Alchemy 15-21 LLC

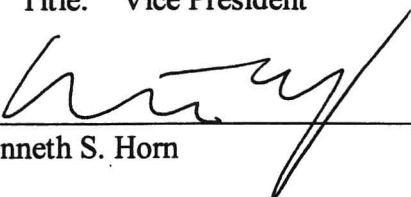
By: 
 Name: Kenneth S. Horn
 Title: Manager

AEW PARTNERS IV, L.P., Member of Open Heir LLC

By: AEW IV, L.L.C., General Partner

By: AEW Partners IV, Inc., Managing Member

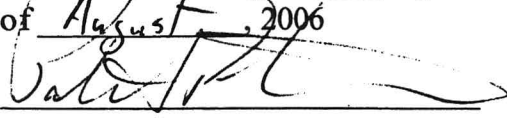
By: _____
 Name: Marc L. Davidson
 Title: Vice President


 Kenneth S. Horn

Marc L. Davidson

NOTARY FOR KENNETH S. HORN

Sworn to before me this 1 day
 of August, 2006


 Notary Public

PATRICK PATTERSON
 NOTARY PUBLIC, STATE OF NEW YORK
 ID No. 01PA6134900
 QUALIFIED IN KINGS COUNTY
 MY COMMISSION EXPIRES 10/11/2009

NOTARY FOR MARC L. DAVIDSON

Sworn to before me this _____ day
 of _____, 2006

Notary Public

SPONSOR'S PRINCIPALS:

OPEN HEIR LLC, Sole Member of Sponsor

By: ALCHEMY 15-21 LLC, Managing Member

By: _____

Name: Kenneth S. Horn

Title: Manager

ALCHEMY 15-21 LLC, Managing Member of Open Heir LLC

By: _____

Name: Kenneth S. Horn

Title: Manager

ALCHEMY 21st Street LLC, Member of Alchemy 15-21 LLC

By: _____

Name: Kenneth S. Horn

Title: Manager

AEW PARTNERS IV, L.P., Member of Open Heir LLC

By: AEW IV, L.L.C., General Partner

By: AEW Partners IV, Inc., Managing Member

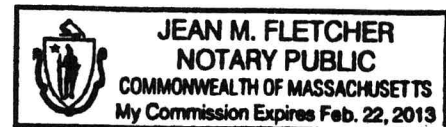
By: 

Name: Marc L. Davidson

Title: Vice President

Kenneth S. Horn_____
Marc L. Davidson

NOTARY FOR KENNETH S. HORN

Sworn to before me this ____ day
of _____, 2006_____
Notary Public

NOTARY FOR MARC L. DAVIDSON

Sworn to before me this 7 day
of August, 2006


Notary Public

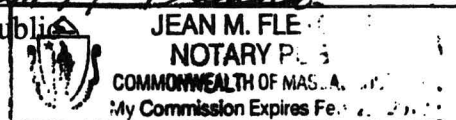


EXHIBIT "10"

CERTIFICATION OF SPONSOR'S ARCHITECT



Certification of Sponsor's Architect Pursuant to Section 20.4 c
Of the Regulations Issued Pursuant to
General Business Law, Article 23-A, as Amended

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

November 10, 2006

Re: The Indigo Condominium
125 W. 21st Street, New York, New York 10016

Dear Sir/Madam:

The undersigned, Daniel Kaplan, certifies as follows:

The Sponsor of the offering plan to construct the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). I examined the building plans and specifications pertaining to the proposed new building that were prepared by Fox & Fowle Architects, P.C., Dagher Engineering, PLLC, and Severud Associates Consulting Engineers, P.C. dated August 30, 2005 and prepared the Report dated June 1, 2006, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are registered architects licensed in the State of New York.

I understand that I am responsible for complying with Article 23A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify to the best of my knowledge and belief 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 I examined;
- (ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it exist upon completion of construction, provided that the construction is in accordance with plans and specifications that I examined;

- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I
 - (a). knew the truth;
 - (b). with reasonable effort could have known the truth;
 - (c). made no reasonable effort to ascertain the truth; or
 - (d). did not have knowledge concerning the representations or statements made.

I further certify that I am not owned or controlled by the Sponsor and that my compensation for preparing this Report is not contingent on the construction 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.

