THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER.

CONDOMINIUM OFFERING PLAN

THE RIVERSTONE CONDOMINIUM
FORMERLY ARLINGTON SUITES

Located at:

3220 ARLINGTON AVENUE
BRONX, NEW YORK 10463

THE TOTAL INITIAL OFFERING FOR THE
26 RESIDENTIAL UNITS AND
3 COMMUNITY FACILITY UNITS IS $46,206,300.00

SPONSOR:
ARLINGTON SUITES, LLC
3220 Arlington Avenue
Bronx, New York 10463

SELLING AGENT:
HALSTEAD PROPERTY
831 Broadway
New York, New York 10003

Date of Acceptance for Filing: February 13, 2007
This Offering Plan may not be used after February 12, 2008 unless extended by amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE SECTION ENTITLED "SPECIAL RISKS" COMMENCING AT PAGE 5.

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

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SPECIAL RISKS

1. Defaults Under Purchase Agreement

At the time a Purchase Agreement is executed, a Purchaser will be required to make an initial Deposit in the amount of ten (10%) percent of the purchase price. In the event that Purchaser defaults under the Purchase Agreement, and fails to cure any such default within thirty (30) days after receipt of a written notice to cure, Sponsor may, at its option, either (i) cancel such Purchase Agreement and retain as liquidated damages the down payment and any money paid on account of changes to the plans for the Unit requested by Purchaser, together with any interest earned thereon, if any, or, (ii) as this is real property, bring an action against the Purchaser for specific performance, in which event Purchaser could be compelled to complete the transaction. Time is of the essence to cure any default.

In addition, if a Purchaser fails to close title to a Unit on the scheduled Closing Date and Sponsor elects not to cancel Purchaser's Purchase Agreement, then (a) the closing adjustments to be made at the Closing will be made as of midnight of the originally scheduled Closing Date, and (b) the Purchaser will be required to pay to the Sponsor an amount equal to .03% of the purchase price of the Unit for each day the closing is adjourned.

Purchasers are advised that if a Purchaser makes a Down Payment in excess of $100,000 for the purchase of a Unit, such Down Payment will not be federally insured for the amount in excess of $100,000. The Sponsor shall have the right to refuse to accept funds drawn on an out-of-state or foreign bank in payment of a portion of the purchase price.

Prior to the closing of title to a Unit, the Purchase Agreement prohibits the Purchaser from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale.

See the section entitled "Procedure to Purchase" for additional details relating to the Purchase of a Unit.

2. No Financing Contingency

Although a Purchaser may obtain financing from a lending institution or any other source, the obligation to purchase a Unit pursuant to a Purchase Agreement shall not be contingent on obtaining financing for the purchase of a Unit. Neither the Sponsor nor the Selling Agent makes any representation as to the terms or availability of any mortgage financing. Therefore, Prospective Purchasers are advised to finalize financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a commitment is issued, its term may be fixed, and it could expire before the Closing Date. See the section entitled "Procedure to Purchase" for additional details relating to the Purchase of a Unit.

3. No Warranty by Sponsor Other than Sponsor's Obligations set forth in the Plan

All Units offered pursuant to this Offering Plan will be built and furnished only to the level described in the Plan. Sponsor will not have any obligation to perform any other work or make any other repairs or alterations, other than Sponsor's obligations to make any corrections or repairs to the Unit noted on each Purchaser's Inspection Statement so that the level of finish is consistent with the level described in the Plan. The Unit will be sold "as is." Except as set forth in the Plan, Sponsor does not guarantee the materials, equipment, fixtures, workmanship or any other aspect of the Units, Common Elements and Limited Common Elements. See the section entitled "Rights and Obligations of Sponsor" for a further discussion.

4. Control by Sponsor

Until Sponsor no longer elects a majority of the members of the Board of Managers, Sponsor will, through its control of the Board of Managers, be able to control the maintenance and operation and the services to be provided by the Condominium and will determine the common charges to be paid by all Unit Owners. In addition, during the first two years of condominium operation, and so long as Sponsor owns twenty (20%) percent of the Unsold Units or Units representing twenty (20%) percent or more of the interests in the common elements, there are certain spending limitations imposed on the Condominium. Examples of these limitations include, but are not limited to, a prohibition against establishing a reserve for contingencies in excess of five (5%) percent of the previous year's Common Expenses, a prohibition against making additions, alterations or improvements to the Common Elements, and a prohibition against entering into any single service and maintenance contract costing in excess of $10,000 per year. See the sections entitled "Rights and Obligation of the Board of Managers," "Summary of By-Laws," and "Rights and Obligations of the Sponsor" for a discussion.

In addition, no amendment, modification or deletion of the Declaration, By-laws or the Rules or Regulations shall be effective in any way which might affect the rights of the Sponsor or Holder of Unsold Units, without the prior written consent of the Sponsor or the Holder of Unsold Units.

5. Security for Sponsor's Obligations

Sponsor has undertaken certain obligations in connection with the Plan and the renovation of the Building as set forth in the section of the Plan entitled "Rights and Obligations of the Sponsor." No bond or other security has been furnished for the performance of such obligations, which will depend upon Sponsor's financial condition, when and if called upon to perform. See section entitled "Rights and Obligations of Sponsor" for a full discussion.

6. Permissible Uses of the Unsold Units

The Residential Unsold Units (as Defined in the Plan) may be used for any lawful purpose and may be subdivided or combined into any lawful configuration. The Community Facility Unsold Units may be used for certain lawful purposes and may be subdivided or combined into any lawful configurations. The Condominium Board and the Unit Owners do not have any right of approval over the use of the Unsold Units or any part thereof. See "Rights and Obligations of the Sponsor; Leasing of Unsold Units" for further details.

7. Certificate of Occupancy

The Sponsor may close title to Units with a Temporary Certificate of Occupancy. If by the date of the first closing only a Temporary Certificate of Occupancy for the Building has been issued, prospective Purchasers are advised that a Temporary Certificate of Occupancy may be used only for a total of two (2) years from the date of its issuance and that a permanent Certificate of Occupancy is required for permanent residential use of the Building. If the Temporary Certificate of Occupancy expires prior to issuance of a Permanent Certificate of Occupancy, residential occupancy of the Property will be a violation of the Multiple Dwelling Law, subjecting the occupants to penalties under the Multiple Dwelling Law, including possible eviction of residential occupants. If a Permanent Certificate of Occupancy has not been obtained within two (2) years of obtaining the Temporary Certificate of Occupancy, then, after an inspection, the Board of Managers may renew the Temporary Certificate of Occupancy for a longer period of time. See "Rights and Obligations of Sponsor " for further details.

A Purchaser of a Community Facility Unit will be obligated to undertake any alterations, construction or improvements that may be necessary or required in order to obtain a Certificate of Occupancy for the Purchaser's planned use of the Community Facility Unit. See "Rights and Obligations of Sponsor" for further details.

8. Real Property Transfer Taxes

Purchasers are responsible for the payment of the New York State and New York City Real Property Transfer Taxes (the "Real Property Transfer Taxes") due on the transfer of their Units, and one hundred ($100.00) dollars for the preparation of the Acris tax forms and the fifty ($50.00) dollars filing fee for the City of New York. These taxes are normally paid by the seller and the shifting of these obligations to the Purchaser will constitute additional consideration to the Sponsor. Thus, in computing the New York State Real Property Transfer Tax, if the tax is paid by the Purchaser, the amount of the tax will be increased from .40% to approximately .4016% and the New York City Real Property Transfer Tax will be increased from 1% to 1.01% where the purchase price is less than $500,000, and from 1.425% to 1.4453% where the price is in excess of $500,000. At the closing of the purchase of a Unit, the Purchaser will execute the appropriate Real Property Transfer Tax Returns and will pay the tax due thereon.

In addition, if the purchase price for a 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" and currently equal to one (1%) percent of the Purchase Price of a Residential Unit.

9. Reservation of Certain Easements

Prospective Purchasers are advised that the Owner(s) of Community Facility Units shall have the right to construct ventilation and or exhaust flues to certain portions of the roof of the Building if the same is required and or appropriate for the use of the Units. In addition, the Owner(s) of the Community Facility Unit shall have the right to maintain mechanical equipment on the roof. After obtaining Board approval of signs, which approval should not be unreasonably withheld, the Owners of the Community Facility Units shall have an easement to install any such signs on the exterior of the Building related to the use of the Community Facility Units, provided also that any such signs comply with all governmental rules and regulations relating to any such sign installation. The Sponsor shall have an easement to install any such signs that the Sponsor deems appropriate on the exterior of the Building, whether or not such signs are related to the sale of the Units, provided only that any such signs comply with all governmental rules and regulations relating to any such sign installation.

The right to install any such signage shall include the right to install, in or upon the walls of the Building such equipment, hooks, supports, materials or, scaffolds as may be necessary to affix the signs to the exterior of the Building. Sponsor and its designees and their agents, servants, contractors and employees shall have the right of access to the exterior walls in order to install, maintain, operate and repair any advertising display on the exterior walls. Sponsor and its designees and their agents, servants contractors and employees shall have the right of access to the roof of the Building and such other portions of the Building, exterior or interior, as may be necessary or desirable for the installation and/or maintenance of any signs. Neither the Sponsor nor the Owners of the Community Facility Units shall be obligated to pay any fee to the Condominium for the right to place signs on the exterior of the Building.

Subject to the rights of the Community Facility Unit Owners to place equipment on the roof, the Owner of the Unit located on the thirteenth story shall have the exclusive right to use that portion of the roof allocated to the Unit (which area is more particularly identified on the floor plans set forth in Part 2 of the Plan) including the right to construct, at such Unit Owner's sole cost and expense, a greenhouse or an additional floor or other structure and/or to provide direct access from the interior of the Unit to any roof area. Pursuant to the existing zoning laws and building codes, the thirteenth-story Unit Owners have the following rights:

A. The right to install roof decking and gardening after obtaining a permit, if required, provided, however, that the Unit Owner will not be entitled to use the roof or bulkhead unless and until the Unit Owner installs an adequate traffic surface;

B. The right, after obtaining a permit, to construct or install a canopy or a gazebo; and

Owner makes no warranty or representation as to whether or not a variance will be granted or as to the length of time necessary to obtain any such variance. If the Condominium Board opposes an application for a variance, which would otherwise be granted, such variance may be denied.

Notwithstanding the foregoing, the Owner of the Unit will enter into an alteration agreement with the Condominium as a condition to the commencement of installing any such additions. The alteration agreement will provide, among other things, that any such work must be performed in accordance with all applicable Governmental Codes, Rules and Regulations relating to the work, and shall contain such other terms and conditions as the Board of Managers deems appropriate, including but not limited to the following:

A. The time periods during which work is permitted;

B. The manner in which the construction debris will be handled;

C. The measures which must be taken to prevent compromising the security of the Building;

D. The interruption of services during construction;

E. The level of insurance required by contractors during constructions; and

F. The responsibility of the Owner of the Unit to maintain any portion of the Common Elements incorporated within such Unit on the terms and conditions specified by the Board of Managers.

For any Limited Common Element that the Sponsor does not provide a traffic surface, the Owners of any Units appurtenant to such outdoor Limited Common Elements will not be entitled to use the Limited Common Element unless and until the Unit Owner installs an adequate traffic surface.

The Mechanical Equipment located adjacent to the private terraces will require periodic maintenance. Scheduled maintenance visits will occur during normal business hours and Unit Owners will be notified in a timely manner of such maintenance visits. In order to service the equipment, access to these areas may be required to the equipment at all other times. The Unit Owners whose Units are adjacent to the mechanical equipment shall maintain the access gates to the Mechanical Equipment free of obstructions. Access to the Mechanical Equipment will be through the residential units or by ladder from the courtyard. The Management will attempt to notify the Unit Owners of the maintenance requirement in all cases in a timely manner.

Prospective purchasers are advised that the Condominium shall have the right of access and egress to any Unit for the purposes of making any repairs to any

Common Elements located therein or for the purpose of making inspections of the Unit or any Common Elements located therein.

10. Nature of Construction

Prospective Purchasers are advised that construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. No guaranty can be given that the construction will be completed by the projected construction date set forth in the Plan. During the first year of the Condominium operations, construction workers and related personnel will be at the Property from time to time making adjustments, completing punch-list items and performing various tasks necessary to complete the construction. In addition, various systems, including, but not limited to, plumbing, heating and electrical systems and the air conditioning equipment may need to be shut down from time to time to make any necessary adjustments or repairs. Moreover, adjustments to the windows and elevators and other systems may take more than eighteen (18) months after the first closing to be completed. The decoration of the corridors, including, but not limited to, the hanging of lighting fixtures and the installation of wall covering may not be completed until all or substantially all of the Units have been sold and the occupants of the Units have moved into their Units.

11. Operating Expenses

Notwithstanding the Common Charges required to meet the expenses set forth in the Projected Budget for the First Year of Condominium Operations (see Schedule "B", Projected Budget for First Year of Condominium Operations set forth in the Plan), during the first six (6) months of Condominium Operation, or until there has been a closing of title with respect to seventy-five (75%) percent of the Units, whichever is later, if the actual expenses of operating the Building are less than the projected expenses set forth in the Budget for the First Year of Condominium Operations, then the difference between the actual expenses and the full Common Charges will be refunded to all Unit Owners (including the Sponsor) on a pro-rated basis in the form of either a credit against future Common Charges or as a cash reimbursement to the extent that the Unit Owner (including the Sponsor) has sold the Unit prior to the receipt of the full credit. Sponsor makes no warranty or representation that the operating expenses during this period will be less than the actual Common Charges or as to the amount of any credit that may be available as a result of any such computation.

12. Real Estate Taxes

Sponsor will make application for partial exemption from real estate taxes for the Residential Units pursuant to Section 421 (a) of the New York Real Property Law. Prospective Purchasers are advised that there can be no assurance that any such application will be granted. If the exemption is granted, there may be up to 100% exemption of building value during the construction period (not to exceed three years) and the first eleven years of operation. In the years twelfth through fifteenth, the exemption will decrease progressively and, after year fifteen, the property will be fully taxed. See

Section entitled "Tax Exemption Benefits" set forth in Part I of the Plan and the "Tax Exemption Opinion" of The Mazursky Group, Inc. set forth as Exhibit "J" for additional information regarding the potential benefits. Notwithstanding anything herein to the contrary, in no event shall Sponsor be liable to any Purchaser if the exemption application is denied for any reason whatsoever, nor shall the failure to obtain the benefits be the basis for any Purchaser to refuse to close title to his/her/their Unit. Neither the Sponsor, counsel to the Sponsor, nor any other person makes any warranty or representation that the partial exemption from real estate taxes will be granted, or as to the amount, if any, of the minimum tax that will be assessed against the Residential Units, or the amount of real estate taxes that will be payable at anytime by any Residential Unit Owner.

The real estate taxes for each Unit set forth in Schedule A were calculated upon the assumption that the taxes for the first year of Condominium operations will be allocated in proportion to each Unit's Purchase Price. Notwithstanding any such allocation, the City of New York taxing authority may, when it establishes the individual tax lots, allocate the taxes in proportion to each Unit's Common Interest rather than the purchase price, or may allocate the taxes in such other manner as the taxing authority deems appropriate. Accordingly, Residential Units having the same purchase price may pay different real estate taxes.

13. Change in Units by Sponsor

Prospective Purchasers are advised that the Sponsor reserves the right, at any time, both before and after the recording of the Declaration, without the consent of the Board of Managers, any Unit Owner or mortgagee, to (a) change the layout of, or number of, rooms in any Unsold Unit, (b) change the size, or number of, Unsold Units by dividing one or more Unsold Units into two or more separate Units, by combining two or more Unsold Units into one or more separate Units, by altering any boundary walls between Unsold Units or by incorporating Common Elements (such as a hallway, which will thereafter be deemed to be a Limited Common Element), which exclusively benefits an Unsold Unit, into such Unsold Unit and (c) if appropriate, reapportion among the Unsold Units affected by any such change the aggregate Common Interests. See section entitled "Changes in Prices or Units" for additional details. No adverse material change will be made in the size and no material adverse change will be made in the quality of the Common Elements without the consent of all Purchasers affected by any such change.

14. Limited Common Elements

Terraces, balconies, roof decks, patios, the Parking Spaces appurtenant to certain Units, or the Storage Units appurtenant to one of the Community Facility Units, as described in Schedule A and the Floor Plans set forth in Part II of the Plan, or hallway or similar space incorporated into a Unit will be Limited Common Elements available for the exclusive or semi-exclusive use of a particular Unit Owner. An Owner may use any such Limited Common Elements, and shall be responsible for all normal maintenance, repairs and replacements thereto. However, the cost and expense of any structural repairs or replacements caused by the need of any structural repairs shall be

charged to all Unit Owners as a Common Expense.

The Private Terraces, which are Limited Common Elements will have mechanical equipment located within the Terraces. The equipment functions as the kitchen and the bathroom exhaust for the Residential Units below. This operating equipment will create sound and vibration and the emitted exhaust may contain grease, odors, and debris. All Unit Owners with windows may hear and feel the sound and vibration emanating from the operating Mechanical Equipment located atop the Roof Terraces.

15. Lot Line Windows

The following units contain "lot line" windows: the Community Facility, 3A, 4A, 5A, 6A, 7A, 8A, 9A, 10A, 11A, 12A, 13A, 3B, 5B, 6B, 7B, 8B, 9B, 11B, and 12B. These units may be required to remove the window and infill the rough opening, if new construction occurs on the adjoining property. Upon completion of infilling the rough opening, the lot line window sprinkler head will no longer be required and may be removed. The estimated cost to infill each window and remove the sprinkler head is approximately $1,500 - $5,000 per window. The lot line windows are not required to provide legal light and air for the Units.

16. Closing Costs

All legal fees charged by Purchaser's counsel shall be the sole responsibility of the Purchaser. In addition, Purchaser shall pay to Ganfer & Shore, LLP in connection with the Closing of title to Purchaser's Unit: (i) the sum of $2,000 to reimburse Sponsor for its legal fees; (ii) an adjournment fee of $500, if the original closing date is postponed, (iii) an additional attendance fee of $500, if Purchaser requests the Closing to occur at an office other than the offices of Ganfer & Shore, LLP; (iv) a fee of $1,000, if Sponsor, in its sole discretion, consents to Purchaser's request to an assignment of the Purchase Agreement; and (v) a fee of approximately $100.00 for the preparation of the Acris documentation. See section entitled "Unit Closing Adjustments and Cost" for additional details.

17. Limitations on Actions Against the Sponsor

Prospective Purchasers are advised that pursuant to the terms of the Plan, Sponsor's obligation to repair, correct or replace defects in the construction of the Building is limited, both as to the type of repair and the time period during which Sponsor is responsible for the condition of the Building or any of the Units. To the extent that Sponsor is obligated to correct, repair or replace any defects in the construction of the Building or any Unit, Sponsor's obligation is contingent upon receipt of a written notice, within the following time periods: (a) one (1) year from the Closing of title to such Unit with respect to any latent defect in the construction of any Unit; (b) six (6) months from the Closing of title to such Unit with respect to any patent defect in the construction of a Unit; or (c) the later of six (6) months from the closing of title to the first Unit to close or three (3) months after Sponsor or its designees no longer have a

majority of the seats on the Board of Managers with respect to defects in the Building. See section entitled "Rights and Obligations of the Sponsor" for additional details.

18. Change in Prices

The prices for condominium interests may be changed so that purchasers may pay different prices for similar interests. The effect of this is set forth in the section entitled "change in prices or units."

19. Changes in Units by Purchaser

A Purchaser of a Unit in the Building may not perform any work whatsoever in their Unit prior to Closing and the issuance of a Permanent Certificate of Occupancy without first obtaining the prior written consent of the Sponsor. See Section entitled "Changes in Prices or Units" for discussion. Furthermore, each Unit Owner is obligated to comply with the Declaration, the By-Laws, the rules and regulations and any other requirements of the Board of Managers

20. Community Facility Uses

The Community Facility Units are currently vacant. Pursuant to the terms of the Declaration, the Community Facility Unit Owners shall have the right, in their sole and absolute discretion, to use the Unit for certain lawful purposes, including the use of the space for medical offices. As of the date of the acceptance of this Plan for filing, the existing Zoning Regulations of the New York City Department of City Planning only permit the Community Facility to be used as a Community Facility. Notwithstanding Zoning Regulations, the Declaration prohibits the use of the Community Facility for certain purposes, which would otherwise be lawful under Zoning Regulations, such as a Club, Settlement House, a Government Operated Health Center or a Welfare Center. See sections entitled "Community Facility Units."

21. Sale of Units

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. Under the terms of the regulations, Sponsor may not declare the Plan effective until Purchase Agreements are signed by bona fide purchasers for fifteen percent (15%) of the Residential Units. While Sponsor currently intends to sell all of the Residential Units, Sponsor has reserved the right to cease marketing those Units in the event Sponsor is unable to sell them at the prices provided for in the Plan, as amended. There is no restriction on the right of the Sponsor to rent Unsold Residential Units. Because Sponsor is not guaranteeing to sell all Residential Units, there is no commitment by Sponsor to sell more units than the fifteen percent (15%) necessary to declare the Plan effective, and thus the Owner-occupants may never gain effective control and management of the Condominium and this plan may not result in the creation of a condominium in which a majority of the Units are owned by owner-occupants or investors unrelated to the Sponsor.

The New York State Court of Appeals, in its opinion in 511 East 232 Owners Corp. v. Jennifer Realty Co., 98 N.Y.2d 144, 746 N.Y.S.2d 131 (2002) ("Jennifer Realty"), recently ruled that a cooperative housing corporation and certain of its tenant shareholders had a cause of action with respect to their claim that their Sponsor breached its "contractual obligation to dispose of all of its unsold shares within a reasonable period of time." As noted above, the Sponsor currently intends to sell all of the Residential Units. However, the Sponsor and the Owners of any Unsold Units have reserved the right to rent or lease any Unsold Unit or to cease marketing Units for sale if they are unable to sell such Units at the prices contained in the amendment declaring the Plan effective, and because of such express reservation of rights Sponsor believes that the cause of action in Jennifer Realty would not exist with respect to this Offering.

If the Sponsor elects to make a bulk sale of all or some of its Unsold Units, Sponsor will include as part of the contract for the bulk sale a clause requiring the bulk sale purchaser to be bound by Sponsor's representations regarding its commitment to sell Units.

See the sections entitled "Introduction" and "Rights and Obligations of the Sponsor" for a discussion.