FXFOWLE ARCHITECTS, PC

Daniel J. Kaplan, AIA
Senior Principal

By: _____

Sworn to before me this
10th day on November, 2006

Orlando Concepcion
Notary Public

ORLANDO CONCEPCION
Notary Public, State of New York
No. 01CO6129870
Qualified in Kings County
Commission Expires July 05, 2009

EXHIBIT "11"

**CERTIFICATION OF SPONSOR'S EXPERT
CONCERNING ADEQUACY OF BUDGET**



CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET

August 9, 2006

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271

Re: The Indigo Condominium
125 West 21st Street, New York, New York

Gentlemen:

The Sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B and the footnotes thereto, containing projections of income and expenses for the first year of condominium operation. We have had experience in this field for over twenty (20) years in the New York metropolitan area and we are experienced in the management of residential properties. The company currently manages approximately Sixty-five (65) condominium or cooperative apartment buildings in New York City. David Baron, the chief operating officer of Metro Management Development, Inc. has experience in many phases of real estate including, specifically, management of residential apartment buildings in New York City.

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

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

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

We certify that the Schedule:

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

- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond the reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expense for the first year of condominium operation.

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

Very truly yours,

Metro Management Development, Inc.

By: *Dan Baon*

Sworn to before me this
9 day of AUGUST, 2006

Robin E. Klein

Notary Public

446582/



EXHIBIT "12"

**CERTIFICATION OF SPONSOR'S EXPERT
CONCERNING ADEQUACY OF COMMON CHARGES
PAID BY COMMERCIAL UNIT OWNER**



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

August 9, 2006

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

Re: The Indigo Condominium
125 West 21st Street, New York, New York

Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B and the footnotes thereto, containing projections of common charges payable by the owner of the commercial unit. David Baron, the principal of Metro Management Development, Inc., has experience in many phases of real estate including, specifically, management of residential apartment buildings in New York City and has been active in the area for over 15 years.

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

We have reviewed the Schedule as it impacts upon the commercial unit 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 projection in Schedule B for common charges payable by the owner of the commercial unit appears reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit 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 of the commercial unit:

- (i) set forth in detail the projected common charges for the commercial unit for the first year of condominium operation;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit;

- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond the reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representations or statement made.

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

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

Very truly yours,

Metro Management Development, Inc.

By: *David Ben*

Sworn to before me this
9 day of AUGUST, 2006

Robin E. Klein

Notary Public

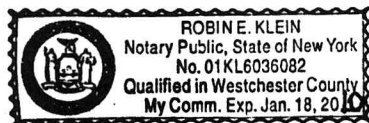


EXHIBIT "13"

ESCROW AGREEMENT



ESCROW AGREEMENT FOR OFFERING PLAN

AGREEMENT made this 1 day of August, 2006, between 125 West 21st LLC ("SPONSOR"), as sponsor of the Offering Plan (defined below) and Wolf Haldenstein Adler Freeman & Herz LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the sponsor of an offering plan for premises known as 125 West 21st Street, New York, New York (the "Offering Plan"); and

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

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers or subscribers, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

A ESTABLISHMENT OF THE ESCROW ACCOUNT.

a. ESCROW AGENT has established a master escrow account for the purpose of holding deposits, down payments, advances or payments ("Deposit" or "Deposits") made by purchasers or subscribers ("Purchasers", and individually a "Purchaser") pursuant to the Offering Plan at HSBC, at its branch located at 425 Fifth Avenue, New York, New York 10018 entitled Wolf Haldenstein Adler Freeman & Herz LLP, Escrow Account (the "Master Escrow Account").

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

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

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

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

B DEPOSITS INTO THE ESCROW ACCOUNT.

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

b. Within ten (10) business days after tender of the Deposit submitted with the purchase agreement or subscription agreement ("Contract of Sale"), ESCROW AGENT shall notify the Purchaser of the deposit of such funds in the Master Escrow Account, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the Deposit, the Purchaser may cancel the Contract of Sale and rescind within ninety (90) days after tender of the Deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely deposited in accordance with the Attorney General's regulations and requisite notice was timely mailed to the Purchaser.

C RELEASE OF FUNDS.

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

b. ESCROW AGENT shall continue to hold the Deposit in escrow until otherwise directed in (a) a writing signed by both Sponsor and Purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

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

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

e. Except as otherwise set forth above, if there is no written agreement between the parties to release the Deposit, ESCROW AGENT shall not pay the funds to SPONSOR until

ESCROW AGENT has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the Deposit may be paid to SPONSOR unless the Purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and ESCROW AGENT has received notice from the Purchaser in accordance with such provisions.

D RECORDKEEPING.

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

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

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

E GENERAL OBLIGATIONS OF ESCROW AGENT.

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

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

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

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

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

f. ESCROW AGENT may consult with legal counsel selected by it and the opinion of such counsel shall be full and complete authorization and protection to ESCROW AGENT in

respect of any action taken or omitted in good faith by ESCROW AGENT hereunder in accordance with the opinion of such counsel.

F RESPONSIBILITIES OF SPONSOR.

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

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

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

G TERMINATION OF AGREEMENT.

a. This Agreement shall remain in effect unless and until it is canceled by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign. Such resignation shall take effect on the date set forth in the notice from ESCROW AGENT, except such resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor escrow agent with respect to Deposits held in the Master Escrow Account on the date of such resignation; or

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

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

H SUCCESSORS AND ASSIGNS.

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

I GOVERNING LAW.

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

J ESCROW AGENT'S COMPENSATION.

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

K SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

L INDEMNIFICATION.

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

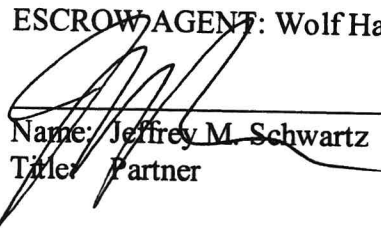
M ENTIRE AGREEMENT.

This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof

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

ESCROW AGENT: Wolf Haldenstein Adler Freeman & Herz LLP

By:


Name: Jeffrey M. Schwartz
Title: Partner

SPONSOR:

125 WEST 21ST LLC

By: OPEN HEIR LLC, Sole Member

By: ALCHEMY 15-21 LLC, Managing Member

By:

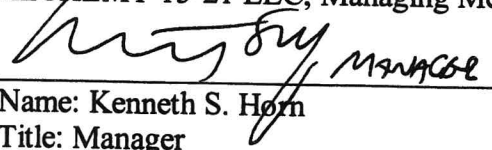

Name: Kenneth S. Horn
Title: Manager

EXHIBIT "14"

FORM W-9



Form W-9
(Rev. January 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.

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.

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, or
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details), or
3. The IRS tells the requester that you furnished an incorrect TIN, or
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.

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 social security card. 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 social security card 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

¹See Form 1099-MISC, Miscellaneous Income, and its instructions.

²However, 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/online/ss-5.pdf. 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.)

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, and the District of Columbia to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

EXHIBIT "15"

FORM W-8



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:

- 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.

Instead, use Form:

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



EXHIBIT "16"

**APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWN PAYMENTS**



**APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWN PAYMENTS**

(Send this application to the reviewing attorney assigned to the subject plan.)

Re: 125 West 21st Street, New York
Address of Building or
Name of Project – The Indigo Condominium

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name
of Applicant _____
2. Address
of Applicant _____
3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____
4. This is an application for
☐ return of down payment.
☐ forfeiture of down payment.
☐ other: _____
5. The project is
☐ a conversion of occupied premises.
☐ newly constructed or rehabilitated.
☐ vacant (as is).
6. The project is structured as
☐ a cooperative.
☐ a condominium.
☐ a homeowners association.
☐ a time share.
☐ other: _____
7. Name and Address of Sponsor: _____

8. Name and Address of Escrow Agent: _____

9. If down payments are maintained in an escrow account:
- (a) Name of account _____
 - (b) Name and address of bank _____
 - (c) Account number (if known) _____
 - (d) Initial interest rate (if known) _____
10. If down payments have been secured by bonds:
- (a) Name and address of bond issuer or surety: _____

 - (b) Copy of bond included in this application.
(DO NOT SEND ORIGINAL BOND.) If not included, explain:

11. If down payments have been secured by a letter of credit:
- (a) Name and address of bank which issued the letter of credit:

 - (b) Date of expiration of the letter of credit, if known:

12. Plan information:
- (a) Date of filing of plan: _____
 - (b) Plan
[] has been declared effective. Approximate date:

[] has not been declared effective.
 - (c) If effective, the plan

☐ has closed or the first unit has closed. Approximate date:

☐ has not closed.

☐ don't know.

(d) Down payments are secured by

☐ escrow account.

☐ bonds.

☐ letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached.
(DO NOT SEND ORIGINALS.)