22. Window Guards

Each Unit Owner shall 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 Unit Owner shall install, at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove the same until permitted by applicable law and in any event, without prior written notice to the Managing Agent. See Section entitled "Rights and Obligations of the Unit Owners and Rights and Obligations of the Board of Managers" for further discussion.

23. Unit Measurements

Generally, a Unit consists of the square foot area of the apartment measured horizontally from the exterior side of the exterior walls (perimeter concrete columns, perimeter mechanical pipes and elevator shafts are not deducted) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the exterior side of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. As is customary in New York City, these square foot areas exceed the useable floor area of each Unit. A Unit also consists of the area measured vertically from the top of the concrete floor to the underside of the structural concrete ceiling. See Sections entitled "Schedule A," "Description of Property and Improvements," and the "Declaration of Condominium" for discussion.

24. Members of Board of Managers

The By-laws do not include a provision that, after an initial sponsor voting control period, requires a majority of the Board of Managers be members of an owner-occupant's household who are unrelated to the sponsor and its principals.

INTRODUCTION

Purpose of the Plan

The purpose of this offering document (the "Plan") is to disclose to potential Purchasers all of the material facts and terms of the offering as required by Section 352-e of the General Business Law and Part 20 of the regulations promulgated thereunder ("Part 20"). Sponsor cannot sell or offer any Units for sale unless or until the Plan is accepted for filing by the New York State Department of Law (the "Department of Law").

This Plan may be amended from time to time to reflect newly arising facts or changed terms or circumstances that materially affect the offering. All such amendments shall be filed with the Department of Law and will be presented to all Purchasers and Unit Owners. See the section entitled "General" for more information concerning amendments and their effect on outstanding Purchase Agreements. The terms "Department of Law" and "Attorney General" are used interchangeably in this Plan. Capitalized terms not otherwise defined are defined in the section below entitled "Definitions."

The Sponsor

Arlington Suites, LLC, a New York Limited Liability Company, is the "Sponsor" of the Plan. The members of Arlington Suites, LLC are Shmuel Jonas and Howard Jonas. No other person has more than a 10% interest in the partnership or has the right to control the business operations of the partnership. The Sponsor is the current Owner of the parcels of land known as 3220 Arlington Avenue, formerly known as 3220, 3224, 3228 Arlington Avenue and 3223 Netherland Avenue, Bronx, New York ("Property") Sponsor acquired its interest in the Property by deed, dated April 21, 2004. See the section entitled "Identity of Parties" for more information concerning the Sponsor and the principals of Sponsor, and see the section entitled "Location and Area Information" for full details regarding the Property.

The Condominium Act

Under this Plan, Sponsor will construct, on the Property one thirteen (13) story building, a cellar, sub-cellar and a bulkhead (the "Building"). After completion, the Building will contain twenty-six (26) Residential Units, fifty-eight (58) parking spaces, thirty (30) storage spaces, and three (3) Community Facility Units, which include medical offices and one swimming pool. Sponsor is converting the Residential Units and Community Facility Units of the Property to a condominium form of Ownership pursuant to Article 9B of the Real Property Law of the State of New York (the "Condominium Act"). The Condominium will be known as "Arlington Suites" and is hereinafter referred to as the "Condominium."

The Property

The Property is located in an R6-A Zoning District, but was granfathered under R7-1 zoning, which permits residential use as of right. After the construction, the Building will consist of twenty-six (26) Residential Units, three (3) Community Facility Units, which shall contain medical offices and one swimming pool, fifty-eight (58) Parking Spaces, and thirty (30) Storage Units. It is anticipated that construction will be substantially completed in or about June 2007. See section entitled "Description of Property and Improvements" for further details of the Building, apartments, and improvements.

Prior to the closing of the first Unit, Sponsor shall, at its sole cost and expense, obtain either a permanent or temporary Certificate of Occupancy, which will permit the Residential Units to be used for residential purposes. If the closing occurs prior to the issuance of the Permanent Certificate of Occupancy, Sponsor shall, at its sole cost and expense, obtain the Permanent Certificate of Occupancy.

Sponsor shall not be obligated to obtain a Certificate of Occupancy for the Community Facility Units. The Purchaser of a Community Facility Unit will be responsible for undertaking any alterations, improvements or other construction necessary to obtain a Certificate of Occupancy for the use of the Community Facility Unit, at his sole cost and expense. All such alterations, improvements and other construction shall be undertaken only after obtaining the approval of the Sponsor and signing an alteration agreement describing the work to be completed, and to file such documents as may be necessary to obtain a Certificate of Occupancy.

The Offer

Sponsor is offering the twenty-six (26) Residential Units, the three (3) Community Facility Units, the fifty-eight (58) Parking Spaces and the thirty (30) Storage units for sale on the terms expressed herein. The three Community Facility Units include one large Community Facility Unit with twelve (12) appurtenant parking spaces and four (4) appurtenant storage spaces ("Community Facility Unit #1"), one smaller Community Facility Unit ("Community Facility Unit #2"), and one Community Facility with a Swimming Pool ("Community Facility Unit with the Swimming Pool").

Sale of Units

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. Under the terms of the regulations, Sponsor may not declare the Plan effective until Purchase Agreements are signed by bona fide purchasers for fifteen percent (15%) of the Residential Units. While Sponsor currently intends to sell all of the Residential Units, Sponsor has reserved the right to cease marketing those Units in the event Sponsor is unable to sell them at the prices provided for in the Plan, as amended. There is no restriction on the right of the Sponsor to rent Unsold Residential Units. Because Sponsor is not guaranteeing to sell all Residential Units, there is no commitment by

Sponsor to sell more units than the fifteen percent (15%) necessary to declare the Plan effective, and thus the Owner-occupants may never gain effective control and management of the Condominium and this plan may not result in the creation of a condominium in which a majority of the Units are owned by owner-occupants or investors unrelated to the Sponsor.

The New York State Court of Appeals, in its opinion in 511 East 232 Owners Corp. v. Jennifer Realty Co., 98 N.Y.2d 144, 746 N.Y.S.2d 131 (2002) ("Jennifer Realty"), recently ruled that a cooperative housing corporation and certain of its tenant shareholders had a cause of action with respect to their claim that their Sponsor breached its "contractual obligation to dispose of all of its unsold shares within a reasonable period of time." As noted above, the Sponsor currently intends to sell all of the Residential Units. However, the Sponsor and the Owners of any Unsold Units have reserved the right to rent or lease any Unsold Unit or to cease marketing Units for sale if they are unable to sell such Units at the prices contained in the amendment declaring the Plan effective, and because of such express reservation of rights Sponsor believes that the cause of action in Jennifer Realty would not exist with respect to this Offering.

If the Sponsor elects to make a bulk sale of all or some of its Unsold Units, Sponsor will include as part of the contract for the bulk sale a clause requiring the bulk sale purchaser to be bound by Sponsor's representations regarding its commitment to sell Units.

Sponsor's Obligations to its Lenders

Sponsor has obtained two construction loans from Independence Community Bank to provide financing for the construction of the Building. Under the terms of the primary loan, Sponsor will receive advances each month, so long as Sponsor complies with the provisions of the construction loan regarding the use of the funds and the construction of the Building as agreed to in the loan documents. Under the terms of the subordinate loan, Sponsor may draw on the account of the loan at any time.

According to the terms of the loans, Independence Community Bank will release individual Units from the mortgage so long as certain release prices are paid at the Unit closings. According to the terms of the loans, Independence Community Bank does not require a minimum number or percentage of Units that must be under contract before the Plan can be declared effective. According to the terms of the loans, Independence Community Bank does not impose restrictions on the amount of Units that the Sponsor may rent rather than sell.

The Parking Spaces as Common Elements

The Property will include fifty-eight (58) Parking Spaces ("Parking Spaces"). Two (2) Parking Spaces will be allocated to the Condominium as handicap Parking Spaces. These two (2) handicap Parking Spaces will not been allocated to any

particular Unit and will be Common Elements. The two (2) handicap Parking Spaces may be used for transient visitor parking, subject to such rules and in such manners as the Condominium Board may determine is necessary from time to time. Each Residential Unit in the Condominium will include one appurtenant Parking Space, which shall be deemed Limited Common Elements of the Condominium. The Community Facility Unit without the Swimming Pool will include twelve (12) appurtenant Parking Spaces, which shall be deemed Limited Common Elements of the Condominium.

Purchasers are advised that based upon the status of construction of the Building, their Unit's appurtenant Parking Space may not be available for use at the time of the closing of title to the Unit. Notwithstanding any delay in completion of the Parking Space, Purchaser will still be required to close title to the Unit and pay the balance of the Unit Purchase Price on the originally scheduled closing date. Until the closing of title to a Unit, at which time the Purchaser obtains rights to a specific Parking Space, the Sponsor has the right to change the Parking Space numbers appurtenant to each Unit.

Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Parking Spaces. Certain of the Parking Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Parking Spaces will remain dry or will not experience any water infiltration and neither the Sponsor nor any Board will be responsible for any damage to vehicles placed in the Parking Spaces. Unit Owners who place their vehicles in the Parking Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such vehicles.

The Parking Unit

The Parking Unit will be one Unit with its own separate tax lot and will include the eighteen (18) additional Parking Spaces ("Parking Unit"). The Sponsor will retain the rights to the Parking Unit. The Sponsor reserves the right to transfer title of the Parking Unit and assign the leases of the Parking Spaces to the Condominium. Each Purchaser of a Residential or Community Facility Unit shall have the opportunity to also purchase the rights to use a Parking Space in the Parking Unit on a first come first serve basis. The Unit Owner will pay the Parking Space Lease Purchase Price and will then pay to the Sponsor, or the Owner of the Parking Unit, a monthly rental fee according to the terms of the Parking Space Lease. The fees to be paid by each Purchaser for the first year of operation are set forth on Schedule A.

A Purchaser who wants the rights to use a Parking Space in the Parking Unit must execute the Parking Space Lease and Parking Space Rider set forth in Part II of the Plan. A default by a Purchaser under the Parking Space Rider shall constitute a default under the Purchase Agreement for the Unit. Similarly, a default by Purchaser under any of the other terms of the Purchase Agreement shall be a default under the Parking Space Rider. Purchasers are advised that based upon the status of construction of the Building, the Parking Spaces may not be available for use at the

time of the closing of title to the Unit. Notwithstanding any delay in completion of the Parking Spaces, Purchaser will still be required to close title to the Unit and pay the balance of the Unit Purchase Price as well as the Parking Space Lease Purchase Price at the originally scheduled closing. However, if at the time of closing, the Parking Space acquired under the Parking Space Lease is not completed by the closing date, the Parking Space Lease Purchase Price will be placed in escrow and will be delivered to Sponsor, or the Owner of the Parking Unit, upon completion of said Parking Space. Until closing of title to a Unit, at which time the Purchaser obtains rights to a specific Parking Space in the Parking Unit, the Sponsor, or the Owner of the Parking Unit, has the right to change the designated Parking Space number allocated to the Purchaser in the Parking Space Lease. Purchaser and the Sponsor shall execute at Closing the Parking Space Lease and Parking Space Rider.

Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Parking Unit Parking Spaces. A Temporary Certificate of Occupancy will be good for two (2) years. If a Permanent Certificate of Occupancy has not been obtained within two (2) years of obtaining the Temporary Certificate of Occupancy, then, after an inspection, the Board of Managers may renew the Temporary Certificate of Occupancy for a longer period of time.

Certain of the Parking Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Parking Spaces will remain dry or will not experience any water infiltration and the Sponsor, or the Owner of the Parking Unit, or any Board will not be responsible for any damage to vehicles placed in the Parking Spaces. Unit Owners who place their vehicles in the Parking Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such vehicles.

The Parking Space Lease may only be assigned by the Parking Space Lessee to a party simultaneously acquiring a Residential Unit or to another Unit Owner. In addition, Unit Owners can only lease their respective Parking Space to other Unit Owners in the Building after obtaining the consent of the Sponsor or the Owner of the Parking Unit thereto. In the event a Parking Space Lessee elects to terminate a Parking Space Lease or sells its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Parking Space in question will devolve to the Sponsor, or the Owner of the Parking Unit, who shall have the right to issue a new Parking Space Lease to another Unit Owner in its sole discretion.

The Storage Spaces as Common Elements

The Property will include thirty (30) Storage Spaces ("Storage Spaces"). Each Storage Space will measure approximately 48 square feet. Community Facility Unit #1 will include four (4) appurtenant Storage Spaces, which shall be deemed Limited Common Elements of the Condominium.

Purchasers of Community Facility Unit #1 are advised that based upon the status of construction of the Building, the Unit's appurtenant Storage Spaces may

not be available for use at the time of the closing of title to the Unit. Notwithstanding any delay in completion of the Storage Space, Purchaser will still be required to close title to the Unit and pay the balance of the Unit Purchase Price on the originally scheduled closing date. Until the closing of title to a Unit, at which time the Purchaser obtains rights to a specific Storage Space, the Sponsor has the right to change the Storage Space numbers appurtenant to the Unit.

Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Storage Spaces. Certain of the Storage Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Storage Spaces will remain dry or will not experience any water infiltration and neither the Sponsor nor any Board will be responsible for any damage to items placed in the Storage Spaces. Unit Owners who place their items in the Storage Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such items.

The Storage Unit

The Storage Unit will be one Unit with its own separate tax lot and will consist of the remaining twenty-six (26) Storage Spaces ("Storage Unit"). The Sponsor will retain the rights to the Storage Unit. The Sponsor reserves the right to transfer title of the Storage Unit and assign the leases of the Storage Spaces to the Condominium. Each Purchaser of a Residential or Community Facility Unit shall have the opportunity to purchase the rights to use a Storage Space in the Storage Unit on a first come first serve basis. The Unit Owner will pay the Storage Space Lease Purchase Price and will then pay to the Sponsor, or the Owner of the Storage Unit, a monthly rental fee according to the terms of the Storage Space Lease. The fees to be paid by each Purchaser are set forth on Schedule A.

The Storage Spaces shall be used for storage of Lessee's personal property and the property of occupants of the Unit and for no other purpose. Lessee shall not store any (i) animals, (ii) inflammable, combustible, explosive or other dangerous items, (iii) items which have an objectionable odor, or (iv) valuable items. Each Storage Space will be approximately five feet wide, nine feet three inches long, and nine feet high.

A Purchaser who wants the rights to use a Storage Space must execute the Storage Space Lease and Storage Space Rider set forth in Part II of the Plan. A default by a Purchaser under the Storage Space Rider shall constitute a default under the Agreement for the Unit. Similarly, a default by Purchaser under any of the other terms of the Agreement shall be a default under the Storage Space Rider. Purchasers are advised that based upon the status of construction of the Building, the Storage Spaces may not be available for use at the time of the closing of title to the Unit. Notwithstanding any delay in completion of the Storage Space, Purchaser will still be required to close title to the Unit and pay the balance of the Purchase Price as well as the Storage Space Lease Purchase Price on the originally scheduled closing date. However, if at the time of closing, the Storage Space acquired under the Storage Space

Lease is not completed by the closing date, the Storage Space Lease Purchase Price will be placed in escrow and will be delivered to Sponsor, or the Owner of the Storage Unit, upon completion of said Storage Space. Until closing of title to a Unit, at which time the Purchaser obtains rights to a specific Storage Space in the Storage Unit, the Sponsor, or the Owner of the Storage Unit, has the right to change the designated Storage Space number allocated to the Purchaser in the Storage Space Lease. Purchaser and the Sponsor, or the Owner of the Storage Unit shall execute at Closing the Storage Space Lease and the Storage Space Rider.

Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Storage Spaces. A Temporary Certificate of Occupancy will be good for two (2) years. If a Permanent Certificate of Occupancy has not been obtained within two (2) years of obtaining the Temporary Certificate of Occupancy, then, after an inspection, the Board of Managers may renew the Temporary Certificate of Occupancy for a longer period of time.

Certain of the Storage Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Storage Spaces will remain dry or will not experience any water infiltration and the Sponsor, or the Owner of the Storage Unit, or any Board will not be responsible for any damage to items placed in the Storage Spaces. Unit Owners who place items in the Storage Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such stored items.

The Storage Space Lease may only be assigned by the Storage Space Lessee to a party simultaneously acquiring a Unit or to another Unit Owner. In addition, Unit Owners can only lease their respective Storage Space to other Unit Owners in the Building after obtaining the consent of the Sponsor or the Owner of the Storage Unit thereto. In the event a Storage Space Lessee elects to terminate a Storage Space Lease or sells its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Storage Space in question will devolve to the Owner of the Storage Unit, which shall have the right to issue a new Storage Space Lease to another Unit Owner in its sole discretion.

Swimming Pool

One Community Facility will include a Swimming Pool area. Adjacent to the Swimming Pool are locker room facilities, which includes a men's and a women's locker room, a changing area, full bathrooms, showers and saunas. The Swimming Pool will be approximately twelve feet wide and fifty feet long and will range in depth from approximately four feet to four feet three inches. The depth of the water in the Swimming Pool will range from approximately three feet six inches to three feet ten inches. The Swimming Pool will be provided with an independent pool water heating system. The Swimming Pool will be available for use by the Residential Unit Owners and the Owners of the two Community Facility Units without the Swimming Pool. The Condominium will pay a yearly charge in the amount of $45,566.20 to the Owner of the Community Facility Unit with the Swimming Pool. This fee will be paid as an expense

out of the maintenance fees of the Residential Units and the two Community Facility Units without the Swimming Pool. The Swimming Pool will be available to members of the community under terms set forth by the Owner of the Community Facility with the Swimming Pool. The Condominium's membership covers use of the Swimming Pool areas only by the residents of the Residential Units, the Owners of Community Facility Unit Owners, and up to ten (10) staff members of each of the Community Facility Units, but not the guests of the Community Facility Units. The guests and extra employees must obtain passes or memberships to the Swimming Pool areas directly from the Owner of the Community Facility Unit with the Swimming Pool, or his agent. Any limit on the number of memberships to the Swimming Pool and the terms of such memberships are yet to be determined. Hours for the pool and other facilities have not yet been set and are to be determined by the Owner of the Community Facility Unit with the Swimming Pool. The Community Facility Unit with the Swimming Pool will include a carpeted multi-purpose room, a conference room with video conferencing capabilities, a ten (10) seat multimedia room, and locker rooms that contain sauna and steam shower's.

Purchase Prices

The initial purchase price and other financial details for the Residential Units, the Community Facility Units, the Parking Space Leases and Storage Unit Leases are set forth in Schedule A below. The prices for Units have been set by Sponsor, and are not subject to approval by the Department of Law or any other governmental agency. The prices are negotiable and subject to change. For a discussion of the right of Sponsor to change prices see the section entitled "Changes in Prices or Units."

Plan and Documents Available for Inspection

Parts I and II constitute the entire offering plan and contain all the detailed terms of the offering. Parts A, B, C and D of the exhibits (the "Exhibits") are delivered to the Department of Law in connection with the filing of this Plan and are included as additional backup documents which are available to prospective purchasers and their attorneys for inspection without charge and for copying at a reasonable charge at the office of the Sponsor, during regular business hours. The Exhibits will also be available for inspection and for copying at a reasonable charge at the Department of Law during regular business hours.

Basic Aspects of Condominium Ownership

A condominium is established by filing a declaration of covenants and restrictions (the "Declaration") in accordance with the requirements of the Condominium Act. The Declaration legally divides a property into condominium units, common elements and limited common elements. Generally, a Unit consists of the area measured horizontally from the exterior of the Unit side of the glass or the outer face of the exterior wall (perimeter columns and perimeter mechanical pipes are not deducted) to the centerline of all interior walls and partitions separating one Unit from another Unit, corridors, stairs, elevators, and other mechanical equipment space or any Common

Elements. The land, the air rights and other portions of the Building including all Building fixtures, equipment and other apparatus contained therein are known as the "Common Elements" and are collectively owned by the Unit Owners in proportion to the percentage of "Common Interest" allocated to their respective units. Certain of the common elements are for the exclusive use of particular units and are called "Limited Common Elements." See Schedule A below for the percentage of Common Interest allocated to each Unit under this Plan as well as the section entitled "Description of Property and Improvements" for a description of the Units, Common Elements and Limited Common Elements.

Under this Plan, each Unit Owner will have the same rights, obligations and benefits generally enjoyed by condominium unit owners. These rights, obligations and benefits include the following:

(i) Each Unit Owner will own his Unit outright and, together with all other Unit Owners, an undivided interest in the Common Elements and Limited Common Elements;

(ii) Each Unit Owner will have the exclusive right to use his Unit as well as the Unit's Limited Common Elements. Each Unit Owner will share with all other Unit Owners the use, benefit, and/or enjoyment of the Common Elements.

(iii) The Condominium will raise monies to operate the Property by assessing "Common Charges" to each of its Unit Owners. The Common Charges will be based on the projected expenses for operating the Property (the "Common Expenses") less any outside income (income other than that from Unit Owners), which the Condominium may receive. The Condominium's projected first year's budget is set forth as Schedule B below. Each Unit Owner will be required to pay monthly his pro-rata share of the Common Charges. The proportionate share of Common Charges payable by each Unit Owner will be based on the percentage of Common Interest allocated to his Unit, except that the Community Facility Unit, Parking Unit and Storage Unit Owners will not be responsible for the payment of cooking gas, which do not relate to services provided to these Owners, and except that the Community Facility Unit with the Swimming Pool will not pay any share of the Pool membership expenses. Schedule A below sets forth the projected first year's Common Charges for each Unit.

(iv) Each Residential Unit may be used as a single-family residence and for any home occupation permitted by law. The Community Facility Unit may be used for certain lawful purposes. See the section entitled "Rights and Obligations of Unit Owners" for a discussion.

(v) Each Unit Owner will have the right to vote annually for the election of the Condominium's Board of Managers. The Board of Managers will conduct the affairs of the Condominium, including supervision of and making determinations involving the operation of, the Property. The day-to-

day management of the Property may be delegated to a managing agent. See Section entitled "Rights and Obligations of the Board of Managers."

(vi) Each Unit will be separately assessed in connection with paying New York City Real Property Taxes. The Unit Owner will pay any resulting taxes on his Unit directly to the City of New York and same are not included in the Common Charges. Schedule A sets forth the estimated first year's real property taxes for each Unit. See the section entitled "Footnotes to Schedule A" as well as the section entitled "Taxes – Deductions to Unit Owners and Tax Status of the Condominium" for a further discussion. No Unit Owner will be liable for the payment of real property taxes levied against any neighbor's Unit.

(vii) Each Unit Owner will be responsible for the cost of interior repairs in, and the maintenance and decoration of, his Unit, including the equipment, fixtures and appliances contained therein. Each Unit Owner shall also be responsible for the cost of electricity supplied to his Unit, which is separately metered, and the cost of any insurance coverage he or she may desire to obtain for (a) his or her furniture, belongings, equipment or other personal property, and (b) for liability to others for personal injury or property damage as a result of occurrences in the Unit. The costs of the foregoing are not included in the Common Charges.

(viii) Each Unit Owner will acquire his or her Unit free and clear of any blanket liens or mortgages covering the Property, and will be able to freely borrow against and mortgage the Unit, subject to certain filing requirements under the Declaration, but without any required consent from the Board of Managers. Each Unit is a separate entity and will not be subject to the lien of any mortgages placed by other Unit Owners on their respective Units. See the section entitled "Rights and Obligations of Unit Owners" for a full discussion.

(ix) Generally, each Unit Owner may sell or lease his Unit to anyone, without restriction, subject only to the right of first refusal in favor of the Board of Managers (or a third party designated by the Board of Managers) on the same terms and conditions accepted by a prospective buyer or tenant. See the section entitled "Rights and Obligations of Unit Owners" for a full discussion. Such restrictions are not applicable to any Unsold Units, which may be sold or leased without being offered to the Condominium Board or a third party designated by the Condominium Board.

(x) In the opinion of Ganfer & Shore, LLP, Sponsor's counsel, each Unit Owner who is a natural person and who uses his Unit as his primary residence will, under present income tax laws and provided that such individual itemizes his or her deductions, be able to deduct from his or her income for Federal, New York State and New York City personal

income tax purposes any mortgage interest and real estate taxes which he pays on his Unit. This opinion is set forth in Part I of the Plan. See the sections entitled "Taxes - Deductions to Unit Owners and Tax Status of the Condominium" and "Opinion of Counsel" for a full discussion.

(xi) Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations and any other requirements of the Board of Managers.

Limitations on Who May Purchase Units

The Units are offered to individuals eighteen (18) years of age or over as well as to corporations, partnerships, trusts, estates, limited liability companies and other business entities eligible to own real estate in the State of New York. Notwithstanding the foregoing, the Sponsor is not obligated to offer or to sell any particular Unit and may, if it chooses, withhold one or more Units for future sale or rental. No binding obligation to sell a particular Unit shall arise under this Plan until a fully executed Purchase Agreement has been exchanged between Sponsor and the prospective purchaser. Sponsor has the right to reject any prospective purchaser without cause or explanation provided such rejection is not based on sex, race, creed, color, national origin, marital status or ancestry or other grounds prohibited by law.

Sponsor imposes no limit on the number of owners who may purchase for investment rather than for personal occupancy.

Copy of the Plan

To accommodate prospective Purchasers who may desire to purchase a Unit, but are not ready to execute a Purchase Agreement, a prospective Purchaser may request a copy of the Plan from the selling agent. Any such prospective Purchaser shall deliver a check to the Selling Agent, made payable to "Arlington Suites Escrow Account" in the amount of $100. The deposit is to insure that if the prospective Purchaser elects not to purchase a Unit in the Condominium, then the Purchaser will return to the Selling Agent the copy of the Plan in good condition. If, within thirty (30) days of accepting the deposit, the prospective Purchaser enters into a Purchase Agreement or returns the Plan,in good condition, the deposit will be refunded to the Purchaser. Any such deposit will be treated as non-interest bearing trust funds pursuant to applicable law until the expiration of the thirty (30) day period. If after the expiration of the thirty (30) day period the Plan is not returned in good condition or Purchaser has not entered into a Purchase Agreement, then the deposit will be released to the Sponsor to keep.

THIS OFFERING PLAN CONSTITUTES THE SPONSOR'S ENTIRE OFFER TO SELL THESE CONDOMINIUM UNITS. THE GENERAL BUSINESS LAW OF NEW YORK REQUIRES THE SPONSOR TO DISCLOSE ALL MATERIAL MATTERS CONCERNING THE CONDOMINIUM UNITS IN THIS PLAN AND TO FILE

THIS PLAN WITH THE NEW YORK STATE DEPARTMENT OF LAW PRIOR TO SELLING OR OFFERING TO SELL ANY OF THE CONDOMINIUM UNITS. FILING DOES NOT MEAN THAT THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY HAS REVIEWED OR APPROVED THIS OFFERING PLAN.

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

DEFINITIONS

Architect's Report

A detailed report describing the Property, including the rehabilitation of the Building prepared by Architects. The Architect's Report is set forth as Exhibit E in Part II of the Plan.

Board of Managers

The governing body of the Condominium elected by the Unit Owners.

Building

The structure that will be built on the Property will contain the Units and will be known as the "Arlington Suites."

Building Plans

The plans for the Building filed with the Department of Buildings of the City of New York, as same may be amended from time to time. At the Closing of the first Unit, a set of as-built plans will be delivered to the Condominium.

Common Charges

The charges assessed by the Board of Managers to pay the Common Expenses.

Common Elements

All areas of the Property and all equipment and facilities contained therein other than the Units and the Limited Common Elements, as more particularly described in the section below entitled "Description of Property and Improvements."

Common Expenses

The cost and expenses of operating the Property and maintaining the Common Elements and Limited Common Elements, which are payable collectively by the Unit Owners. Certain expenses that relate to budget items that do not relate to or provide services for the Community Facility Units, Parking Unit, and Storage Unit are allocated only among the Residential Units. See Schedule B and the Notes to Schedule B.

Common Interest

The undivided Ownership interest in the Limited Common Elements and Common Elements allocated to all Units on a percentage basis. The aggregate percentage of Common Interest for all Units equals one hundred (100%) percent.

Community Facility

The non-residential Units offered under this Plan are currently permitted to be used only as Community Facilities, as defined pursuant to the Zoning Regulations of the New York City Department of City Planning and subject to compliance with all applicable zoning regulations of the City of New York. Community Facility Unit Owners shall have the right to change the use of the Community Facility Units if the zoning regulations change, as permitted by the New York City Department of City Planning

Community Facility Units

The Units located on the first and second floors of the Building together with their appurtenant Common Interests, which consist of Community Facility Medical Offices, and a swimming pool. After obtaining Board approval of signs, which approval should not be unreasonably withheld, the Community Facility Units also include an easement for the purpose of placing such signs related to the use of the Community Facility Units on the exterior of the Building and an easement to run stacks, vents and equipment to the roof of the Building (including the roof above the thirteenth story).

Condominium

The Condominium is not a separate legal entity. The term refers to the collective association of all the Unit Owners established under the Declaration, acting through the Board of Managers.

Condominium Documents

The Declaration and the exhibits annexed thereto, including the Unit Owner's Power of Attorney and the Condominium By-Laws. The form of the Power of Attorney and the By-Laws are set forth in Part II of the Plan.

Declaration

The instrument by which the Property is submitted to the provisions of the Condominium Act. The form of the Declaration, including the Condominium's Rules and Regulations, is set forth in Part II of the Plan.

Effective Date

The date upon which the Sponsor notifies, in writing, all Purchasers that it has received a sufficient number of Purchase Agreements permitting or obligating Sponsor to proceed with the conversion, subject to certain limited rights to abandon this Plan.

First Closing

The first date upon which title to a Unit is conveyed to a Purchaser under this Plan.

Initial Control Period

The period ending on the earlier of (a) the closing of title under this Plan to Units having more than fifty (50%) percent of the Common Interest, or (b) two (2) years after the First Closing.

Limited Common Elements

Any Common Element of the Building that is for the exclusive use of one particular Unit to the exclusion of all others. Under this Plan the only Limited Common Elements are the forty (40) parking spaces appurtenant to certain Units, the four (4) Storage Spaces appurtenant to Community Facility Unit #1, the mailboxes, the terraces, the balconies, the roof decks and patios, the intercom system, the storefronts and the non-structural portions of the exterior walls below the third floor and any other area of the Building for which there is direct and exclusive access from the interior of a Unit.

Managing Agent

At the closing, the Condominium will enter into an agreement with HSC Management Corp. for the management of the Condominium for an initial one (1) year period. The agent's duties shall include the following: operating the Property; rendering monthly statements of receipts, expenses and charges; supervising repairs, alterations and decorations of common areas; supervising and discharging all labor and employees for the operation and maintenance of the Premises.

Parking Spaces

Any of the fifty-eight (58) automobile parking spaces located on the Property, including the twenty-six (26) that are included in the sale of each Residential Unit as a Limited Common Element, the twelve (12) Parking Spaces appurtenant to Community Facility Unit #1, the eighteen (18) Parking Spaces that are included in the Parking Unit and will be available to

Unit Owners for lease, and the two (2) spaces that will be reserved for as handicapped parking.

Parking Unit

The Unit that will include eighteen (18) of the fifty-eight (58) Parking Spaces. Ownership to the Parking Unit will be retained by the Sponsor and the eighteen (18) Parking Spaces will be available to Unit Owners for lease.

Purchase Agreement

The written agreement to purchase a particular Unit. The form of the Purchase Agreement is set forth as Exhibit A in Part II of the Plan.

Purchase Price Percentage

The proportion of each Unit's Purchase Price to the total Offering Price for that type of Unit. Each Residential Purchase Price Percentage is calculated as a proportion of that Unit's Purchase Price to the total Residential Offering Price. Each Community Facility Unit Purchase Price Percentage is calculated as a proportion of that Unit's Purchase Price to the total Community Facility Offering Price.

Public Lobby Area

The Public Lobby Area will be located on the first floor and will be for the use of the Residential Unit, the Community Facility Units, the Parking Unit, and the Storage Unit. Although two of the three Community Facility Units have separate entrances, owners, visitors and guests of all three Community Facility Units may access the Community Facility Units through the Public Lobby Area.

Purchaser

A person or entity that has entered into a fully executed Purchase Agreement for a particular Unit.

Selling Agent

Halstead Property or such other agent as Sponsor may elect to retain.

Sponsor

Arlington Suites, LLC

Storage Spaces

Any of the thirty (30) Storage Spaces located in the cellar and sub-cellar of the Property, including the four (4) Storage Spaces appurtenant to Community Facility Unit #1 and the twenty-six (26) Storage Spaces for lease in the Storage Unit.

Storage Unit

The Unit that includes the twenty-six (26) Storage Spaces located in the sub-cellar. Ownership to the Storage Unit will be retained by the Sponsor and the Storage Spaces will be available to Unit Owners by lease.

Swimming Pool

There is a Swimming Pool area that is included in one of the Community Facility Units located on the first floor of the building. Adjacent to the Swimming Pool are locker room facilities, which includes a men's and a women's locker room, a changing area, full bathrooms, showers and saunas. The Swimming Pool will be provided with an independent pool water heating system.

Units

The Residential Units, the Community Facility Units, the Parking Unit and the Storage Unit. The Residential Units and the Community Facility Units are offered under this Plan, including all the fixtures, equipment and appliances contained wholly therein, as more particularly described in the section below entitled "Description of Property and Improvements."

Unit Deed

The instrument by which title to a Unit is transferred to a Unit Owner. The form of Unit Deed is set forth as Exhibit "D "in Part II of the Plan.

Unit Owners

Collectively, the Owners of the respective Residential, Community Facility, Parking and Storage Units.

Unsold Units

The Units owned by Sponsor or its designee.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The following is a general description of the Property, including the land, Building, Units, Parking Spaces, the Parking Unit, the Storage Unit, Common Elements and Limited Common Elements. Reference should be made to the Architect's Report (Exhibit E in Part II of the Plan) and to the section entitled "Changes in Prices or Units" contained in the Offering Plan for a more detailed description.

The Land

The Property on which the Building will be constructed is rectangular in shape with approximately 110 feet along Arlington Avenue, approximately 50 feet along Netherland Avenue and approximately 200 feet in depth between Arlington Avenue and Netherland Avenue. The Property is located in a R6-A Zoning District, but was grandfathered under R7-1 Zoning, which permits residential use as of right. See the section below entitled "Location and Area Information" for a further discussion.

Construction Schedule

Under the present construction schedule, the Building will be substantially completed in or about June 2007, unless delayed by weather, casualty, labor difficulties, delays in delivery of materials or other factors beyond Sponsor's control. Prospective Purchasers are advised, however, that the Units may be completed at different times, including a period that may extend beyond the projected completion date. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to a credit, offset or reduction in the purchase price for the Unit or otherwise be relieved from any obligations under the Purchase Agreement. Notwithstanding the foregoing, if the actual or anticipated date of the first year of condominium operation is to be delayed for more than six months, Sponsor will amend the Plan to include a revised budget with current projections. If the amended Unit Owner Common Charges exceed those in the latest projected budget by more than twenty-five (25%) percent, then Sponsor will offer all Purchasers, who signed a Purchase Agreement prior to the Amendment, a right of rescission for a period of fifteen (15) days after the presentation of the amendment containing such revised budget. Any Purchasers exercising their right of rescission will have their deposit refunded, with any interest accrued thereon. See the section entitled "Identity of Parties" for Information concerning the construction professionals.

The Building

The Building will consist of a cellar, a sub-cellar, a ground floor lobby, twelve (12) additional above-ground floors, and a bulkhead above the roof. When the construction is completed, the Building will contain a total of twenty-six (26) Residential Units located on the third level through the thirteenth level and three (3) Community Facility Units on the ground floor and the second level, one of which will include the Swimming Pool and one of which includes twelve (12) Parking Spaces and four (4) Storage Spaces. The Residential Units will be of varying sizes, and subject to the Sponsor's right to change the size of, the number of, and/or layout of any Unsold Unit.

Residential Units will include the installation of new kitchen appliances, custom cabinets, bathroom equipment and finished floors. See the Architect's Report attached hereto as Exhibit E of Part II of the Plan for a description of the appliances, equipment and fixtures included within the Units. The Community Facility Units will consist of medical offices and one Community Facility Unit with the Swimming Pool. Entrance to the Community Facility Units will be the same as the entrance to the Residential Units. The Building will also include a Parking Unit and a Storage Unit, ownership of which will be retained by the Sponsor.

The Building and the Residential Units will be constructed in accordance with all applicable zoning and building laws, regulations, codes and requirements of all governmental entities having jurisdiction, including, without limitation, the New York City Building Code and the Zoning Resolution. Purchasers of the Community Facility Units shall be responsible for any construction or alterations which might be required in order to comply with all applicable zoning and building laws, regulations, codes and requirements for the particular use of that Community Facility Unit. See the Architect's Report attached hereto as Exhibit E of Part II of the Plan for a detailed description of the Building's condition.

The Units

Subject to the rights of the Sponsor and its designee to change the number of Unsold Units, there will be a total of twenty-six (26) Residential Units, three (3) Community Facility Units, which will have medical offices and the Swimming Pool, a Parking Unit, and a Storage Unit in the Building. Detailed descriptions of the Units are set forth in the Declaration of Condominium attached hereto as Exhibit F of Part II of the Plan as well as in the Architect's Report (Exhibit E of Part II of the Plan).

Generally, a Unit consists of the area measured horizontally from the exterior of the Unit side of the glass or the outer face of the exterior wall (perimeter columns and perimeter mechanical pipes are not deducted) to the centerline of all interior walls and partitions separating one Unit from another Unit, corridors, stairs, elevators, and other mechanical equipment space or any Common Elements. Units include entrance doors, interior walls, partitions and doors, floor and ceiling coverings, all windows, including panes, casements and frames and all equipment, fixtures and appliances, plumbing and wiring affixed, attached or appurtenant to such Unit and benefiting only that Unit. A more detailed narrative description of the term "Unit" is set forth in Article 5 of the Declaration of Condominium attached hereto as Exhibit F. The proposed size, layout and approximate dimensions of typical Units are depicted on the floor plans set forth as Exhibit E in Part II of the Plan.

New York City requires the installation of carbon monoxide detectors by owners of multiple dwellings and, as per New York City requirements, all Units will be equipped with a carbon monoxide detector.

The Common Elements

The Common Elements consist of the Land and all parts of the Building other than the Units and the Limited Common elements, including, without limitation, the following:

(a) all foundations, columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, roofs and ceilings, to the extent that the same are not expressly provided in the Declaration of Condominium to be included as a part of a Unit or the Limited Common Elements;

(b) all hallways, corridors (except to the extent incorporated into any Unit), lobbies, vestibules, plazas, patios, cellars, yards, stairs, stairways (except internal stairways), the two handicapped Parking Spaces, mechanical and electrical equipment spaces, spaces devoted to the use of persons employed in connection with the operation of the Property and entrances to, and exists from, the Building, to the extent same are not expressly provided in the Declaration of Condominium to be included as part of a Unit or the Limited Common Elements;

(c) all central and appurtenant installations for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, ventilation, and other mechanical and electrical systems, to the extent that the same are not expressly provided in the Declaration of Condominium to be included as a part of a Unit or the Limited Common Elements (hereinafter collectively referred to as the "Equipment"); and

(d) all other parts of the Property, and all apparatus and installations existing in the Building or on the Property, either for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property and not expressly provided in the Declaration of Condominium, to be included as part of a Unit or the Limited Common Elements.

The Limited Common Elements

The Limited Common Elements include the twenty-six (26) Parking Spaces appurtenant to the twenty-six Residential Units, the twelve (12) Parking Spaces appurtenant to Community Facility Unit #1, the four (4) Storage Spaces appurtenant to Community Facility Unit #1, the mailboxes, the roof deck, the terraces, the patios, the intercom system, the storefronts and any nonstructural portion of the exterior walls below the third story and any area of the Building to which there is direct and exclusive access from the interior of a Unit and which will be used exclusively by the Owner of

such Unit.

Services and Facilities

The Building will be maintained, operated and staffed in a manner to be determined by the Board of Managers. Initially there will be one full-time super/porter (who will be on call 24 hours a day, 7 days per week) and 4.2 doormen (which will allow for an attended lobby 24 hours a day, 365 days a year). The services and facilities enumerated below shall be in effect at the time of the First Closing.

Heating and Air Conditioning

The building shall be provided with a hot water boiler plant. The boiler plant shall consist of two, (3) copper tube, atmospheric gas-fired modular boilers, Larrs, Model PNCH 1500 or equivalent. The boilers shall be rated at 1,260 MBH output each. The boiler manufacturer shall provide a coordinated system of operating controls including modular boiler step controller to sequence the boilers, outdoor air temperature sensor and controls to start hot water circulating pumps at 55 deg. F. and to schedule the leaving water temperature in accordance with the outdoor air temperature. The hot water shall be circulated by means of circulating pumps and a distribution system made from Schedule 40 steel, or type "L" copper pipes. Residential style packaged through the wall air conditioning units (PTAC) with hot water heating coils shall be provided at the building interior in the living spaces. There shall be one integral temperature control for each PTAC unit. The PTAC unit shall be manufactured by McQuay Corporation or equal. Each Residential Unit will be provided with packaged terminal air-conditioning (PTAC) units meeting energy requirements of the New York State Energy Conservation Code. See Schedule C for PTAC unit locations.

The main lobby is to be provided with two 48,000 BTUH split, air-conditioning and heating units.

Electricity and Gas

Each Residential and Community Facility Unit will be separately metered for electricity. Each Unit Owner will pay the cost of electricity consumed in his Unit directly to the utility company and same is not included in the Common Charges. See Schedule B-1 for a projection of individual Residential Unit electrical costs.

Gas for heating and hot water to the Residential Units, the Community Facility Units, the Parking Unit, the Storage Unit, and the Common Areas is included in the common expenses and will be born by all Unit Owners. Costs for cooking gas will be included in the common expenses, but will be born solely by the Residential Unit Owners.

Water Service

The City of New York will provide the water supply and the combined sewer service and the cost of such service is included in the Common Charges for the Building. All Unit Owners will pay their proportionate share of the expenses for water and sewer.

Notwithstanding the foregoing, if the Board of Managers determines, at their sole discretion, that the Community Facility Unit with the Swimming Pool uses much more than the proportionate share anticipated in this offering plan, then the Board of Managers shall have the right to require that the Owner of the Community Facility Unit with the Swimming Pool install a sub-meter, the sole cost and expense of the Owner of the Community Facility Unit with the Swimming Pool, to measure any such consumption.

Mail

Each Residential Unit Owner will have a locked mailbox located in the lobby. Incoming mail will be delivered to the Building and inserted into the mailboxes by the U.S. Postal Service.

Refuse Disposal

Access to the trash chute shall be located on each residential floor. There will be one compactor located in the refuse disposal room in the cellar servicing all Residential Units. Refuse for the Residential Units will be stored in a residential trash compactor room in the cellar pending its pickup by the New York City Sanitation Department. The Community Facility Units will have a storage/disposal room for trash storage in the cellar pending its pickup by the New York City Sanitation Department. It is the responsibility of the Community Facility Unit Owners to arrange for the trash to be picked up from the Building. The Sanitation Department will only pick up Residential Unit trash. The Community Facility Unit Owners may also have to use their own container.

Elevator Service

The Residential Units and the Community Facility will be served by two (2) gearless traction elevators.

Building Personnel

The Building staff will include one full-time super/porter (who will be on call 24 hours a day, 7 days per week) and 4.2 doormen (which will allow for an attended lobby 24 hours a day, 365 days a year).

Laundry

Each Residential Unit will be provided with an electronically operated washer and dryer. No vents are being provided for the washer and dryer installations.

Appliances

All Residential Units will have the following additional equipment installed within the Unit: refrigerator/freezer; gas range; and dishwasher.

Neither Sponsor, the Managing Agent, nor the Board of Managers will be liable in the event of any interruption, discontinuance, or reduction in the quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person, other than Building personnel, or for any injury to person or damage to property resulting from any act or omission of such company or person or their employees or agents. Nothing contained herein is intended to relieve Sponsor for any obligation it may have to complete the Building in the manner described in the Architect's Report set forth as Exhibit E in Part II of the Plan.

LOCATION AND AREA INFORMATION

Location: Area and Neighborhood Description

The Property is bounded by West 235th Street to the North, Netherland Avenue to the East, West 232nd Street to the South and Arlington Avenue to the West. The building entrance is located at 3220 Arlington Avenue, and the entrance to the underground parking is located on the Netherland Avenue. The land is known as Block 5788, Lots 78 and is located in the Bronx, New York.

The Property is located in a mixed-use area, which permits both residential and community facility structures. Transportation, shopping, recreational, medical, religious and educational facilities are all accessible. Police, fire, sanitation, snow removal and road maintenance services are all provided by the City of New York.

Water and Sewage

The City of New York will supply water and sewer services and the related charges will be included in the common expenses of the Condominium.

The Neighborhood

Riverdale is an upscale residential neighborhood in the northwest Bronx in New York City. It has a population of approximately 50,000 people. It is bordered on the west by the Hudson River, on the north by Yonkers, New York and on the east by a large hill separating Riverdale from the Kingsbridge section of the Bronx. Two weekly newspapers, the Riverdale Press and the Riverdale Review, focus on news of interest to residents of the neighborhood.

Shopping

There is a cluster of small shops and eateries right around the corner on West 238th and 242nd Streets. The Central Riverdale Shopping district just blocks away contains supermarkets and green groceries, pharmacies, dry cleaners, pizza shops, coffee shops, bagel shops, bakeries, fish store, wine and liquor shops, restaurants with various cuisines, including Chinese, Japanese, Thai, Indian and Italian food, and many other boutiques. The local shops and restaurants include many Kosher establishments as well.

Parks

Van Cortlandt Park, the city's third largest park, is located five blocks away. It features playing fields, tennis courts, a parade ground, jogging paths, stables, a freshwater lake and the nations oldest public golf course. In addition there is the Brust Park and Ruth MacLaughlin playground just blocks away. Wave Hill, comprising a 28 acre former grand estate is a combination garden and outdoor art gallery which

offers classic gardens and garden café concerts and dance performances.

Schools

Riverdale contains three of New York City's most prestigious private schools Horace Mann, Riverdale Country and Fieldston. Many Riverdale residents attend Bronx Science, a public high school. The public elementary schools in the area are P.S. 24 and P.S. 81. Two private universities, Manhattan College and the College of Mount Saint Vincent, are also located nearby. Riverdale's three Jewish schools, the Kinneret Day School, the Yeshiva of Telshe Alumni High School and the Salater Akiva Riverdale (SAR) Academy, are included with the top Jewish schools in the country. Also, the nearby St. Gabriels School and St. Margaret of Cortona School are among the best private Catholic schools in the New York Archdiocese.

Religious Facilities

There are houses of worship of most major faiths and denominations within walking distance of Arlington Suites, including Orthodox, Conservative and Reform Jewish congregations. Two Catholic churches and several Protestant churches are located nearby.

Hospitals

The area is served by several prestigious hospitals, including the Allen Pavilion of Columbia Presbyterian Medical Center at Broadway and 225th Street in northern Manhattan, the Montefiore Medical Center on East 210th Street in the Bronx and St. Joseph's Medical Center on South Broadway in Yonkers. Numerous private physicians, medical groups, and dentists have offices within a short walk of the Condominium.

Transportation

The 1 and 9 subway lines and the Hudson line of the Metro North commuter railroad run through the neighborhood. Commuting time from the Spuyten Duyvil station to Grand Central Station in Midtown Manhattan takes around 25 minutes. The commute by subway to Manhattan takes from 10-45 minutes depending on the destination. Manhattan can also be easily reached by the MTA Express Bus service with one route covering the West side to Penn Station on Seventh Avenue and the other covering the East side of Manhattan to 34th Street. For those who prefer driving, the Henry Hudson Parkway, Major Deegan Expressway and Broadway all lead directly to Manhattan.

Utilities

1. Gas: To be supplied by Con Edison or other commercial gas provider.
2. Electric: To be supplied by Con Edison.

3. Water: Water mains are existing in city streets.
4. Sewers: Sanitary and storm sewers are existing in the city streets. New storm and sanitary drains will be connected to existing sewers.
5. Each unit will have an individual electric meter.

Police, Fire, Water, Snow Removal & Road Maintenance

These services (including snow removal from the street but excluding snow removal from the sidewalk which is the responsibility of the Condominium) are provided by the City of New York and all charges (except water) are financed through real estate taxes paid by Unit Owners to the City of New York, Water charges for the Units will be paid by Unit Owners as Common Expense of the Condominium.

Surrounding Areas

One of the major attractions of Arlington Suites is its proximity to New York City. New York City and particularly Manhattan, as one of the largest and most exciting cities in the world. It attracts people for its diversity of economic opportunity and its quality of life. New York City is the most heterogeneous city in the U.S. if not the world.

New York City and particularly Manhattan enjoys one of the world's largest premier economies. Manhattan, which provides nearly two-thirds of New York City's total employment, is a worldwide economic engine with a strong Finance, Insurance, and Real Estate (FIRE) sector focused on Wall Street, the heart of the city's financial district. The financial district is also home to the New York Stock Exchange, American Stock Exchange, the NASDAQ and Commodities Exchange and the Federal Reserve Bank of New York.

SCHEDULE A

OFFERING PRICES AND RELATED INFORMATION

Arlington Suites
3220 Arlington Avenue
Bronx, New York
JUNE 1, 2007 TO MAY 31, 2008

[1] Unit No.*	[1] Bds/ Baths	[1] Terrace/ Balcony Area S/F	[1] Square Footage (Approx.)	[2] Offering Price	[3] Common Interest	[3] Residential Common Interest	[3] Community Facility Common Interest	[4] Estimated Common Charges Annually	[4] Estimated Common Charges Monthly	[5] Real Estate Taxes, With 421a Benefits Annually	[5] Real Estate Taxes, With 421a Benefits Monthly	[5] Real Estate Taxes, Without 421a Benefits Annually	[5] Real Estate Taxes, Without 421a Benefits Monthly	[6] Carrying Charges With 421a Benefits Annually	[6] Carrying Charges With 421a Benefits Monthly	[6] Carrying Charges Without 421a Benefits Annually	[6] Carrying Charges Without 421a Benefits Monthly
Residential Units:																	
3A-t,p	3/2.5	1,210	1,902	$ 1,350,000	2.97%	3.91%	N/A	$ 16,520.35	$ 1,376.70	$ 392.01	$ 32.67	$ 17,146.55	$ 1,428.88	$ 16,912.36	$ 1,409.36	$ 33,666.90	$ 2,805.58
3B-t,d,p	2/2.5	709	1,875	$ 1,285,000	2.76%	3.65%	N/A	$ 15,421.81	$ 1,285.15	$ 373.09	$ 31.09	$ 16,318.86	$ 1,359.91	$ 15,794.90	$ 1,316.24	$ 31,740.67	$ 2,645.06
3C-t,d,p	5/3.5	1,637	3,333	$ 2,333,000	5.06%	6.63%	N/A	$ 28,012.77	$ 2,334.40	$ 677.38	$ 56.45	$ 29,627.90	$ 2,468.99	$ 28,690.15	$ 2,390.85	$ 57,640.67	$ 4,803.39
3D-t,b,d,p	4/3	1,059	2,237	$ 1,565,000	3.37%	4.43%	N/A	$ 18,717.43	$ 1,559.79	$ 454.49	$ 37.87	$ 19,878.91	$ 1,656.58	$ 19,171.92	$ 1,597.66	$ 38,596.34	$ 3,216.36
4A-b,p	3/2.5	71	1,902	$ 1,185,000	2.58%	3.40%	N/A	$ 14,365.52	$ 1,197.13	$ 344.06	$ 28.67	$ 15,049.09	$ 1,254.09	$ 14,709.58	$ 1,225.80	$ 29,414.61	$ 2,451.22
5A-b,p	3/2.5	71	1,902	$ 1,195,000	2.58%	3.40%	N/A	$ 14,365.52	$ 1,197.13	$ 346.97	$ 28.91	$ 15,176.06	$ 1,264.67	$ 14,712.49	$ 1,226.04	$ 29,541.58	$ 2,461.80
5B-p	3/2.5		1,886	$ 1,195,000	2.53%	3.34%	N/A	$ 14,112.01	$ 1,176.00	$ 346.97	$ 28.91	$ 15,176.06	$ 1,264.67	$ 14,458.98	$ 1,204.92	$ 29,288.07	$ 2,440.67
5C-b,p	3/3	62	1,872	$ 1,175,000	2.53%	3.35%	N/A	$ 14,154.27	$ 1,179.52	$ 341.16	$ 28.43	$ 14,922.11	$ 1,243.51	$ 14,495.43	$ 1,207.95	$ 29,076.38	$ 2,423.03
6A-b,p	3/2.5	71	1,902	$ 1,205,000	2.58%	3.40%	N/A	$ 14,365.52	$ 1,197.13	$ 349.87	$ 29.16	$ 15,303.04	$ 1,275.25	$ 14,715.39	$ 1,226.28	$ 29,668.56	$ 2,472.38
6B-p	3/2.5		1,886	$ 1,205,000	2.53%	3.34%	N/A	$ 14,112.01	$ 1,176.00	$ 349.87	$ 29.16	$ 15,303.04	$ 1,275.25	$ 14,461.88	$ 1,205.16	$ 29,415.05	$ 2,451.25
6C-b,p	3/3	62	1,872	$ 1,185,000	2.53%	3.35%	N/A	$ 14,154.27	$ 1,179.52	$ 344.06	$ 28.67	$ 15,049.09	$ 1,254.09	$ 14,498.33	$ 1,208.19	$ 29,203.36	$ 2,433.61
7A-b,p	3/2.5	71	1,902	$ 1,215,000	2.58%	3.40%	N/A	$ 14,365.52	$ 1,197.13	$ 352.77	$ 29.40	$ 15,430.02	$ 1,285.84	$ 14,718.29	$ 1,226.52	$ 29,795.54	$ 2,482.96
7B-p	3/2.5		1,886	$ 1,215,000	2.53%	3.34%	N/A	$ 14,112.01	$ 1,176.00	$ 352.77	$ 29.40	$ 15,430.02	$ 1,285.84	$ 14,464.78	$ 1,205.40	$ 29,542.03	$ 2,461.84
7C-b,p	3/3	62	1,872	$ 1,190,000	2.53%	3.35%	N/A	$ 14,154.27	$ 1,179.52	$ 345.57	$ 28.80	$ 15,114.93	$ 1,259.58	$ 14,499.84	$ 1,208.32	$ 29,269.20	$ 2,439.10
8A-b,p	3/2.5	71	1,902	$ 1,225,000	2.58%	3.40%	N/A	$ 14,365.52	$ 1,197.13	$ 355.68	$ 29.64	$ 15,556.99	$ 1,296.42	$ 14,721.20	$ 1,226.77	$ 29,922.51	$ 2,493.54
8B-p	3/2.5		1,886	$ 1,225,000	2.53%	3.34%	N/A	$ 14,112.01	$ 1,176.00	$ 355.68	$ 29.64	$ 15,556.99	$ 1,296.42	$ 14,467.69	$ 1,205.64	$ 29,669.00	$ 2,472.42
8C-b,p	3/3	62	1,872	$ 1,195,000	2.53%	3.35%	N/A	$ 14,154.27	$ 1,179.52	$ 346.97	$ 28.91	$ 15,176.06	$ 1,264.67	$ 14,501.24	$ 1,208.44	$ 29,330.33	$ 2,444.19
9A-b,p	4/3	71	2,445	$ 1,699,000	3.32%	4.36%	N/A	$ 18,421.67	$ 1,535.14	$ 493.30	$ 41.11	$ 21,576.63	$ 1,798.05	$ 18,914.97	$ 1,576.25	$ 39,998.30	$ 3,333.19
9B-t,d,p	3/2.5	239	2,452	$ 1,899,000	3.38%	4.45%	N/A	$ 18,801.94	$ 1,566.83	$ 551.47	$ 45.96	$ 24,120.87	$ 2,010.07	$ 19,353.41	$ 1,612.78	$ 42,922.81	$ 3,576.90
9C-t,d,p	4/3.5	825	2,414	$ 1,975,000	3.53%	4.64%	N/A	$ 19,604.71	$ 1,633.73	$ 573.51	$ 47.79	$ 25,084.95	$ 2,090.41	$ 20,178.22	$ 1,681.52	$ 44,689.66	$ 3,724.14
10A-b,p	3/2.5	71	1,902	$ 1,245,000	2.58%	3.40%	N/A	$ 14,365.52	$ 1,197.13	$ 361.48	$ 30.12	$ 15,810.95	$ 1,317.58	$ 14,727.00	$ 1,227.25	$ 30,176.47	$ 2,514.71
11A-b,p	3/2.5	71	1,902	$ 1,255,000	2.58%	3.40%	N/A	$ 14,365.52	$ 1,197.13	$ 364.39	$ 30.37	$ 15,937.92	$ 1,328.16	$ 14,729.91	$ 1,227.49	$ 30,303.44	$ 2,525.29
11B-p	4/3		2,769	$ 2,099,000	3.73%	4.91%	N/A	$ 20,745.51	$ 1,728.79	$ 609.53	$ 50.79	$ 26,660.40	$ 2,221.70	$ 21,355.04	$ 1,779.59	$ 47,405.91	$ 3,950.49
12A-b,p	3/2.5	71	1,902	$ 1,265,000	2.58%	3.40%	N/A	$ 14,365.52	$ 1,197.13	$ 367.29	$ 30.61	$ 16,064.90	$ 1,338.74	$ 14,732.81	$ 1,227.73	$ 30,430.42	$ 2,535.87
12B-t,d,p	3/2.5	1,652	2,262	$ 1,950,000	3.60%	4.74%	N/A	$ 20,027.23	$ 1,668.94	$ 566.31	$ 47.19	$ 24,769.86	$ 2,064.16	$ 20,593.54	$ 1,716.13	$ 44,797.09	$ 3,733.09
13A-t,b,d,p	3/2.5	1,881	1,967	$ 1,499,000	3.28%	4.32%	N/A	$ 18,252.67	$ 1,521.06	$ 435.35	$ 36.28	$ 19,041.80	$ 1,586.82	$ 18,688.02	$ 1,557.33	$ 37,294.47	$ 3,107.87
RESIDENTIAL TOTAL:		**10,099**	**53,904**	**$ 37,029,000**	**75.88%**	**100.00%**	N/A	**$422,515.40**	**$35,209.62**	**$ 10,752.00**	**$ 896.00**	**$470,284.00**	**$39,190.33**	**$433,267.40**	**$36,105.62**	**$ 892,799.40**	**$74,399.95**
Non-Residential Units:																	
CM.1-12p,4s	N/A	N/A	11,200	$ 6,160,000	15.27%	N/A	95.84%	$ 84,979.12	$ 7,081.59	$ 26,060.01	$2,171.67	$ 82,832.12	$ 6,902.68	$111,039.13	$ 9,253.26	$ 167,811.24	$13,984.27
CM.2	N/A	N/A	486	$ 267,300	0.66%	N/A	4.16%	$ 3,688.58	$ 307.38	$ 1,129.84	$ 94.15	$ 3,591.20	$ 299.27	$ 4,818.42	$ 401.54	$ 7,279.78	$ 606.65
CMP	N/A	N/A	5,000	$ 2,750,000	5.64%	N/A	N/A	$ 28,166.20	$ 2,347.18	$ 11,636.15	$ 969.68	$ 36,985.68	$ 3,082.14	$ 39,802.35	$ 3,316.86	$ 65,151.88	$ 5,429.32
CM TOTAL:			**16,686**	**$ 9,177,300**	**21.57%**	N/A	**100.00%**	**$116,833.90**	**$ 9,736.16**	**$ 38,826.00**	**$3,235.50**	**$123,409.00**	**$10,284.08**	**$155,659.90**	**$12,971.66**	**$ 240,242.90**	**$20,020.24**
PK	N/A	N/A	18 cars	N/A	1.80%	N/A	N/A	$ 8,989.20	$ 749.10	$ 4,523.00	$ 376.92	$ 14,691.00	$ 1,224.25	$ 13,512.20	$ 1,126.02	$ 23,680.20	$ 1,973.35
ST	N/A	N/A	26 storage	N/A	0.75%	N/A	N/A	$ 3,745.50	$ 312.13	$ 1,809.00	$ 150.75	$ 5,877.00	$ 489.75	$ 5,554.50	$ 462.88	$ 9,622.50	$ 801.88
OFFERING TOTAL:		**10,099**	**70,590**	**$ 46,206,300**	**100.00%**	**100.00%**	**100.00%**	**$552,084.00**	**$46,007.00**	**$ 55,910.00**	**$4,659.17**	**$614,261.00**	**$51,188.42**	**$607,994.00**	**$50,666.17**	**$ 1,166,345.00**	**$97,195.42**

*KEY: t = terrace; b = balcony; d = duplex; s = storage space; p = parking space; CM.1 = Community Facility Unit #1; CM.2 = Community Facility Unit #2; CMP = 501C-3 COM. FACILITY UNIT WITH POOL; PK = Parking Unit; ST = Storage Unit

SCHEDULE A [CONTINUED]
Arlington Suites
3220 Arlington Avenue
Bronx, New York
JUNE 1, 2007 TO MAY 31, 2008

[7]

PARKING UNIT LEASES:

Space No.	Lease Price	Rent With 421a Benefits		Rent Without 421a Benefits	
		Annually	Monthly	Annually	Monthly
Space 1	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 2	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 3	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 4	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 5	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 6	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 7	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 8	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 9	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 10	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 11	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 12	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 13	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 14	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 15	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 16	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 17	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
Space 18	$ 35,000	$ 750.68	$ 62.56	$ 1,315.57	$ 109.64
TOTAL:	$ 630,000	$ 13,512.24	$ 1,126.08	$ 23,680.26	$ 1,973.52

SCHEDULE A [CONTINUED]
Arlington Suites
3220 Arlington Avenue
Bronx, New York
JUNE 1, 2007 TO MAY 31, 2008

[7]

STORAGE UNIT LEASES:

Space No.	Lease Price	Rent With 421a Benefits		Rent Without 421a Benefits	
		Annually	Monthly	Annually	Monthly
Space 1	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 2	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 3	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 4	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 5	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 6	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 7	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 8	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 9	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 10	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 11	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 12	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 13	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 14	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 15	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 16	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 17	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 18	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 19	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 20	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 21	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 22	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 23	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 24	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 25	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
Space 26	$ 15,000	$ 213.64	$ 17.81	$ 370.10	$ 30.85
TOTAL:	$ 390,000	$ 5,554.64	$ 463.06	$ 9,622.60	$ 802.10

FOOTNOTES TO SCHEDULE A

(1) Any floor plan or sketch shown to a Prospective Purchaser is only an approximation of the dimensions and layout of a typical Unit. Plans and dimensions may also contain variations from floor to floor. Each Unit should be inspected prior to purchase to determine its actual dimension, layout and physical condition. The number of rooms has been calculated on the basis of the number of bedrooms. The Floor Plans for each Unit are included in Part II of the Offering Plan.

(2) The purchase price for any Unit is subject to change and is negotiable. The Plan will be amended to reflect (i) a general price change affecting a group, line, or other category of Unit (as distinguished from an isolated price change), (ii) a price change to be advertised in a newspaper or other media, or (iii) a higher price on an individual Unit. See the section entitled "Changes in Prices or Units" for full details. Prospective Purchasers are advised that in addition to the purchase price, they will be responsible for certain closing adjustments and will incur closing costs, such as fees to Ganfer & Shore, LLP in connection with the Closing of title to Purchaser's Unit, including (i) the sum of $2,000 to reimburse Sponsor for its legal fees; (ii) an adjournment fee of $500, if the original closing date is postponed, (iii) an additional attendance fee of $500, if Purchaser requests the Closing to occur at an office other than the offices of Ganfer & Shore, LLP; (iv) a fee of $1,000, if Sponsor, in its sole discretion, consents to Purchaser's request to an assignment of the Purchase Agreement; and (v) a fee of approximately $100.00 for the preparation of the Acris documentation. See the section entitled "Unit Closing Adjustments and Costs" for further discussion.

(3) Pursuant to Section 339(i), (iv) and (m) of the Condominium Act, the percentage of Common Interest of each Unit in the Common Elements was based upon the floor space, subject to the location of such space and the additional factors of relative value to other spaces 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. Any dispute relating to the appropriateness of the allocation will be submitted to arbitration pursuant to Article II of the By-Laws.

Two different Percent Common Interests are allocated to each Residential and Community Facility Unit. The Percent Common Interest is the proportionate share each Unit will pay of the expenses shared by all Units. The Percent Residential Common Interest is the proportionate share each Residential Unit will pay of the expenses that are the sole responsibility of the Residential Units. The Percent Community Facility Common Interest is the proportionate share each Community Facility Unit will pay of the expenses that are the sole responsibility of the Community Facility Units. The Residential Units and Community Facility Units #1 and #2 will share the Pool expenses by splitting the expenses 80% shared by the Residential Units and 20% shared by Community Facility Units #1 and #2. The

20% will be split up by the Community Facility Common Interest percent. For further discussion, please see Schedule B in Part I of this Plan.

(4) The Common Charges estimates were prepared for the first year of condominium operation, assuming same will commence on or about June 2007. No portion of the Common Charges will be tax deductible to individuals occupying Units solely as a residence. The following costs are not included in the Common Charges and must be borne by individual Unit Owners as separate items of expense. See Schedule B-1 for additional details regarding the individual carrying costs applicable to the Residential Units.

(i) the cost of electricity supplied to the Units is separately metered and payable directly by the Unit Owner to the utility company;

(ii) the cost of interior repairs, maintenance and decoration of the Units, including the fixtures, equipment and appliances contained therein;

(iii) any individual insurance coverage for furnishing, belongings, equipment or other personal property in the Unit and/or personal injury occurring within the Unit;

(iv) for a Purchaser receiving purchase money financing, the payments required under his loan; and

(v) real estate taxes levied against the Unit.

(5) Sponsor has or will submit an application for tax exemption benefits pursuant to Section 421a of the New York State Real Property Tax Law. Under Section 421a qualified multiple dwellings are granted a partial tax exemption from real property taxes for a fifteen (15) year period. After the eleventh (11th) year, the exemption from real estate taxes will be cumulatively reduced by twenty (20%) percent every year. 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, nor will the Unit be subject to any lien arising from the non-payment of taxes on other Units.

Based upon the opinion of Jerome Mazursky, dated November 2, 2006, and assuming that the partial exemption will be in effect during the first year of condominium operation, Sponsor has projected the taxes allocated to each Unit. Sponsor projected the taxes based upon a projected taxable assessed valuation of $113,928.00 for 01/01/07 – 12/31/07 with a tax rate of $12.50 per $100.00 of assessed valuation for the Residential Units, which are in tax Class 2, and a tax rate of $11.98 per $100.00 of assessed valuation for the Community Facility Units, the Parking Unit, and the Storage Unit, which are in tax Class 4. If the 421a

exemption benefits are granted, the total tax liability is estimated to be $10,752.00 for the Residential Units, $38,826.00 for the Community Facility Units, $4,523.00 for the Parking Unit, and $1,809.00 for the Storage Unit.

If the application for tax exemption benefits is denied or if the exemption application is not effective as of the commencement of the first year of condominium operation, then, based upon the opinion of Jerome Mazursky, the real estate taxes for all of the Units will be substantially higher. Assuming that the Property does not qualify for the 421a exemption, the taxes, were based on a projected assessed valuation of $3,255,288.00 for 1/1/07 – 06/31/07 and a projected taxable assessed valuation of $6,711,000.00 for 07/1/07 – 12/31/07. If the 421a exemption benefits are denied, the total tax liability is estimated to be $470,284.00 for the Residential Units, $123,409.00 for the Community Facility Units, $14,691.00 for the Parking Unit, and $5,877.00 for the Storage Unit. These estimates are calculated at a tax rate of $12.50 per $100.00 of assessed valuation for the Class 2 Residential Units and $11.45 per $100.00 of assessed valuation for the Class 4 Community Facility Units, Parking Unit and Storage Unit.

It has been the practice of the New York City Real Property Assessment Department to increase the assessed valuation attributable to a parcel under construction during and after completion of the construction. However, since no set formula is used to determine the amount of increase, it is impossible to guaranty what the actual increase in the assessed valuation will be.

SPONSOR MAKES NO REPRESENTATION THAT THE ACTUAL ASSESSED VALUATION WILL NOT EXCEED THE PROJECTED ASSESSED VALUATION, OR THAT THE TAX RATE WILL NOT BE GREATER THAN THE PROJECTED RATE, OR THAT THE 421A STATUTE WILL NOT BE CHANGED. NEITHER THE SPONSOR, COUNSEL TO THE SPONSOR, NOR ANY OTHER PERSON MAKES ANY WARRANTY OR REPRESENTATION THAT THE PARTIAL EXEMPTION FROM REAL ESTATE TAXES 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 THAT WILL BE PAYABLE AT ANYTIME BY ANY UNIT OWNER.

See Exhibit "J" to Part II of the Plan, entitled "Real Estate Tax Consultant's Estimate of Taxes" for additional details regarding the projected taxes.

The real estate taxes for each Unit set forth in Schedule "A" were calculated upon the assumption that the taxes for the first year of Condominium operations will be allocated based on each Units' Purchase Price Percentage. Notwithstanding any such allocation, the City of New York Taxing Authority, when it establishes the individual tax lots, may allocate the taxes in any such other manner as the Taxing Authority deems appropriate. Accordingly, Units having the same Purchase Price

may pay different real estate taxes.

In the opinion of Ganfer & Shore, LLP, counsel to Sponsor, and subject to certain Alternative Minimum Tax Rules and Regulations each Residential Unit Owner who occupies his Unit as his primary residence and who itemizes his deductions may, under present income tax laws, deduct from his income, for the purposes of Federal, New York State and New York City income taxes, any real estate taxes paid with respect to his Unit. See the section below entitled "Taxes - Deductions to Unit Owners and Tax Status of the Condominium" for further discussion.

(6) Each Unit Owner will be responsible for paying the respective Unit's Carrying Charges each month. The monthly Carrying Charge for the Unit is the total of the monthly Common Charges and the monthly Real Estate Taxes allocated to that Unit. The Carrying Charges will vary depending on whether the application for 421-a benefits is granted.

(7) Purchasers of a Unit, who choose to obtain additional Parking Space, will pay to Sponsor or the Owner of the Parking Unit the Lease Purchase Price. Purchaser will then pay to the Sponsor or to the Owner of the Parking Unit the monthly rent of the Parking Space on or before the 1st day of each month. The monthly rent of one Parking Space in the Parking Unit shall never be less than that Parking Space's equal share of the total Carrying Charges for the Parking Unit, which for the first year of Condominium operation is estimated to be $62.56 with 421-a benefits and $109.64 without 421-a benefits.

Purchasers of a Unit, who choose to obtain additional Storage Space, will pay to Sponsor or the Owner of the Storage Unit the Lease Purchase Price. Purchaser will then pay to the Sponsor or to the Owner of the Storage Unit the monthly rent of the Storage Space on or before the 1st day of each month. The monthly rent of one Storage Space shall never be less than that Storage Space's equal share of the total Carrying Charges for the Storage Unit, which for the first year of Condominium operation is estimated to be $17.81 with 421-a benefits and $30.85 without 421-a benefits.

BUDGET

SCHEDULE "B"
ARLINGTON SUITES CONDOMINIUM
PROJECTED BUDGET FOR THE FIRST FULL YEAR
OF CONDOMINIUM OPERATION

JUNE 1, 2007 – MAY 31, 2008

PROJECTED INCOME

(1) Common Charges	
(A) Residential Units	$ 422,515.40
(B) Community Facility Units	$ 88,667.70
(C) Community Facility Unit with Pool	$ 28,166.20
(D) Parking Unit	$ 8,989.20
(E) Storage Unit	$ 3,745.50
Total Projected Income	**$ 552,084.00**

PROJECTED EXPENSES

	Residential Units	Community Facility Units	Community Facility Unit with Pool	Parking Unit	Storage Unit	Total Expense
(2) Salary, Wages, Payroll Taxes and Benefits	$ 136,133.3	$ 28,579.4	$ 10,118.5	$ 3,229.3	$ 1,345.5	$ 179,406.0
(3) Steam Heat and Hot Water	$ 70,552.5	$ 14,811.6	$ 5,244.0	$ 1,673.6	$ 697.3	$ 92,979.0
(4) Utilities	$ 57,828.1	$ 10,646.0	$ 3,769.2	$ 1,202.9	$ 501.2	$ 73,947.5
(5) Water and Sewer	$ 27,304.1	$ 5,732.1	$ 2,029.5	$ 647.7	$ 269.9	$ 35,983.3
(6) Repairs and Maintenance	$ 11,382.0	$ 2,389.5	$ 846.0	$ 270.0	$ 112.5	$ 15,000.0
(7) Services and Supplies	$ 20,297.1	$ 4,261.1	$ 1,508.6	$ 481.5	$ 200.6	$ 26,749.0
(8) Insurance	$ 27,459.5	$ 5,764.7	$ 2,041.0	$ 651.4	$ 271.4	$ 36,188.0
(9) Management Fee	$ 21,246.4	$ 4,460.4	$ 1,579.2	$ 504.0	$ 210.0	$ 28,000.0
(10) Legal and Auditing Fees	$ 4,173.4	$ 876.2	$ 310.2	$ 99.0	$ 41.3	$ 5,500.0
(11) Pool	$ 36,453.0	$ 9,113.2	n/a	n/a	n/a	$ 45,566.2
(12) Contingency	$ 9,686.1	$ 2,033.5	$ 719.9	$ 229.8	$ 95.7	$ 12,765.0
(13) Total Projected Expenses	**$ 422,515.4**	**$ 88,667.7**	**$ 28,166.2**	**$ 8,989.2**	**$ 3,745.5**	**$ 552,084.0**

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

NOTE: SPONSOR REPRESENTS THAT IF AT ANY TIME PRIOR TO THE FIRST UNIT CLOSING, THE OFFERING PLAN MUST BE AMENDED TO INCLUDE A REVISED PROJECTED BUDGET AND SUCH AMENDED PROJECTIONS EXCEED THE PROJECTIONS SET FORTH ABOVE BY TWENTY-FIVE (25%) PERCENT OR MORE, EACH PURCHASER SHALL HAVE THE RIGHT, FOR FIFTEEN (15) DAYS SUBSEQUENT TO THE DATE OF MAILING OR PERSONAL DELIVERY OF A COPY OF SUCH AMENDMENT TO HIM OR HER, TO RESCIND HIS OR HER PURCHASE AGREEMENT, AND, IF NOT OTHERWISE IN DEFAULT, HAVE HIS OR HER DOWN PAYMENT REFUNDED. SPONSOR HAS ATTEMPTED TO MAKE ACCURATE ESTIMATES; HOWEVER, DUE TO INFLATION, CHANGES IN THE ECONOMY AND UNFORESEEN FACTORS, IT IS LIKELY THAT ACTUAL EXPENDITURES WILL DIFFER FROM ESTIMATES SET FORTH HEREIN.

THE ACCOMPANYING NOTES, WHICH FOLLOW THIS SCHEDULE B, ARE AN INTEGRAL PART HEREOF AND SHOULD BE READ IN CONJUNCTION HEREWITH.

Footnotes to Schedule "B"

(1) COMMON CHARGES ($552,084.00)

The Common Charges represent the breakdown of the payments of the Condominium's Expenses. The Units will pay their proportionate share of the Common Expenses as set forth in the section entitled "Schedule A" and described further in the "Footnotes to Schedule A." The estimated common charges to be collected from Unit Owners during the first year of condominium operation are based upon the assumption that the first year of condominium operation will be the twelve months commencing on June 1, 2007. The actual first year of operation may be earlier or later.

The allocation for the common expenses has been done by the Sponsor and is perceived to be fair and equitable.

In the event the projected commencement date of the first year of condominium operation is to be delayed more than 6 (six) months from the anticipated date of the first closing, the plan will be amended to include a revised budget disclosing the then current budget projections.

If the common charged in the revised budget projections exceed the earlier budget projections by twenty-five percent (25%) or more, the Sponsor will offer all purchasers, who signed a Purchase Agreement prior to the amendment, the right to rescind their purchase agreements and have their deposits refunded to them within a period of fifteen (15) days, subsequent to the date of mailing or personal delivery of a copy of the Amendment to the Plan.

(A) RESIDENTIAL UNIT ($422,515.40)

The Residential Unit Owners will pay their Unit's Residential Common Interest share of the total Residential Common Charges, which include the total expenses for cooking gas, 80% of the Pool expenses, and the Residential Common Interest share of the balance of the Condominium projected expenses.

(B) COMMUNITY FACILITY UNITS ($88,667.70)

The Owners of Community Facility Unit #1 and Community Facility Unit #2 will pay their Unit's Community Facility Common Interest share of the total Common Charges for the Community Facility Units, which include 20% of the Pool expenses and the Common Interest share for Community Facility Units #1 and #2 of the balance of the Condominium projected expenses, excluding the expenses for cooking gas, which are not the responsibility of the Owners of Community Facility Units #1and #2.

(C) COMMUNITY FACILITY UNIT WITH POOL ($28,166.20)

The Owner of the Community Facility Unit with the Swimming Pool will pay the total of the Community Facility Unit with Pool Common Charges, which include the Unit's Common Interest share of the Condominium projected expenses, excluding the expenses for cooking gas and Pool, which are not the responsibility of the Owner of the Community Facility with the Swimming Pool.

(D) PARKING UNIT ($8,989.20)

The Owner of the Parking Unit will pay the total of the Parking Unit Common Charges, which include the Unit's Common Interest share of the Condominium projected expenses, excluding the expenses for cooking gas and Pool, which are not the responsibility of the Owner of the Parking Unit.

(E) STORAGE UNIT ($3,745.50)

The Owner of the Storage Unit will pay the total of the Storage Unit Common Charges, which include the Unit's Common Interest share of the Condominium projected expenses, excluding the expenses for cooking gas and Pool, which are not the responsibility of the Owner of the Storage Unit.

(2) SALARIES, WAGES, PAYROLL TAXES AND BENEFITS ($179,406.00)

The budget amount includes base wages, workers compensation, and individual health insurance. The base wages exceed the minimum wage required by state laws. Payroll taxes and the cost of sick days, holidays and vacation pay for a projected shared Building staff of one full-time super/porter (who will be on call 24 hours a day, 7 days per week) and 4.2 doormen (which will allow for an attended lobby 24 hours a day, 365 days a year). The full staff may not be employed until certain building occupancy levels are achieved. The projected level of staffing for the building complies with all applicable housing and labor laws. It is anticipated that such employees will be full time, non-union members.

The employees will be responsible for general janitorial and maintenance functions, such as cleaning, minor repairs and alterations. In the event major repairs and alterations, which the superintendent cannot perform, are required to the Building the Board of Managers will arrange to hire and pay outside laborers and/or contractors. These outside laborers and/or contractors will be required to have access to the Building so that such work can be performed (see the Section entitled Management Agreements and Contracts for more detailed discussion).

(3) STEAM HEAT AND HOT WATER ($92,979.00)

The Budget amount is based upon a letter, dated October 30, 2006, from

Di Bari Engineering, P.C., 99 Main Street, Dobbs Ferry, NY 10622. Heat and hot water for the Condominium will be fueled by gas fired boilers. The budgeted amount for the first year of operation is based on an estimated total consumption of 20,919 Therms for domestic hot water and 41,007 Therms for space heat, totaling an estimated consumption for heat and hot water of 61,926 Therms. The cost for gas is based on an estimated gas cost for 2007 of $1.50 per Therm. The estimated cost for the first year of operation is $92,979.00 including tax for heat and domestic hot water. This cost per therm is based on the current cost for gas.

The usage estimated is for heating and hot water for the Units and the public spaces serving the Building. The estimate for gas consumption includes gas required to heat the Common Elements and to heat water in the central boiler, which supplies domestic hot water to the Units and hot water for the heating coils. Additionally, it includes gas consumption for heating, which will be provided by central boilers located in the mechanical rooms. See Exhibit K in Part II of the Plan, entitled "Engineer's Calculation of Gas & Electrical Consumption" for a further discussion.

The Sponsor is obligated to provide accurate information for Prospective Purchasers and the above estimate is made in good faith. However, it is not possible to predict whether the Budget figure will reflect the actual cost of fuel to be incurred during the first year of Condominium Operation or whether the usage will vary with the level of consumption. Further, consumption will be affected by the severity of the weather, conservation measures (such as staggering hours of heating, lowering the temperatures of the hot water, etc.), if any, adopted by the Board of Managers, and the personal habits of the Unit Owners. The projected rates set forth above are based on the current rates of Con Edison. However, fluctuating fuel prices and other factors such as world conditions may raise the cost of fuel substantially higher than the current rate. If trends of the recent past continue, it is likely that the fuel will increase with the passage of time. It is not possible to forecast when this would occur or the extent of any fuel rate increase, which are outside the control of the Sponsor. See Schedule B-1 for an estimate of the cost of providing gas service to individual Residential Units.

(4) UTILITIES ($73,947.50)

The estimate for utilities includes gas for cooking. The Budget amount is based upon a letter, dated October 30, 2006, from Di Bari Engineering, P.C., with offices at 99 Main Street, Dobbs Ferry, NY 1062. Cooking gas in the Units will be supplied by the Condominium and, therefore, the Residential Units will not be separately metered for cooking gas. The budgeted amount for the first year of operation is based on an estimated consumption of 395.42 Therms monthly for cooking gas based on an estimated average use of 50 cubic feet per day usage for domestic cooking gas at an estimated cost of $1.50 per Therm, including sales tax. The total cost of cooking gas per year is $7,117.50 including

tax for the first year of Condominium operation. This cost per Therm of cooking gas is based on the current cost for gas.

The Sponsor is obligated to provide accurate information for Prospective Purchasers and the above estimate is made in good faith. However, it is not possible to predict whether the Budget figure will reflect the actual cost of cooking gas to be incurred during the first year of Condominium Operation or whether the usage will vary with the level of consumption. Further, consumption will be affected by the severity of the weather, conservation measures, if any, adopted by the Board of Managers, and the personal habits of the Unit Owners. The projected rates set forth above are based on the current rates of Con Edison. However, fluctuating gas prices and other factors such as world conditions may raise the cost of fuel substantially higher than the current rate. If trends of the recent past continue, it is likely that the fuel will increase with the passage of time. It is not possible to forecast when this would occur or the extent of any gas rate increase, which are outside the control of the Sponsor. See Schedule B-1 for an estimate of the cost of providing gas service to individual Residential Units.

The estimate for utilities also budgets for electricity and the budget amount is based upon a letter, dated October 30, 2006, from Di Bari Engineering, P.C., with offices at 99 Main Street, Dobbs Ferry, NY 10622. The estimated electricity expenses for the first year of Condominium operation are based on consumption estimates of 360,430.20 kilowatt-hours per year at the average summer and winter rate of $0.19 per kilowatt-hour, including applicable sales tax and based upon rate classification used in Con Edison SC-9. This cost per kilowatt-hour is based on the current approximate cost for electricity. The total estimated annual electricity cost for the Common Elements at the current rate is $66,830.00 including tax.

The estimate for electricity expenses for the first year of Condominium operation includes all electricity supplied to the Common Areas, including, but not limited to, the operation of such items as elevators, Building motors, exhaust fans, and lighting for corridors, lobbies and stairways. The estimate does not include electricity consumed in individual Units, which are individually and separately metered.

The electric rates are largely affected by increases in the price of the fuel paid by the utility company and are regulated by state agencies. The Sponsor is obligated to provide accurate information for Prospective Purchasers and the above estimate is made in good faith. However, it is not possible to predict whether the Budgeted figure will reflect the actual cost to be incurred during the First Year of Condominium Operation, which will vary with the level of consumption and the cost of electricity. Electricity is generated by the utility company by means of fuel oil as the primary energy source. It is not possible to predict whether the cost of oil used to generate electricity will increase in the near future, or what the amount of the resulting increase in electric rates will be,

if any. The projected figure should be sufficient to cover any reasonable increase in the cost of electricity resulting from the foregoing during the first year of Condominium operation. However, no Budget item is warranted. See Schedule B-1 for the estimated cost of providing electricity to the individual Residential Units.

(5) WATER AND SEWER ($35,983.30)

The budget amount for water and sewer costs for the first year of Condominium operation is based upon a letter, dated October 30, 2006, from Di Bari Engineering, P.C., with offices at 99 Main Street, Dobbs Ferry, NY 10622. The Units and the Common Elements are metered for water consumption. Cost for potable water and waste water were calculated on a basis of ASHRAE Standard of 150 gallons per day, per occupant. Actual cost will vary on the amount of water used by the occupants. Based upon projected residential consumption of 8,427 ccf water consumption per year at the 2006 rate of $4.27 per ccf, the total cost is estimated at $35,983.29 per year, including tax.

(6) REPAIRS, MAINTENANCE, AND SUPPLIES ($15,000.00)

The Budget figure for repairs, maintenance and supplies is based on the normal maintenance and repairs of common areas of the Building, the painting of public halls and Common Elements, and the purchase of normal items, such as cleaning supplies, cleaning equipment, cleaning materials, lubricants, bulbs, public area fixtures, general and hardware supplies and rubbish compactor bags, and other miscellaneous supplies. Unit Owners will be responsible for the cost of the interior repairs in, and decoration and painting of, their respective Units, including appliances. Since the building will be newly constructed it has no operating history upon which to predict future costs of repairs and maintenance. The amount Budgeted is calculated based on the consultant's previous management experience in managing newly constructed Buildings of comparable size, quality and amenities.

No amount is included for items covered by construction warranties or for the cost of any major capital expenditure in the Building. If such expenditure is required, each Unit Owner will be obligated to pay his pro-rata share of such expenditure. It is expected that if the Condominium purchases required minor operating equipment, the funds for the acquisition will be provided from the Working Capital Fund. The Budgeted number does not include repairs, painting, maintenance or supplies for individual Units, which are the responsibility of the individual Unit Owners.

(7) SERVICE CONTRACTS ($26,749.00)

All of the mechanical systems within the building will be new and will be under a full service contract for the first year of condominium operation from the

contractor who installed the system. Some service contracts have been entered into as of the date of the plan. The budgeted amounts are based upon the contracts as well as Sponsor's budget expert in operating similar buildings. While this Budget includes an allowance for possible increased costs that may occur after or possibly during the first year of condominium operation, no warranty is made that the actual costs for these and other services will be in accordance with this projection.

The condominium will enter into agreements for the following services:

Elevator Maintenance	$10,800
Heating and Cooling System, Sprinkler System, Fire Protective Alarm System	$ 7,500
Exterminator	$ 1,385
Uniform Cleaning and Maintenance	$ 4,664
Landscaping	$ 2,400
Pool Services	$17,400

The cost for the Pool Services Contract is included in the estimate for Pool Expenses below.

(8) INSURANCE ($36,188.00)

The Budget amount is projected on the basis of an estimate of insurance costs provided by The Safe Harbour Group, LTD, 250 West Nyack Road, West Nyack, NY 10994, per letter dated January 8, 2007, projecting a cost of $36,188.00. The following insurance coverage will be obtained for the condominium for the first year of operation. The coverage is a comprehensive condominium package policy including boiler and machinery and water damage with the following general coverage and limits. The following insurance coverage meets the requirements of any mortgage lender procured by the Sponsor.

The cost of workers compensation and NYS Disability is not reflected as insurance, as this amount is included in the cost projections for labor.

PROPERTY

Carrier:	Hudson Insurance Company
Coverage:	Real Property (Building/Loss of Rents
Perils:	Special including Flood and Earthquake
Limit:	$15,000,000 Building and Business Income
	$ 2,500,000 Ordinance of Law (Policy Limit)
	$ 2,500,000 Flood Policy (Policy Limit)

	$ 2,500,000 Earthquake (Policy Limit)
	$ 25,000 Flood & Earthquake
Deductible:	$ 5,000 AOP

Valuation: Agreed Amount/ Replacement Cost

SYSTEM BREAKDOWN

Carrier: Chubb Insurance Company

Terms & Conditions:

Building	$15,000,000	
Business Interruption/Extra Expense		Included

GENERAL LIABILITY

Carrier: Zurich Insurance Company

Limits:

$ 1,000,000	Each Occurrence
2,000,000	General Aggregate Liability/Per Location
1,000,000	Occurrence and Aggregate Products& Completed Operations
1,000,000	Any One Person or Organization Personal & Advertising Injury
5,000	Each Occurrence Medical Expense
50,000	Each Occurrence Fire Legal Liability
1,000,000	Occurrence and Aggregate Employee Benefit Liability (subject to a $1,000 deductible)
1,000,000	Garage Keepers Legal Liability ($500 deductible)
1,000,000	Non-Owned and Hired Automobile

Including:

- Lead Paint
- Broad Named Insured Endorsement
- Notice of Knowledge of Occurrence Endorsement (Zurich)
- Terrorism Coverage

Excluding:

- Mold & Mildew
- Absolute Pollution (except Hostile fire)
- Absolute Asbestos
- Professional Liability
- Aircraft Products/Completed Operations And grounding Liability
- Radioactive Matter
- Nuclear Energy Liability
- Employment Related Practices

- Care, Custody & Control

UMBRELLA

Carrier: Zurich Insurance Company

Limit of Liability: $100,000,000

Terms & Conditions:

- General Aggregate Per Location
- Follow Form Automobile (Subject to min. $1,000,000 U/L)
- Follow form Garage Keepers Legal Liability (subj. to min. $1,000,000 per location)
- Follow Form Host Liquor Liability (where applicable, subject to min. $1,000,000 U/L)
- Follow Form employee benefits Liability (subject to min. $1,000,000 U/L)
- Cross Suits Exclusion
- Employee Related Discrimination Exclusion
- Real Estate Errors & Omission Exclusions
- Care, Custody and Control exclusion
- Absolute Asbestos Exclusion
- Absolute Pollution exclusion (hostile fire covered only if covered in the U/L Policy)

WORKER'S COMPENSATOION

We would meet all statutory requirements

NEW YORK STATE DISABILITY

We would meet all statutory requirements

DIRECTORS & OFFICERS

$1,000,000 Limit
$1,000,000 Aggregate

CRIME

$100,000 Limit

PREMIUM BREAKDOWN
(APPROXIMATIONS)

Property, General Liability, Umbrella & boiler	$ 29,788
Directors & Officers	$ 1,600
Crime	$ 750
Workers Compensation	$ 3,750
Disability	$ 300

The total premium for the coverage set forth above is estimated to be $36,188.00. This estimate, however, is subject to inspection and subject to rates in effect on the day of enactment of the insurance policies.

The Sponsor represents that it shall initially provide on behalf of the Condominium, at the Condominium's expense, to be effective at the First Unit Closing, insurance in the amounts for the coverage as set forth above. At the Closing, the Sponsor will deliver the policies or binders of insurance providing the above-mentioned coverage.

Fire and casualty insurance includes coverage for damage to all Common Elements, including, without limitation, damage to all walls, ceilings and floors in the Units (other than those walls, ceilings and floors erected by a Unit Owner other than Sponsor) as finished by the Sponsor in accordance with the Exhibit E entitled "Description of Property and Specifications" appearing in Part II of this Plan.

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

No coverage is provided for such risk as fire and casualty losses to the contents of each individual Unit, except as stated above, nor does the coverage take into account any future replacements, improvements or additions to either the Units or the fixtures, furniture and improvements contained therein by Sponsor as described in Exhibit E.

In addition, no liability coverage for claims for personal injury for any Unit Owner arising from an occurrence within his or her own Unit is included in the coverage provided above. If such coverage is desired, a Unit Owner should obtain a separate policy for liability and damage to the contents of his Condominium Unit, at his own expense.

PURCHASERS SHOULD OBTAIN THEIR OWN INSURANCE FOR RISKS OF LIABILITY AND FIRE AND CASUALTY LOSSES.

The Board of Managers, at some future date, may decide to increase insurance coverage to insure the equity value of the Unit Owners or to require Unit Owners to obtain coverage for their property.

IT SHOULD BE NOTED THAT IN THE EVENT THE PROPERTY IS TOTALLY DESTROYED BY FIRE OR OTHER CASUALTY, THE INSURANCE COVERAGE AS STATED HEREIN, ALTHOUGH SUFFICIENT TO REPLACE THE BUILDING, DOES NOT COVER THE FULL INVESTMENT OF THE UNIT OWNERS. HOWEVER, THE AMOUNT OF INSURANCE, WHICH WILL BE IN EFFECT ON THE CLOSING DATE SHOULD BE SUFFICIENT TO PREVENT THE IMPOSITION OF ANY COINSURANCE FACTOR IN THE EVENT OF PARTIAL LOSS.

In recent years, premiums for insurance (especially fire and liability insurance) have increased significantly. Although the projection is believed to be reasonable, prospective Owners should note that insurance premiums could increase depending on market conditions. It is not possible to predict whether future premiums will continue to escalate at the same substantial rate or will level off. No guaranty is given that the Budget item will not increase. For further discussion of insurance coverage, please see the section titled "Rights and Obligations of Unit Owners."

(9) MANAGEMENT FEE ($28,000.00)

The Sponsor will enter into a Management Agreement with HSC Management Corp., having an office address at 850 Bronx River Road, Suite 108, Yonkers, New York 10708. This firm has considerable experience in the management of residential properties in New York City.

Services of the Managing Agent shall commence upon the conveyance of title by the Sponsor of the first Unit in the Condominium. The Managing Agent is unaffiliated with Sponsor. The agreement will be for an initial term of one year. Thereafter, the agreement will be automatically renewed from year to year, but may be cancelled by either party without cause, upon not less than sixty (60) days prior written notice.

The Managing Agent will receive an annual fee of $28,000 payable in equal monthly installments of $2,333.33 The Managing Agent's fee is comparable to the "median rate" for similar services in comparable buildings. After the first year of operation the management fee will be $34,000 payable in equal monthly installments of $2,833.33.

Management of the Building will entail the following: the hiring of a superintendent to perform certain necessary janitorial and maintenance functions for the Common Elements, such as cleaning the common area, complying with local Building codes and regulations; the paying or causing to be paid all bills for maintaining and operating the Building; the review of proposed sales and/or leasing packages, including references from all Prospective Purchasers; the billing for maintenance and other charges; the setting up and keeping in good order a separate accurate set of books for the Condominium; the hiring of accountants for preparation of federal, state and other income tax returns required by governmental authorities; and, generally, the managing of the Property.

See section entitled "Management Agreement and Contractors" for a more detailed description of the terms of the management contract.

(10) LEGAL & AUDIT FEES ($5,500.00)

The Sponsor has engaged Ganfer and Shore, LLP, 360 Lexington Avenue, New York, New York 10017 on the Condominium's behalf to act as attorney for the Condominium. The estimated cost for minor legal services, which do not include special collection matters or litigation, is $2,000 for the Condominium's first year of operation.

The Budgeted amount for accounting services is based upon a letter, dated June 15, 2006, from Scott N. Langstein, Certified Public Accountant, 877 Carol Ct., Woodmere, New York 11598. The letter indicates a fee quotation of $3,500.00 for preparation of a year-end financial statement and preparation of the income tax returns.

(11) POOL ($45,566.20)

Arlington Suites will be offering many amenities to its unit owners, including a pool. The pool will be located on the first floor of the building in one of the Community Facility Units. There will be a large skylight above the pool as well as windows all around. The pool shall be fabricated in stain-less steel and finished with tiles on the floor and walls. The pool shall be designed constructed and maintained in accordance with the Article 165 of the New York City Department of Health Code and the New York State Sanitary Code part 6, sub-chapter 6.1 as applicable. The pool depth will range from 3 foot, 6 inches to 3 foot, 10 inches. The pool will be 12 feet wide and 50 feet long. There is no diving allowed in the pool area. There will be a maximum of 27 people allowed in the pool area at a time. Spectators are prohibited from entering the pool area. Pets are not allowed in the pool area. There will be separate signs showing hours of operation and when the lifeguard is on duty. There will be both separate and non-separate hours of operation for both men and women. In accordance with New York City Building Codes and New York City Health Codes the pool's pumping and filter systems will

be located in the cellar below the pool. The pool heater will be located in the mechanical room on the cellar level. The pool will be operated by a 501C-3, a non-profit organization, who intends to contract out maintenance and lifeguard duties to EPG Spa and Pool Management, Inc. having offices at 530 E. 76th Street, New York, New York 10021. The estimate for Pool expenses includes a $17,400 estimate for a contract for Pool maintenance and other services.

The Condominium will pay a yearly membership fee in the amount of $45,566.20 to the Community Facility with the Swimming Pool. The Residential Unit Owners and the Owners of Community Facility Units #1 and #2 will share the expense for the membership. The Residential Unit Owners and the Owners of Community Facility Units #1 and #2 will pay a proportionate share of the expense of the Swimming Pool membership fee. The Residential Unit Owners will pay 80% of the fee and the Owners of Community Facility Units #1 and #2 will pay 20% of the membership fee. The Condominium's membership covers use of the Swimming Pool areas only by the residents of the Residential Units, the Owners of Community Facility Unit Owners, and up to ten (10) staff members of each of the Community Facility Units, but not the guests of the Community Facility Units. The guests and extra employees must obtain passes or memberships to the Swimming Pool areas directly from the Owner of the Community Facility Unit with the Swimming Pool, or his agent. Any limit on the number of memberships to the Swimming Pool and the terms of such memberships are yet to be determined. Hours for the pool and other facilities have not yet been set and are to be determined by the 501C-3.

(12) CONTINGENCY ($12,765.00)

Every reasonable effort has been made to prepare an accurate and realistic Budget for the operations of this Condominium. Nevertheless, unforeseen circumstances can have an adverse impact on Building operations. Particularly volatile are the prices of utilities to be provided to the Building. Water & Sewer Charges are difficult to estimate in advance. Repairs and maintenance may be required at any time. For these reasons, it is prudent to add a contingency reserve. The contingency fund is intended to provide for any unanticipated expenses and is to be used at the discretion of the Board of Managers. The operating expenses have been calculated based on an anticipated increase in current rates of expenses. In the event that these funds are not expended, they shall be added to the Working Capital account.

In the event that the actual first year of operation of the Condominium begins later than the projected commencement date of June 1, 2007, as shown on this schedule, the additional operating costs could exceed this amount. The reserve for contingencies does not include a reserve for major capital replacements, for which no provision is made under this Budget because, upon the completion of renovation and construction, all Building systems and equipment will be new.

(13) **TOTAL PROJECTED EXPENSES** **($552,084.00)**

The projections set forth in this budget assume that the first year of Condominium operation will cover the period from June 1, 2007 through May 31, 2008.

The Budget for the First Year of the Condominium Operation is based on the estimates and projections of the management company and the experts retained by the Sponsor. The Budget for Condominium Operation for the second year will be set by the Board of Managers pursuant to the By-Laws and may be equal to or higher than the first year due to the fact that the cost of the items shown in Schedule B may change due to factors beyond the control of the Sponsor and/or the Board of Managers.

The foregoing Budget, however, is not intended and should not be taken as a guarantee by anyone that the income or expenses for the first or any subsequent year of Condominium Operation will be as set forth in said Budget, and it is likely that the actual maintenance charges and expenses will vary from the amounts shown in the Budget.

At the time of the Closing of title of each Unit to a bona fide Purchaser, such Purchaser shall pay into the Working Capital Fund of the Condominium the sum of $5,000.00. This fund is to be used for payment by the Board of Managers of any net Closing adjustment expenses owed to the Sponsor at the time of the First Unit Closing. The amount of the net Closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, with interest, by applying the $5,000 paid by each Purchaser at the Closing of the title to each Unit, against the principal outstanding and interest accrued under the terms of the negotiable installment promissory note to be executed by the Board of Managers at the First Unit Closing. The promissory note shall bear interest at the rate of nine percent (9%) per annum, and shall be payable in installments, with the first such installment due at the First Unit Closing. Thereafter, installments are due upon the Closing of title to each additional Unit Owner and will be satisfied by applying, in the case of each Unit Closing, the $5,000 paid by each Purchaser first against accrued interest owing on the installment promissory note and, thereafter, in reduction of the outstanding balance thereunder. The installment promissory note shall mature no later than the second anniversary of the First Unit Closing, at which time, if there shall remain any outstanding amounts owing under the installment promissory note, it may be necessary for the Board of Managers to separately assess Unit Owners for their pro-rata share of such outstanding balance. Sponsor is hereby authorized to endorse the $5,000 checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the installment note is paid in full. Any amounts remaining after the promissory note has been fully paid, in the Working Capital Fund may be held or used, at any time, for working capital, to make repairs or for such other appropriate purposes

permitted under the Declaration and the By-Laws as determined by the Board of Managers in its sole discretion. Payment of the note represents, in effect, payment of certain expenses reflected in the Budget that have been prepaid by the Sponsor. No separate line for the amount of such note, plus interest, has been included in this Budget since it is not possible, at this time, to anticipate substantial Closing adjustments in favor of the Sponsor. See sections entitled "Working Capital and Reserve Fund" and "Unit Closing Adjustments and Costs" in this Plan for further discussion.

IN THE OPINION OF HSC MANAGEMENT CORP., SET FORTH IN EXHIBIT L ENTITLED "CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET," APPEARING IN PART II OF THIS OFFERING PLAN, 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 JUNE 1, 2007. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE BOARD OF MANAGERS WILL BE AS SET FORTH IN THE SAID PROJECTED BUDGET.

IT IS LIKELY THAT THE ACTUAL COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE PROJECTED BUDGET. SPONSOR HAS RESERVED THE RIGHT TO ENTER INTO THE SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE AND OTHER AGREEMENTS THAT WILL BE BINDING ON THE BOARD OF MANAGERS ON THE COMMENCEMENT OF CONDOMINIUM OPERATION. HOWEVER, SPONSOR MAY NOT ENTER INTO ANY BINDING SERVICE OR MAINTENANCE CONTRACT THAT WILL MATERIALLY INCREASE THE FIRST YEAR'S ESTIMATED COMMON CHARGES UNLESS THE PLAN IS AMENDED TO DISCLOSE ANY SUCH AGREEMENTS.

NOTWITHSTANDING THE COMMON CHARGES SET FORTH ABOVE, SPONSOR HAS RESERVED THE RIGHT, DURING THE FIRST SIX (6) MONTHS OF CONDOMINIUM OPERATION OR UNTIL THERE HAS BEEN A CLOSING OF TITLE TO SEVENTY FIVE (75%) PERCENT OF THE UNITS, WHICHEVER IS LATER, TO REDUCE THE MAINTENANCE CHARGES TO UNIT OWNERS, INCLUDING THE SONSOR, TO THE ACTUAL OPERATING EXPENSES OF THE BUILDING. SEE NOTE 11 IN THE SPECIAL RISK SECTION OF THE PLAN.

SCHEDULE B-1

PROJECTED INDIVIDUAL ENERGY COST BUDGET

The estimated electric utility cost per Residential Unit is based upon a letter, dated October 30, 2006, from Di Bari Engineering, P.C., 99 Main Street, Dobbs Ferry, NY 10622. The following estimate is for annual electric energy costs for lighting and for operating the typical electrical appliances located in each Residential Unit. Cost based on average 1 watt per square foot of apartment area for general light and power and standard use of appliances and air conditioning units.

Electric Utility Cost by Unit type:

APT. TYPE	ELECTRIC COST PER YEAR
3B	$2,648.83
3A TO 8A	$3,304.47
3C	$4,572.83
3D	$3,559.92
5B TO 8B	$3,159.73
5C TO 8C	$3,073.44
9A	$3,670.92
9B	$3,824.69
9C	$4,963.70
10A TO 13A	$3,304.47
11B	$5,165.42
12B	$5,371.14

The electric utility cost per Community Facility Unit could not be estimated at this time. The use of each Community Facility Unit is yet to be determined and the electric utility cost for each Community Facility Unit could vary greatly depending on the type of use, even if each of the Community Facility Units is a medical office. Different medical offices could use different amounts of electricity.

HALSTEAD
PROPERTY

231 Broadway
New York NY 10003

Dated: August 27, 2006

Arlington Suites, LLC
3220 Arlington Avenue
Bronx, NY 10463

Re: 3220 Arlington Avenue
New York, New York ("Property")

OPINION RE: COMPLIANCE WITH RPL 339-i

Ladies and Gentlemen:

I am a licensed real estate broker in the City of New York. I have been involved in the ownership, operation, valuation, and sale of multifamily residential buildings, condominiums and cooperatives for more than 20 years. I have been retained to prepare this opinion concerning compliance of the offering plan for the referenced property with section 339(i) of the New York Real Property Law.

I have reviewed the allocation of common interest as shown on Schedule A to be included in the Condominium Offering Plan for the referenced property.

The allocation of the percentage of Common Interest for the Condominium Units in the Offering Plan for the referenced property is made pursuant to Section 339(i)(1)(iv) of the Real Property Law. The allocations took into consideration the following factors: floor space, subject to the location of such space and the additional factors of relative value to the space in the condominium, the uniqueness of the units, the availability of common elements for exclusive or shared use and the overall dimensions of the particular unit.

Halstead is the selling agent for the property.

Very truly yours,

Halstead Property Development Marketing, LLC.
Licensed Real Estate Broker

Stephen G. Kliegerman
Executive Director of Development Marketing

Sworn to before me this
27th day of August, 2006

Notary Public
LINDA D. SOLOMON
Notary Public State of New York
No. 01SO4807079
Qualified in Bronx County
Commission Expires 01/31/2007

COMMUNITY FACILITY UNITS

The Condominium will contain Community Facility Units. The Community Facilities Unit may only be used as a Community Facility, as defined by the New York City Department of City Planning. Those uses currently include:

(i) Churches, rectories or parish houses;
(ii) Clubs;
(iii) Community Centers or settlement houses;
(iv) Government operated health centers
(v) Medical offices;
(vi) Non-profit hospitals or related facilities;
(vii) Offices for philanthropic organizations;
(viii) Proprietary Hospitals and related facilities;
(ix) Seminaries; and
(x) Welfare Centers

Notwithstanding the foregoing, the Community Facility may be used for any lawful purpose permitted by law, except that it may not be used as a nightclub, Settlement House, a Government Operated Health Center or a Welfare Center. The Community Facility Unit may be lawfully used for purposes that would entail congestion, odors, and other similar inconveniences to residents.

The Community Facility Unit with the Swimming Pool will be completed by the Sponsor, as provided in the Architect's report set forth as Exhibit E in Part II of this Plan. Purchasers are advised that Community Facility Units #1 and #2 will not be finished by the Sponsor and will be delivered "as is" at the time of the closing. Community Facility Units #1 and #2 will be provided as a shell and will include heating, water, and electrical connections. It is the responsibility of the Owners of Community Facility Units #1 and #2 to finish the Units. The Community Facility Unit with the Swimming Pool will include a carpeted multi-purpose room, a conference room with video conferencing capabilities, a ten (10) seat multimedia room, and locker rooms that contain sauna and steam shower's.

A Permanent Certificate of Occupancy for the entire building may not be issued until the Community Facility Units are finished. The Sponsor may close title to Units with a Temporary Certificate of Occupancy. If by the date of the first closing only a Temporary Certificate of Occupancy for the Building has been issued, prospective Purchasers are advised that a Temporary Certificate of Occupancy may be used only for a total of two (2) years from the date of its issuance and that a permanent Certificate of Occupancy is required for permanent residential use of the Building. If the Temporary Certificate of Occupancy expires prior to issuance of a Permanent Certificate of Occupancy, residential occupancy of the Property will be a violation of the Multiple Dwelling Law, subjecting the occupants to penalties under the Multiple Dwelling Law,

including possible eviction of residential occupants. If a Permanent Certificate of Occupancy has not been obtained within two (2) years of obtaining the Temporary Certificate of Occupancy, then, after an inspection, the Board of Managers may renew the Temporary Certificate of Occupancy for a longer period of time.

There are three (3) Community Facility Units, subject to the Sponsor's unconditional right to subdivide or combine Unsold Units. All three Community Facility Units have an entrance through the Public Lobby Area. The Community Facility Unit with the Swimming Pool and Community Facility Unit #2 will also have separate access on street level. The Community Facility Unit Owners have the right to subdivide the Units, subject to applicable governmental regulations and the provisions of the Declaration and By-Laws of the Condominium. Each Community Facility Unit will be separately metered for electricity and the utility company will bill the Community Facility Unit Owners individually for costs of electricity consumption. Each Community Facility Unit will be provided with gas for heat and hot water. The cost for such gas consumption will be included in the expenses for the entire Building and each Unit Owner will pay his or her proportionate share of such expense.

Water and sewer utilities are provided to the Community Facility Unit Owners. The cost of such water is included in the Common Charges and each Unit Owner will pay his or her proportionate share of the Building costs for water and sewer. Notwithstanding the foregoing, if the Board of Managers determines, in its sole discretion, that the Community Facility Unit with the Swimming Pool uses much more water than the proportionate share anticipated in this offering plan, then the Board of Managers shall have the right to require that the Owner of the Community Facility Unit with the Swimming Pool install a sub-meter, at such Unit Owner's sole cost and expense, to measure any such consumption.

The Owners of the Community Facility Units shall have the right to construct ventilation and/or exhaust flues to certain portions of the roof of the Building if the same is required and or appropriate for the use of the Units, and to maintain mechanical equipment on the roof.

After first obtaining Board approval of signs, which approval should not be unreasonably withheld, the Owners of the Community Facility Units shall have an easement to install such signs on the exterior of the Building related to the use of the Community Facility Units, provided also that any such signs comply with all governmental rules and regulations relating to any such installation. The Owners of the Community Facility Units shall not be obligated to pay any fee to the Condominium for the right to place signs on the exterior of the Building.

In addition to any other signage and or use of the exterior walls and the storefronts, the Community Facility Unit Owners may install nameplates and/or

identification signs on the exterior of the Building, provided that such nameplates and/or identification signs, comply with all applicable municipal codes and/or regulations.

The percentage of interest of the Community Facility Units in the Common Elements is based, as in the case of the Residential Units, on method (iv) contained in Section 339-i of the New York Condominium Act, that is, upon floor space, subject to the location of such space and the additional factors, such as the relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. The share of expenses attributable to the Community Facility Units has been projected in accordance with the percentage of interest in the Common Elements allocated to the Community Facility Units, except with respect to expenses for cooking gas and the Pool membership. Cooking gas expenses are not allocated to the Community Facility Units and 20% of the Pool expenses is allocated to Community Facility Units #1 and #2. See Schedule B.

The Sponsor believes, as is confirmed by the Certification of HSC Management Corp., that the Common Charges payable by the Community Facility Unit Owners is sufficient to cover the expenses fairly attributable to such Unit.

The Declaration and By-laws of the Condominium authorize the Board of Managers to specifically allocate expenses or specific expense items and to apportion Common Charges to the Community Facility Units resulting from changes in use or from changed circumstances. In the event of a dispute between a Community Facility Unit Owner and the Board of Managers concerning any special allocation, if the dispute cannot be settled by the parties within sixty (60) days, it shall then be settled by arbitration before one (1) arbitrator appointed according to the applicable rules of the American Arbitration Association in the City of New York.

There will be one Community Facility Unit with a Swimming Pool. The Condominium will pay a membership fee to be a member of this organization. The Residential Unit Owners and the Owners of Community Facility Units #1 and #2 will share the expense for the membership. The Condominium's membership covers use of the Swimming Pool areas only by the residents of the Residential Units, the Owners of Community Facility Unit Owners, and up to ten (10) staff members of each of the Community Facility Units, but not the guests of the Community Facility Units. The guests and extra employees must obtain passes or memberships to the Swimming Pool areas directly from the Owner of the Community Facility Unit with the Swimming Pool, or his agent. Any limit on the number of memberships to the Swimming Pool and the terms of such memberships are yet to be determined. Hours for the pool and other facilities have not yet been set and are to be determined by the Owner of the Community Facility Unit with the Swimming Pool. See Schedules A and B in Part I of this Plan for further details.

CHANGES IN PRICES OR UNITS

The right has been reserved to increase or decrease the purchase price of any Unit. However, no such change in purchase price shall be made with respect to a Unit for which a Purchase Agreement is then in effect without the consent of the Purchaser thereunder.

The Plan will be amended to reflect (i) a general price change affecting a group, line, or other category of Units (as distinguished from an isolated price change), (ii) a price change to be advertised in a newspaper or other media, or (iii) a higher price for an individual Unit.

In the event of a price change for one or more Units, the Purchaser of a Unit may pay, or may have paid, more or less than other Purchasers of comparable Units having the same percentage of Common Interest. A change in price, in and of itself, will not affect the Common Charges or percentage of Common Interest for any Unit (including those Units whose price has changed), nor affect the purchase price stated in any Purchase Agreement then in effect.

The Sponsor also reserves the right to negotiate with Purchasers all aspects of the price of the Units, including but not limited to, (i) renovations or improvements to the Units or the fixtures or equipment contained therein, or credits or allowances therefor; (ii) reduced Down Payments on account of the Purchase Price; (iii) amount of financing, the term of the loan and the lender for which application is to be made; (iv) payment of all or part of the Purchaser's closing costs, and (v) any and all other costs related to acquiring the Unit. Furthermore, Sponsor reserves the right to amend the Plan to add and/or delete negotiable terms.

Changes of Size, Layout, Finishes and Number of Units

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of Prospective Purchasers, or for any other reason, Sponsor reserves the right, both prior to and after the First Closing, to change:

(i) the layout of Unsold Units;

(ii) the number of Units, by subdividing one or more Unsold Units into two or more separate Units, or by combining two or more separate Unsold Units into one or more Units; and

(iii) the size of any Unsold Unit, by subdividing or combining Units as aforesaid, or by altering the boundary walls of Unsold Units or otherwise including, without limitation, the use of the portion(s) of the Common

Elements or Limited Common Elements adjacent to such Unsold Units to the extent that such portion(s) are not necessary for access or egress to any other Units.

No change will be made in the size or number of Units and/or their respective percentages of common interest, and no material change will be made in the size or quality of Common Elements, except by amendment to the Offering plan filed with the Department of Law, and when applicable, an amendment to the Declaration.

Except as provided to the contrary in this Section or in the By-Laws, the right to change the size, layout and the number of Unsold Units may be exercised by Sponsor without the consent or approval of the Board of Managers, any Unit Owner or any mortgagee.

If the size of a Unit is changed either as a result of subdivision, combination, alteration of boundary walls or otherwise, the percentage of Common Interest allocated to such Unit may be increased or decreased accordingly; however, no such reallocation will increase or decrease the total Common Interest allocated to all Units in the Building.

Any reallocation of Common Interest will vary the estimated annual Common Charges for the Unit or Units affected thereby from the amounts estimated in Schedule A; however, such change shall not affect the proportion or amount of Common Charges for other Units.

Except as otherwise provided for herein, unless an affected Purchaser consents, no material change will be made in Unit size, layout or percentage of common interest once a purchase agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default.

Unless all Purchasers consent, no material change will be made in the size, nor in the quality of Common Elements except to the extent that Sponsor, or the Condominium Board, elect to incorporate any Common Element into a Unit, whereupon any such Common Element will become a Limited Common Element.

The layout of a Unit may be changed by altering interior partitions and the like without prior notice or amendment to the Plan. If the number of Units, the size of any Unit or percentage of Common Interest allocated to any Unit is changed in any material respect, the Plan will be amended accordingly.

To the extent not prohibited by law, if the size or configuration of a Unit is changed in compliance with this Plan and the Condominium Documents, and, in connection therewith, a wall, space, or other area forming a part of the Common Elements or Limited Common Elements servicing and benefiting only such Unit is

demolished or incorporated in the Unit, then such Common Element or Limited Common Elements shall be deemed for the exclusive use and benefit of the Owner of such Unit and the Unit's Common Interest will remain unchanged.

Sponsor reserves the right, in its sole and absolute discretion, to change the materials, finishes, fixtures, equipment or appliances specified in the Architect's report, without amendment to the Plan, provided only that the substitution is substantially similar to the item being replaced. In addition, Sponsor reserves the right to make changes in its construction of the Building, including architectural, structural, electrical or mechanical plans, provided only that the approval of any governmental agency having jurisdiction over the work is obtained.

Changes Requested by Purchasers

Sponsor may agree, in its sole and absolute discretion, at the request of any Purchaser, to modify the interior of any Unit, including the fixtures contained therein, or to perform any other specialized work in any Unit prior to the closing, as Purchaser may request, provided only that any such work will comply with any laws, rules or regulations of any governmental agency having jurisdiction over the work. Such work shall be performed upon such terms and conditions as the Sponsor and the Purchaser may agree upon. Sponsor shall have the right to refuse to perform any additional work unless Purchaser shall deposit with Sponsor an additional sum in an amount to be agreed upon, to cover the cost of any such work.

PROCEDURE TO PURCHASE

1. Procedure to Purchase

The Purchase Agreement contains the terms and conditions upon which a Unit will be sold and should be read carefully by each Prospective Purchaser and his or her legal or financial representative before signing it. The form of the Purchase Agreement is set forth as Exhibit A in Part II of the Plan.

A person desiring to purchase a Unit is required to sign four (4) copies of the Purchase Agreement and return it to the Selling Agent together with his or her unendorsed, personal check for ten (10%) percent of the purchase price (the "Down Payment") plus the full cost of any special work ordered by the Purchaser and itemized in the Purchase Agreement.

Sponsor will not accept any Purchase Agreements from Prospective Purchasers unless such Purchasers have received a copy of the Plan at least three (3) business days prior to the submission of the Purchase Agreement. A Prospective Purchaser who submits a signed Purchase Agreement with the requisite Down Payment will have the right for seven (7) days from the date of such submission to rescind his Purchase Agreement and receive his full Down Payment by personally delivering his rescission notice to the Sponsor at 3220 Arlington Avenue, Bronx, New York 10463 within the seven (7) day period, or by mailing the notice of rescission to the Sponsor, with the mailing post-marked within the seven (7) day period.

Within twenty (20) days after receipt of the Purchase Agreement from a Prospective Purchaser, Sponsor will either accept the Purchase Agreement or reject it. If no action is taken within the twenty (20) days the Purchase Agreement shall be deemed rejected. In all situations where the Purchase Agreement is rejected, the Down Payment will be refunded to the Prospective Purchaser without interest. If Sponsor elects to accept the Purchase Agreement, one counterpart signed by Sponsor, will be returned to the Purchaser.

After the Plan is declared effective, Sponsor will give each Purchaser not less than thirty (30) days prior written notice of the date, time and place for the closing of title to his Unit and the date on which the Common Charges for his Unit will be due and payable. At the closing, the Purchaser will pay the balance of the purchase price for his Unit. For a detailed discussion concerning the closing of individual Units, see the sections below entitled "Closing of Title to Individual Units" and "Unit Closing Adjustments and Costs."

All checks in payment of the purchase price (i.e., the Down Payment or other amounts payable prior to the closing) are to be made payable to the order of

"Arlington Suites – Special Account" and must be drawn on a member bank of the New York Clearing House Association.

2. Right to Condition Purchase Agreements on Receipt of Financing

A Purchaser's obligations under the Purchase Agreement are not contingent upon the Purchaser's ability to obtain financing for the purchase of a Unit. Notwithstanding the foregoing, Sponsor reserves the right to make a Purchaser's obligations contingent upon the receipt of a letter of commitment for financing if a prospective purchaser's financial resources are acceptable to Sponsor, in Sponsor's sole and absolute discretion. If Sponsor elects to make a Purchaser's obligations contingent upon financing, then Purchasers should carefully note that such contingency will be expressly made subject to Purchaser's full and timely compliance with the financing contingency provisions of the Purchase Agreement. Among other requirements, Purchasers will be required to submit a loan application to the Selling Agent within the time period set forth therein. Failure to comply with all of the requirements of the contingency provisions will void the financing contingency, and render such Purchase Agreement unconditional and non-contingent with respect to financing.

If Purchaser's obligation is contingent upon obtaining a commitment for financing or actually obtaining financing, then the Purchase Agreement will explain terms of the contingency such as:

1. It will state the time within which the Purchaser must notify Sponsor of any inability to obtain financing.

2. It will include Purchaser's time to obtain financing or a commitment and the risk, if any, that the commitment may expire or that terms may change prior to actual closing.

3. If a Purchaser's obligations are contingent on obtaining financing commitment and the financing commitment lapses or expires prior to closing, and the Purchaser has made a good faith effort to extend the commitment, Sponsor must grant to such Purchaser a right of rescission and a reasonable period of time to exercise the right.

3. Terms of Sale

The following is a summary of certain material provisions contained within each Purchase Agreement. Reference should be made to the form of Purchase Agreement set forth as Exhibit A in Part II of the Plan for the full terms and conditions of the Purchase Agreement.

A. Incorporation of Plan, Exhibits and Amendments

The Plan and any duly filed amendments thereto, and the Exhibits are incorporated by reference into each Purchase Agreement. The execution and submission of a Purchase Agreement constitutes Purchaser's acceptance of the Plan and the Exhibits and Purchaser's agreement to abide and be bound by their terms, as well as the terms of all duly filed amendments to the Plan. No Purchaser shall have the right to approve or consent to any such amendments, and except, as provided under the Plan, no such amendment will excuse a Purchaser from performing his obligations under a Purchase Agreement or entitle such Purchaser to any credit or offset against the purchase price set forth therein. Sponsor, however, shall not have the right to unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in the case of an uncured default by the Purchaser or abandonment of the Plan), nor change the purchase price or payment terms contained in a fully executed Purchase Agreement, unless the Purchaser consents thereto in writing. Any inconsistency between the Plan and any Purchase Agreement shall be resolved in favor of the Plan.

Unless an affected Purchaser consents, no material change will be made in unit size, layout, or percentage of common interest if a purchase agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default.

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 common elements.

B. Trust Fund

The Sponsor will hold the monies received by it or its escrow agent under the Purchase Agreement in trust in a special escrow account as required by Section 71-a(3) of the Lien Law until actually employed in connection with the consummation of the purchase as described herein.

The Sponsor will comply with the escrow and trust fund requirements of the General Business Law, Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

Any provision of any Purchase Agreement or other 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 the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, downpayments, or advances made by Purchasers shall be made payable to "Arlington Suites-Special Account", and will be placed within five (5) business days after the agreement is signed by all necessary parties in a segregated special escrow account of Ganfer & Shore, LLP, 360 Lexington Avenue, 14th Floor, New York, New York, whose number is (212) 922-9250. The signatories on the account will be Steven R. Ganfer, Steven J. Shore, Sandra Jacobus and Mark Berman, partners in the firm.

The funds will be held in a segregated interest bearing escrow account at Citibank, N.A., 120 Broadway, New York, New York, which account is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. Unless the Purchaser defaults, interest will be credited to the Purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts, which, as of the date of this Amendment, is approximately one and one half (1.5%) percent per annum. Interest will begin to accrue either within five (5) business days after the deposit of the Down Payment to the escrow account, provided that the check is an unendorsed check drawn on a New York bank and the check clears, or within five (5) business days after a W-9 Form has been delivered to the escrow agent, whichever is later. Prospective Purchasers are advised that if the deposit is in excess of $100,000, then the amount in excess of $100,000 will not be federally insured.

Within ten business days after the execution by all requisite parties, the escrow agent will notify the Purchaser that such funds have been deposited into the escrow account and will provide the account number and the initial interest rate. If the Purchaser does not receive notice of such deposit within fifteen business days after the Purchase Agreement is signed by all parties, the Purchaser may a) cancel the purchase and rescind, so long as the right to rescind is exercised within ninety (90) days after tender of the deposit, or b) apply to the Attorney General for relief. Rescission may not be afforded where Sponsor submits proof satisfactory to the Attorney General establishing that the escrowed funds were timely deposited and the requisite notice was timely mailed to the Purchaser or subscriber in conformity with the Attorney General's regulations. Rescission may also not be afforded where the deposit was not timely made, but Sponsor or the Holder of Unsold Shares pays to the Purchaser the amount of any lost interest, which Purchaser would have been otherwise entitled to receive if the deposit had been timely made.

Since all Purchase Agreements are contingent upon the Plan becoming effective, Sponsor shall under no circumstances apply for release of defaulting Purchasers' escrowed funds until after consummation of the Plan. Consummation of the Plan is defined as declaration of effectiveness by the Sponsor and acceptance of the amendment by the Department of Law confirming the declaration of effectiveness.

If, instead of closing, the Sponsor cancels the Purchase Agreement because of the Purchaser's default as set forth in the section entitled "Procedure to Purchase," then the Down Payment (but in no event more than ten (10%) percent of the Purchase Price plus interest, if any, plus the cost of optional extras and custom work ordered and any installation costs connected therewith, if any, as incurred) shall be released to the Sponsor by the Escrow Agent as liquidated damages.

The Escrow Agent will hold funds in escrow until the closing under the Purchase Agreement or until otherwise directed in:

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

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

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

If funds are to be released from escrow not in connection with a closing, and if there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations, and has so notified the Escrow Agent in accordance with such provisions.

The Sponsor will not object to the release of the escrowed funds to:

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

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

The Escrow Agent is acting as an accommodation to the Sponsor and shall not be liable for any action taken or omitted under this Plan or any Purchase Agreement, except for its gross negligence or willful misconduct. Escrow Agent shall incur no liability to the Sponsor with respect to any action taken or suffered by it in reliance upon any notice, direction, instruction, consent, statement or other paper or document reasonably believed by it to be genuine. Upon payment of funds in accordance with the terms of the escrow agreement and this Plan, the Escrow Agent will be discharged from liability by the Sponsor.

A Purchaser and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is included in Part II of this Plan as Exhibit H. The party applying for a determination must send all other parties a copy of the application.

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

Included in Part II of this Plan as Exhibit I is a copy of the Escrow Agreement, which incorporates the terms of the Attorney General's regulations.

In the event a conflict should arise over the disposition of any monies deposited in escrow, the attorneys serving as Escrow Agent may represent the Sponsor in such a dispute.

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

The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statutes and regulations.

C. Events of Default

A Purchaser shall be in default under the terms of the Purchase Agreement in the event that a Purchaser:

(i) defaults in paying the balance of the purchase price on the scheduled closing date;

(ii) defaults in performing some other obligation under the Purchase Agreement;

(iii) becomes a tenant or occupant of the Building and fails to pay rent or to perform some other lease or tenancy obligation, or vacates or abandons the Unit; or

(iv) defaults under a Parking Unit Lease or a Storage Unit Lease

In the event of any such default, Sponsor must make a written demand for payment after default at least thirty (30) days before forfeiture of the deposit may be

declared. Sponsor shall notify Purchaser that if Purchaser fails to cure any such default within thirty (30) days after Sponsor has sent to Purchaser a written notice specifying the nature of the default, then Sponsor shall have the right to either (i) retain the Down Payment plus any additional expenses incurred by Sponsor on account of any special work in the Unit ordered by the Purchaser, together with the interest thereon (hereinafter called the "Liquidated Sum"), as liquidated damages, or (ii) seek specific performance. If the Purchase Agreement is cancelled, then any payments received by Sponsor in excess of the Liquidated Sum, together with any interest earned on such excess payments, shall be refunded to the Purchaser within fifteen (15) days after cancellation. Time is "of the essence" for paying any amounts due under the Purchase Agreement and curing any defaults thereunder during the aforementioned thirty (30) day period.

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

D. Deed

At the closing of title to each Unit, the Sponsor will deliver to the Purchaser a Unit Deed substantially in the form set forth as Exhibit D in Part II of the Plan. Each Unit Deed will be a bargain and sale deed with covenants against grantor's acts.

E. State of Title

Sponsor will convey title to each Unit at closing, subject only to the liens and encumbrances set forth in Exhibit A to each Purchase Agreement. In the event the Sponsor is unable to deliver marketable title to a Unit, the Purchaser's sole remedy shall be to accept such title as Sponsor is able to deliver without any reduction in the Purchase Price for his Unit or to rescind his Purchase Agreement and receive back his Down Payment with interest, if any. Reference should be made to the Purchase Agreement set forth as Exhibit A to Part II of the Plan for the complete terms of Sponsor's obligations regarding the state of title to Units.

F. Appliances and Equipment

At closing, each Residential Unit will contain only those appliances, countertops, cabinets, sinks, vanities, hardware and other fixtures and equipment installed therein as set forth in the Plan and the Purchase Agreement pertaining thereto. The Sponsor has the right to substitute other appliances, equipment, cabinets, fixtures, windows and flooring in place of those listed in the Plan and in the Purchase Agreement, provided only that the substitutes are of substantially equivalent quality and design.

Each Unit is to be sold unfurnished, without window blinds or shades. Furniture, wall coverings, furnishings, decorations and the like, in or about any model, are not included in the sale. There will be no modifications or extras unless agreed to in writing by the parties.

G. Damage to Units

If the Purchaser becomes the tenant or actually occupies the Unit before the closing of title thereto, and the Unit is damaged before such closing by casualty or otherwise and originated inside the Unit and resulted from the acts of such Purchaser or the occupant of the Unit or Purchaser's guests, invitees or workmen, then such Purchaser shall assume the risk of loss and the obligation to repair the damage. No Purchaser shall have the right to occupy a Unit purchased by him prior to the closing of title unless Sponsor agrees to permit same under an interim lease or other written agreement. See section entitled "Rights and Obligations of the Sponsor; Leasing of Unsold Units."

Except as set forth in the preceding paragraph, all other risk or damage prior to closing is assumed by Sponsor, but Sponsor shall not be obligated or liable to repair any damage. If Sponsor or, in the event the Declaration is filed, the Unit Owners, do not elect to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the Purchaser will be refunded all purchase monies paid to the Sponsor with any interest earned thereon, unless Purchaser is then in default (beyond the applicable grace period, if any), in which event the said purchase monies (but in no event to exceed the Liquidated Sum) will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect; Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the purchase price; Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement; and Purchaser shall not be required to pay the balance of the purchase price unless and until (i) the Unit has been substantially repaired, as near as reasonably possible to its condition immediately prior to the casualty, (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored, and (iii) the condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligation of the Tenant to cure, or that are caused by the act or omission of the Tenant. Subsequent to closing, Sponsor will endeavor in good faith and with reasonable diligence to remove all violations of record that Sponsor is obligated to correct.

H. Purchase Agreements May Not Be Assigned

The Purchaser may not assign a Purchase Agreement, without obtaining the express written consent of the Sponsor to such assignment.

I. Non-Survival of Obligations

All representations under the Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan that are to be performed subsequent to the closing date will survive delivery of the Unit Deed. Nothing contained herein will be in derogation of the rights of Purchasers under Article 23-A of the General Business Law.

Sponsor expects the first closing of a unit to occur in June 2007. If such date is delayed twelve (12) months or more, Purchasers, who signed Purchase Agreements within the twelve (12) month period and before any amendment changing the projected first closing date, will be offered rescission.

At the closing, the Purchaser will be required to sign a power of attorney to the Board of Managers of the Condominium substantially in the form set forth as Exhibit C in Part II of the Plan.

To the extent that there is a conflict between the Plan and Purchase Agreement any such conflict between the Plan and the Purchase Agreement will be resolved according to the terms of the Plan.

The Purchase Agreement and Plan may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the GBL.

ASSIGNMENT OF PURCHASE AGREEMENT

No assignment of Purchase Agreements by Purchasers will be permitted without the prior written consent of the Sponsor, which may be given or withheld at the Sponsor's sole discretion. Any purported assignment by Purchaser in violation of the Purchase Agreement will be voidable at the option of the Sponsor. Sponsor's refusal to consent to an assignment will not entitle a Purchaser a right to cancel the Purchase Agreement or to a claim against the Sponsor for damages. If the Sponsor, in its sole and absolute discretion, consents to a Purchaser's request to assign the Purchase Agreement, the assignee of the Purchase Agreement shall be required to close title to the Unit on the date originally scheduled as the Closing Date. If assignee fails, for any reason, to close title to the Unit on the originally scheduled Closing Date, and if Sponsor does not elect to cancel the Purchase Agreement, then the apportionments shall be made as of the original Closing Date and Purchaser will be required to pay to Sponsor an amount equal to .03% of the purchase price of the Unit for each day that the closing is delayed. If the Sponsor consents to an assignment or for any addition, deletion or substitution of names on the Purchase Agreement, then Purchaser shall be required to pay to Sponsor's counsel a fee of $1,000 for preparation of an assignment and any necessary revisions in the closing documents. See section entitled "Unit Closing Adjustments and Costs" for additional details relating to the closing costs to be incurred by Prospective Purchasers.

EFFECTIVE DATE OF THIS OFFERING PLAN

The offering under the Plan and all Purchase Agreements entered into thereunder are contingent upon the Plan being declared effective under the terms and conditions set forth below. Sponsor may, in its sole discretion, abandon the Plan for any reason before it is declared effective.

Pursuant to the terms of the General Business Law, the Plan may be declared effective when Purchase Agreements have been executed, and are in effect for fifteen (15%) of the Residential Units being offered pursuant to this Plan by Bona Fide Purchasers, including Investors.

The Plan will be declared effective when Purchase Agreements have been executed and are in effect for eighty (80%) percent or more of the Units being offered for sale. For the purposes of this Plan, a Purchase Agreement shall be valid and binding if executed by both the Purchaser and the Sponsor.

For the purposes of effectiveness, Purchase Agreements will not be included in the count if they were (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) if the Purchaser was not afforded the protection required by Section 20.3(o)(10) of the Attorney General's Regulations relating to the seven (7) day right of rescission; or (iii) signed by any Purchaser who is the Sponsor, the Selling Agent, the Managing Agent or a principal of any of them, or is related to the Sponsor, the Selling Agent or the Managing Agent or to a principal of any of them by blood, marriage or adoption, or as a business associate, employee, shareholder or limited partner of any of them. Notwithstanding the foregoing, such a Purchaser, other than the Sponsor or a principal of the Sponsor, may be included in the computation if the Sponsor has submitted proof, satisfactory to the Department of Law, establishing that the Purchaser is a Bona Fide Purchaser.

The Plan will be declared effective by written notice sent by mail or by personal delivery to all Purchasers. Within five (5) business days thereafter, an amendment to the Plan reflecting that it has been declared effective will be submitted to the Department of Law. The First Closing shall not take place until said amendment is accepted for filing.

If requested, Sponsor will submit to the Department of Law copies of all Purchase Agreements and any amendments or modifications thereto, within five (5) business days after the request is made.

Once the Plan has been declared effective, it may not be abandoned except in the event of: (a) the existence of a defect in title (including, without limitation, work orders of the insurance carrier), affecting one or more Units and/or the Common

Elements, that cannot be removed, cured, or damage to or destruction of all or part of the building which cannot be cured for less than one-half (1/2) of one (1%) percent of the total offering price. The dollar amount so relied upon by the Sponsor must exclude all attorneys' fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the plan and are either known to the Sponsor or are a matter of public record, (b) the taking of all or part of the Property in condemnation proceedings or by eminent domain.

Except to the extent of one-half (1/2) of one (1%) percent of the total offering price in the case of work orders or title defects, there will be no obligation on the part of the Sponsor to incur expenses or to engage in litigation to cure title defects. Sponsor will not be obligated to remedy violations performed by or caused by the acts or omissions of any person who becomes a Tenant of the Building.

Subsequent to the First Closing, the Plan may not be withdrawn or abandoned unless at least eighty (80%) percent of the Unit Owners, both in number and in Common Interest, vote to terminate the Condominium. Sponsor will not vote the aggregate percentage of Common Interest appurtenant to its Units for such termination unless at least eighty (80%) percent of other Unit Owners, both in number and in Common Interest, elect to terminate, in which event Sponsor may choose to vote its Common Interests, either in favor of or against termination of condominium Ownership, as it sees fit. (See the section below entitled "Summary of Declaration and By-Laws; Termination of the Condominium" for further discussion.)

This Plan may be abandoned by the Sponsor at any time prior to either being declared effective or obtaining valid and binding Purchase Agreements for eighty (80%) percent of the Units. If the Plan is withdrawn or abandoned, all Purchasers in good standing will be sent written notices thereof and within ten (10) days thereafter, all Down Payments paid to Sponsor pursuant to Purchase Agreements then in effect, together with any interest earned thereon, will be returned to Purchasers in good standing. However, if any Purchaser is then in default under his Purchase Agreement beyond any applicable grace period or has a Purchase Agreement that had previously been cancelled due to such Purchaser's default, Sponsor will retain as liquidated damages the Liquidated Sum referred to in the preceding section entitled "Procedure to Purchase; Events of Default." Upon return of the Down Payment to Purchaser or retention of the Liquidated Sum by Sponsor, as the case may be, 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. In the event the Plan is abandoned, Sponsor will promptly submit an amendment to the Department of Law reflecting such abandonment or file a notice of abandonment on Form RS-3 or such other form as the Department of Law may then require, explaining the reason for the abandonment and the disposition of the funds received.

CLOSING OF TITLE TO INDIVIDUAL UNITS

The word "closing" refers to the date, time and place where title to a Unit is transferred to a Purchaser. This transfer is accomplished by Sponsor's delivery of a Unit Deed to the Purchaser covering the Unit. The transfer of title includes title to the Unit as well as the Unit's undivided percentage interest in the Common Elements.

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at the Closing free and clear of all liens, encumbrances and title exceptions other than those described in the Plan and the proposed Unit deed and more particularly described in the Exhibit A of the Purchase Agreement, which is set forth as Exhibit A in Part II of this Offering Plan. No lien, encumbrance or title exception set forth in Exhibit A will render title uninsurable.

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

The Sponsor is only obligated to repair damage from a casualty or other cause, which occurs before the closing of a Purchaser's Unit and costs no more than twenty (20%) percent of the Purchase Price to repair the damage.

After the Plan has been declared effective, Sponsor will, from time to time, fix one or more dates for the closing of title to Units. The closings will be held at the offices of Ganfer & Shore, LLP or such other place in the City of New York as Sponsor may designate.

Each Purchaser will receive not less than thirty (30) days' prior written notice of the place, date and time for which his closing has been scheduled. Sponsor shall have the right to postpone any such closing and to reschedule the closing on ten (10) days' prior written notice. In the event that a Purchaser fails to close title on the closing date set by the Sponsor, all closing adjustments shall be calculated based upon the original closing date set by the Sponsor. In addition to any other sums due and payable, Purchasers shall pay to Sponsor at closing an adjustment equal to .03% times the unpaid purchase price for each day that the closing is adjourned.

Notwithstanding the foregoing, the closing of a Unit shall take place only in the event the following closing prerequisites occur at or prior to the closing (the "Closing Prerequisites"):

(i) the issuance of a temporary or permanent certificate of occupancy covering the Building or covering the Residential Unit being

purchased;

(ii) the filing of the Condominium Documents (including the Declaration) as well as any other documents required by law, in accordance with the Condominium Act and/or other applicable law;

(iii) except as otherwise set forth in the Plan, the release of the Unit and its percentage of Common Interest from the liens of all prior mortgages;

(iv) the opportunity given to Purchaser to inspect the Unit and the Property at least two (2) days prior to the Closing. Any work, which Sponsor is obligated to perform and which is noted on the inspection report, will be accomplished within a reasonable period of time and in no event later than one hundred eighty (180) days after closing;

(v) the filing of the amendment of the Plan that declares the Plan effective and the confirmation that any Units to be closed have been constructed in accordance with all governmental regulations and the description contained in the Architect's Report and in compliance with the Closing Prerequisites;

(vi) the assignment by Sponsor to the Unit Owner of any manufacturer's warranties with respect to the equipment and appliances in the Unit and to the Board of Managers of any manufacturer's warranties with respect to the equipment and appliances in the Common Elements; and

(vii) the delivery to Purchaser of a bargain and sale deed with covenants against grantor's acts, in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law;

At the closing, the Purchaser will deliver to Sponsor the balance of the purchase price of the Unit as well as the Unit Owners' Power of Attorney (in the form set forth as Exhibit C in Part II of the Plan). In addition, the Purchaser will also be required to pay certain closing adjustments and costs as more fully explained in the following section entitled "Unit Closing Adjustments and Costs."

At the closing, Sponsor will deliver to the Purchaser a certificate of insurance covering the Unit, insuring same against fire or other casualty. Such insurance does not cover the contents of the Unit or insure against liability for personal injuries occurring within the Unit (for more details concerning insurance, see section entitled

"Rights and Obligations of the Board of Managers"; "Insurance" and "Summary of Declaration and By-Laws"). The Sponsor or the Board of Managers may require Unit Owners to obtain individual Unit insurance.

At or prior to the first conveyance of a Unit, each holder of a mortgage on the Property will either (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to the Unsold Units, or (b) subordinate the lien of its mortgage to the Condominium Declaration.

Sponsor has a construction loan with Independence Community Bank secured by the Property. Independence Community Bank will release a Unit from the lien of the Loan Documents upon payment to Independence Community Bank of the release price according to the terms of the loan. Sponsor also has a second subordinate loan with Independence Bank secured by the Property. Independence Community Bank will release a Unit from the lien of the Loan Documents of the subordinate loan upon payment to Independence Community Bank of the release price according to the terms of the loan.

UNIT CLOSING ADJUSTMENTS AND COSTS

1. Closing Adjustments

At the closing of title to each Unit, the following items will be apportioned between Sponsor and the Purchaser as of midnight of the closing date scheduled by the Sponsor in the notice of closing sent by Sponsor or Sponsor's counsel:

(i) Real estate taxes and water and sewer charges, if any attributable to the Unit, on the basis of a three hundred and sixty (360) day tax year. If the individual tax lots have not yet been broken out, the adjustment will be allocated based on the Unit Owner's Purchase Price Percentage multiplied by the taxes for the entire Property;

(ii) Common Charges based on twelve (12), equal thirty (30) day months;

(iii) If the Purchaser has an interim lease, rent and other charges under the interim lease for the month in which title closes based on a thirty (30) day month; and

(iv) Unpaid balance of the Purchase Price multiplied by .03% per day for the number of days elapsed between the date first noticed by Sponsor for closing and the date of the closing of title.

In the event the net closing adjustments are in favor of Sponsor, Purchaser shall pay same at closing by bank or certified check. Similarly, in the event the net closing adjustments are in favor of Purchaser, Sponsor shall deliver to Purchaser, at the closing, a separate check for the credited amount. Accordingly, the closing adjustments shall not effect the amount of the certified check(s) that the Purchaser is required to deliver to Sponsor at closing in payment of the balance of the purchase price. In the event there are any errors or omissions in computing the adjustments at closing, same shall be corrected promptly after discovery and payment made to the proper party. This obligation to correct any mistakes in the closing adjustments shall survive delivery of the Unit Deed.

2. Closing Costs

At Closing, each Purchaser will pay certain Closing costs, which include the following:

(i) If the Purchaser retains an attorney, the legal fees of such attorney;

(ii) If the Purchaser elects to obtain fee title insurance, he or she

will pay the premium therefor to the title company. The premium will vary depending upon the amount of insurance requested. The premium for fee title insurance (in accordance with the current schedule of rates set by the New York Board of Underwriters and filed with the New York State Insurance Department) is currently $402.00 for the first $35,000 of fee insurance, plus the following amounts for each additional $1,000 of insurance:

Fee Amount	Premiums
$35,000	$402
$35,001-$50,000	$6.67/$1,000
$50,001-$100,000	$5.43/$1,000
$100,001-$500,000	$4.36/$1,000
$500,001-$1,000,000	$3.98/$1,000
$1,000,001-$5,000,000	$3.66/$1,000
$5,000,001-$10,000,000	$3.25/$1,000
$10,000,001-$15,000,000	$3.07/$1,000
$15,000,001 and up	$2.76/$1,000

Sponsor makes no warranty as to the cost, terms or availability of such other title insurance or that the above rates will be in effect at the time of any Unit Closing;

(iii) If the Purchaser obtains mortgage title insurance, he or she will pay the premium therefor to the title company. The premium will vary depending upon the amount of insurance requested. The premium for mortgage title insurance (in accordance with the current schedule of rates set by the New York Board of Underwriters and filed with the New York State Insurance Department) is currently $344.00 for the first $35,000 of fee insurance, plus the following amounts for each additional $1,000 of insurance:

Loan Amount	Fee
$35,000	$344
$35,001-$50,000	$5.55/$1,000
$50,001-$100,000	$4.54/$1,000
$100,001-$500,000	$3.64/$1,000
$500,001-$1,000,000	$3.31/$1,000
$1,000,001-$5,000,000	$3.05/$1,000
$5,000,001-$10,000,000	$2.71/$1,000
$10,000,001-$15,000,000	$2.55/$1,000
$15,000,001 and up	$2.31/$1,000

If a Purchaser elects to obtain both fee title insurance and mortgage title insurance from the title company, the premium for the mortgage title insurance will be at a simultaneous rate. If the simultaneous rate is obtained, the premium on the amount of the mortgage title insurance policy that does not exceed the amount of the fee policy shall be calculated at a rate equal to thirty (30%) percent of the regular scheduled rates for mortgage title insurance policies.

(iv) Each Purchaser will pay the recording fee for the Unit Deed and the Unit Owner's Power of Attorney, which fee is currently seventeen ($17) dollars for each instrument plus five ($5) dollars per page, together with a service charge to his or her title company for recording each instrument;

(v) The New York City Real Property Transfer Tax and the New York State deed document stamps for each Unit. The New York City Real Property Transfer Tax is currently one (1%) percent of the total consideration where the purchase price is $500,000 or less, but when paid by the purchaser is approximately 1.01% since the shifting of the obligation from the seller to the purchaser is considered to be additional consideration, or at the rate of 1.425% of the purchase price where the price is more than $500,000, but when paid by the purchaser is approximately 1.445%, plus a Fifty ($50) dollar filing fee to the City of New York. The New York State deed document stamps is currently .4% of the total consideration, but when paid by the purchaser is increased to approximately .4016%;

(1) Although the costs of these transfer taxes are customarily paid by the seller in covered transactions, the responsibility for paying these taxes may be modified by contract. Under the Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes at the Closing as a closing cost. For purposes of paying these taxes with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax ("RPT Tax") and New York State Transfer Taxes (deed stamps) ("NYS Tax") to be paid for the Unit. Therefore, the steps to compute the tax are:

(a) Multiply the purchase price by the RPT Tax rate to compute the City tentative tax.

(b) Multiply the purchase price by the NYS Tax rate to compute the tentative NYS Tax.

(c) Add the tentative taxes to the purchase price.

(d) Multiply (iii) by the RPT Tax rate to determine the RPT Tax payable.

(e) Multiply (iii) by the NYS Tax rate to determine the NYS Tax payable.

(2) Example: Purchase Price of Unit 9A = $1,699,000

(a) $1,699,000 x 1.425% = $24,211

(b) $1,699,000 x .4% = $6,796

(c) $1,699,000 + $24,211 + $6,796 = $1,730,007

(d) $1,730,007 x 1.425% = $24,653

(e) $1,730,007 x .4% = $6,920

(vi) If the purchase price for a 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" and currently equal to one (1%) percent of the Purchase Price of a Residential Unit.

(vii) The amount of $2,000 to Ganfer & Shore, LLP, Sponsor's Closing counsel, representing a fee for services in connection with preparing the Unit Deed, the Unit Owner's Power of Attorney and for coordinating and attending the Closing. Such fee shall be payable at, or prior to, the Closing by certified or bank check made payable directly to the order of Ganfer & Shore, LLP. In the event the Closing takes place outside of the Offices of Ganfer & Shore, LLP, an additional travel fee in the amount of $500 shall be paid. Purchaser shall pay a fee of approximately $100.00 for the preparation of the ACRIS documentation. In the event a Purchaser fails to close on the Closing Date, there will be an additional fee of $500 payable to Ganfer & Shore, LLP in addition to all other fees and costs. If Sponsor, in its sole discretion, consents to a Purchaser's request to an assignment of the Purchase Agreement Purchaser, Purchaser shall also pay a fee of $1,000. All of the foregoing fees are cumulative;

(viii) The amount of $5,000 to be contributed towards working capital; and

(ix) If the Purchaser obtains a mortgage loan for a Unit, such Purchaser

will pay:

(a) a mortgage recording tax in the amount provided by law (at the date of this Plan the tax is 2.05% of the face amount of the mortgage for loans up to $500,000 and 2.175% for loans equal to or greater than $500,000, less twenty five ($25) dollars and a cost for recording the mortgage;

(b) a sum to reimburse Sponsor in an amount equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee(2) of the Condominium Act (such sum is based, in general, on the Unit's percentage of Common Interest multiplied by a portion of the mortgage tax previously paid on account of pre-existing mortgages on the Property);

(c) if the Sponsor is not eligible for mortgage recording tax credit, the Purchaser must request from Purchaser's Lender to accept an assignment of mortgage from Sponsor's Lender;

(d) if mortgage title insurance is required by the lender, an additional premium for insurance, insuring the mortgagee's interest in an amount equal to the principal amount of the loan;

(e) if required by the lender, a mortgage application fee;

(f) if required by the lender, an origination fee, which is usually a percentage of the amount being borrowed;

(g) if required by the lender, an appraisal of the Unit;

(h) a fee to the lender's attorney for appearing at the Closing;

(i) if required by the lender, deposits for Common Charges, real estate taxes, any assessments and separately assessed water charges and sewer rents in an initial amount and in such monthly sum after Closing as is deemed sufficient

by the lender; and

(j) all other Closing costs and expenses required to be paid on behalf of such lender.

A numerical example for the costs set forth in this Section of the Plan for a typical apartment with a purchase price of $1,699,000.00 and a mortgage of $1,274,250.00 (75% financing) are set forth below. Tax, insurance and recording rates are subject to change.

1. Fee Title Insurance is $4,946.00;

2. Mortgage Title Insurance is $967.00;

3. Recording costs for Unit Deed and Power of Attorney is approximately $250.00;

4. Purchaser's mortgage recording tax (not including any payment to the Sponsor pertaining to mortgage tax credit) $24,498.35;

5. Recording cost of mortgage approximately $200.00;

6. New York City Real Property Transfer Tax $24,652.60;

7. New York State Transfer Taxes (deed stamps) $6,922.00;

8. New York State "mansion" Tax at 1% $17,300.07; and

9. Legal fee of the Sponsor's attorney (at the office of the Sponsor's attorney) $2,000.00.

Other fees which cannot be estimated because they pertain to events outside of the Sponsor's control, and/or statutory requirements, include the real estate tax escrow (and/or reimbursement of real estate taxes paid by the Sponsor), Purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee and monthly Common Charges prospectively from the Closing Date.

It is recommended that the Prospective Purchaser consult with his or her lender with respect to the nature and amounts of all Closing costs and/or other expenses to be paid in connection with any loan, and Sponsor makes no warranty with respect thereto.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

1. Construction Obligations

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

(a) Sponsor will cause to be performed such work and will cause to be supplied all materials necessary to complete the Building substantially in accordance with the description set forth in the Architect's Report. The issuance of a permanent Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building, and all the Units have been substantially completed in accordance with the Architect's Report. If a Permanent Certificate of Occupancy has not been obtained within two (2) years of obtaining the Temporary Certificate of Occupancy, then, after an inspection, the Board of Managers may renew the Temporary Certificate of Occupancy for a longer period of time. Nothing herein shall excuse Sponsor from its obligation to correct any defects in construction to the extent required in paragraph 3 below or in any Purchaser's Inspection Statement, nor relieve Sponsor from any of its other obligations under the Plan or in law.

(b) Sponsor reserves the right to amend the Plan from time to time (including, without limitation, to make changes in layouts and designs or changes affecting the materials, appliances, equipment, fixtures and other construction details) and to substitute materials, appliances, equipment and fixtures in place of those described in the Architects Report, provided such substitutions are of substantially similar quality and design and, provided further, that the approvals (if required) of any governmental authorities having jurisdiction are first obtained. Sponsor may not change the size, location of Units or other improvements or the Common Elements if such changes affect the percentage of common interest 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.

(c) Sponsor will not be obligated to correct, and will not be liable to any Purchaser or the Board of Managers as a result of: (i) any insubstantial variations from the description of the Building set forth in the Architect's Report, which are neither in violation of applicable building codes nor require the approval of any governmental authority having jurisdiction, or which are necessitated by site conditions or job requirements, provided such variations are of substantially equal quality and design as those set forth in said Architect's report, or (ii) insubstantial variations in the dimensions or arrangement of rooms, walls or other areas within the Units. The foregoing shall not change Sponsor's obligation to complete construction of the Building, including the Units.

(d) Based upon the current construction schedule, Sponsor presently contemplates that the construction of the Building will be sufficiently completed to permit closing of title to the Units to begin in or about June 2007. Prospective Purchasers should note, however, that the Units may be completed at differing times over a significant period of time beyond the anticipated Closing Date. Purchasers will not be excused from paying the full purchase price for their Unit, and will have no claim against the Sponsor for damages or losses if the closing is delayed. If the commencement date of the first year of condominium operation is delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the Unit Owner Common Charges in the amended budget exceed those in the original projected budget by more than twenty-five (25%) percent, then Sponsor will offer all Purchasers who signed a Purchase Agreement prior to filing said Amendment a right of rescission for a period of fifteen (15) days after the presentation of the amendment containing such revised budget. Any Purchasers exercising their right of rescission will have their deposit refunded, with any interest accrued thereon.

(e) Prospective Purchasers are advised that construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. No guaranty can be given that the construction will be completed by the projected construction date set forth in the Plan. During the first year of Condominium operations, construction workers and related personnel will be at the Property from time to time making adjustments, completing punch-list items and performing various tasks necessary to complete the construction. In addition, various systems, including, but not limited to, plumbing, heating and electrical systems and the air conditioning equipment may need to be shut down from time to time to make any necessary adjustments or repairs. Moreover, adjustments to the windows and elevators and other systems may require more than eighteen (18) months after the first closing to complete. The decoration of the corridors, including, but not limited to, the hanging of lighting fixtures and the installation of wall covering may not be completed until all or substantially all of the Units have been sold and the occupants of the Units have moved into their Units.

(f) Sponsor has obtained two construction loans from Independence Community Bank to provide financing for the construction of the Building. Under the terms of the primary loan, Sponsor will receive advances each month, so long as Sponsor complies with the provisions of the construction loan regarding the use of the funds and the construction of the Building as agreed to in the loan documents. Under the terms of the subordinate loan, Sponsor may draw on the account of the loan at any time. According to the terms of the loans, Independence Community Bank will release individual Units from the mortgage so long as certain release prices are paid at the Unit closings. According to the terms of the loans, Independence Community Bank does not require a minimum number or percentage of Units that must be under contract before the Plan can be declared effective. According to the terms of the loans, Independence

Community Bank does not impose restrictions on the amount of Units that the Sponsor may rent rather than sell.

2. Certificate of Occupancy

The Sponsor will procure a permanent Certificate of Occupancy for the Building and all the Residential Units. In the event only a temporary Certificate of Occupancy for the Residential Units in the Building has been issued at the time of First Closing, Sponsor will use its best efforts to cause the Building Department to continuously renew the temporary Certificate of Occupancy until the permanent Certificate of Occupancy for the Residential Units has been issued. Sponsor anticipates, in all events, that the permanent Certificate of Occupancy for the Building will be issued by not later than the second anniversary of the First Closing.

A Permanent Certificate of Occupancy may not be issued until the Community Facility Units are finished. The Sponsor may close title to Units with a Temporary Certificate of Occupancy. If by the date of the first closing only a Temporary Certificate of Occupancy for the Building has been issued, prospective Purchasers are advised that a Temporary Certificate of Occupancy may be used only for a total of two (2) years from the date of its issuance and that a permanent Certificate of Occupancy is required for permanent residential use of the Building. If the Temporary Certificate of Occupancy expires prior to issuance of a Permanent Certificate of Occupancy, residential occupancy of the Property will be a violation of the Multiple Dwelling Law, subjecting the occupants to penalties under the Multiple Dwelling Law, including possible eviction of residential occupants. If a Permanent Certificate of Occupancy has not been obtained within two (2) years of obtaining the Temporary Certificate of Occupancy, then, after an inspection, the Board of Managers may renew the Temporary