(b) Date on which subscription
or purchase agreement was signed: _____

(c) Date(s) of down payment(s): _____

(d) Total amount of down payment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____

Date: _____

Name (Printed): _____

Telephone: (Home): _____

(Business): _____

Mailing Address: _____

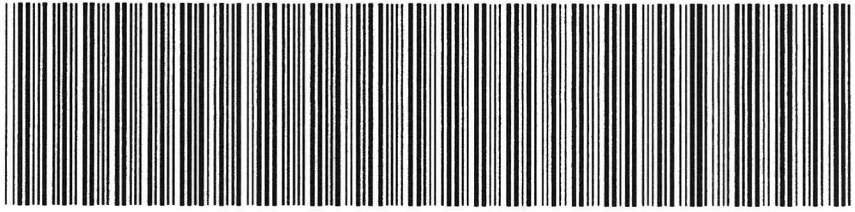
EXHIBIT "17"

PROPERTY DEED



**NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER**

This page is part of the instrument. The City Register will rely on the information provided by you on this page for purposes of indexing this instrument. The information on this page will control for indexing purposes in the event of any conflict with the rest of the document.


2004082302607001003EC4A1
RECORDING AND ENDORSEMENT COVER PAGE
PAGE 1 OF 4
Document ID: 2004082302607001
Document Date: 08-18-2004
Preparation Date: 08-24-2004
Document Type: DEED
Document Page Count: 3
PRESENTER:

FIRST AMERICAN NYC OFFICE - PICKUP
633 THIRD AVENUE
NEW YORK, NY 10017
212-922-9700
35816NY2 (GC)

RETURN TO:

JEFFREY M. SCHWARTZ, ESQ.
WOLF HALDENSTEIN ADLER FREEMAN &
HERZ LLP
270 MADISON AVENUE
NEW YORK, NY 10016

PROPERTY DATA

Borough	Block	Lot	Unit	Address
MANHATTAN	797	24	Entire Lot	121-129 WEST 21 STREET
Property Type: NON-RESIDENTIAL VACANT LAND				

CROSS REFERENCE DATA

CRFN _____ or Document ID _____ or _____ Year _____ Reel _____ Page _____ or File Number _____

PARTIES
GRANTOR/SELLER:

FLANNERY REALTY LLC
310 FIFTH AVENUE
NEW YORK, NY 10001

GRANTEE/BUYER:

125 WEST 21ST LLC
C/O ALCHEMY PROPERTIES, 200 MADISON AVENUE
NEW YORK, NY 10016

FEES AND TAXES

Mortgage			Recording Fee: \$	52.00
Mortgage Amount:	\$	0.00	Affidavit Fee: \$	0.00
Taxable Mortgage Amount:	\$	0.00	NYC Real Property Transfer Tax Filing Fee:	
Exemption:			\$	50.00
TAXES: County (Basic):	\$	0.00	NYS Real Estate Transfer Tax:	
City (Additional):	\$	0.00	\$	72,000.00
Spec (Additional):	\$	0.00		
TASF:	\$	0.00		
MTA:	\$	0.00		
NYCTA:	\$	0.00		
Additional MRT:	\$	0.00		
TOTAL:	\$	0.00		

NYC HPD Affidavit in Lieu of Registration Statement


**RECORDED OR FILED IN THE OFFICE
OF THE CITY REGISTER OF THE
CITY OF NEW YORK**

Recorded/Filed 09-07-2004 16:41

City Register File No. (CRFN):

2004000557033

Rochelle Patricia

City Register Official Signature

— Bargain and Sale Deed, with Covenant against Grantees Acts — Individual or Corporation (Single Sheet)

CONSULT YOUR LAWYER BEFORE SIGNING THIS INSTRUMENT—THIS INSTRUMENT SHOULD BE USED BY LAWYERS ONLY.

THIS INDENTURE, made the 18th day of August, in the year 2004

BETWEEN

FLANNERY REALTY LLC, having an office at 310 Fifth Avenue, New York, New York 10001

party of the first part, and

125 WEST 21ST LLC, having an office c/o Alchemy Properties, Inc., 200 Madison Avenue, New York, New York 10016

party of the second part,

WITNESSETH, that the party of the first part, in consideration of Ten (\$10.00) and 00/100 dollars paid by the party of the second part, does hereby grant and release unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the City, County and State of New York as more particularly bounded and described on Schedule A attached hereto.

TOGETHER with all right, title and interest, if any, of the party of the first part in and to any streets and roads abutting the above described premises to the center lines thereof; TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises; TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the first part covenants that the party of the first part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the party of the first part, in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose. The word "party" shall be construed as if it read "parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the party of the first part has duly executed this deed the day and year first above written.

IN PRESENCE OF:

FLANNERY REALTY LLC

By: Shelina Soeurs, LLC,
Managing Member

By:
Name: Jay Stempel
Title: Manager

SCHEDULE A

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN, CITY, STATE AND COUNTY OF NEW YORK BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY SIDE OF WEST 21ST STREET DISTANT 460 FEET EASTERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY SIDE OF 21ST STREET AND THE EASTERLY SIDE OF 7TH AVENUE;

THENCE NORTHERLY PARALLEL WITH 7TH AVENUE AND PART OF THE WAY THROUGH A PARTY WALL 98 FEET 9 INCHES TO THE CENTER LINE OF THE BLOCK;

THENCE EASTERLY ALONG SAID CENTER LINE OF THE BLOCK 95 FEET 11 INCHES;

THENCE SOUTHERLY PARALLEL WITH 7TH AVENUE PART OF THE WAY THROUGH ANOTHER PARTY WALL 98 FEET 9 INCHES TO THE NORTHERLY SIDE OF 21ST STREET;

THENCE WESTERLY ALONG SAID NORTHERLY SIDE OF 21ST STREET 95 FEET 11 INCHES TO THE POINT OR PLACE OF BEGINNING

ACKNOWLEDGEMENT TAKEN IN NEW YORK STATE

State of New York, County of New York, ss:

On the 18th day of August in the year 2004, before me, the undersigned, personally appeared JAY STEMPEL, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Debra J. Apple

VICTORIA P. APOSTLE
Notary Public, State of New York
No. 01AP4614741

Qualified in New York County

ACKNOWLEDGEMENT TAKEN IN NEW YORK STATE

State of New York, County of , ss:

On the day of in the year , before me, the undersigned, a Notary Public in and for said State, personally appeared

(if the place of residence is in a city, include the street and street number if any, thereof); that he/she/they know(s)

to be the individual described in and who executed the foregoing instrument; that said subscribing witness was present and saw said

execute the same; and that said witness at the same time subscribed his/her/their name(s) as a witness thereto

ACKNOWLEDGEMENT TAKEN IN NEW YORK STATE

State of New York, County of , ss:

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.

ACKNOWLEDGEMENT TAKEN OUTSIDE NEW YORK STATE

* State of , County of , ss:

*(Or insert District of Columbia, Territory, Possession or Foreign County)

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), 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, and that such individual make such appearance before the undersigned in the

(add the city or political subdivision and the state or country or other place the acknowledgement was taken).

Bargain and Sale Deed with Covenant against Grantors Acts

First American Title Insurance Company
of New York
Title No. 35816NY2

FLANNERY REALTY LLC

TO

125 WEST 21ST LLC

SECTION: 3

VOLUME: 5

BLOCK: 797

LOT: 24

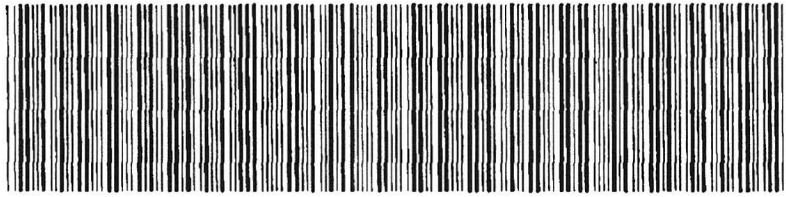
COUNTY: NEW YORK

RETURN BY MAIL TO:

DISTRIBUTED BY

Jeffrey M. Schwartz, Esq.
Wolf Haldenstein Adler
Freeman & Herz LLP
270 Madison Avenue
New York, NY 10016

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER



2004082302607001003S0A20

SUPPORTING DOCUMENT COVER PAGE

PAGE 1 OF 1

Document ID: 2004082302607001

Document Date: 08-18-2004

Preparation Date: 08-24-2004

Document Type: DEED

ASSOCIATED TAX FORM ID: 2004081700326

SUPPORTING DOCUMENTS SUBMITTED:

RP - 5217 REAL PROPERTY TRANSFER REPORT

Page Count

3

531815 mlg
531812 note

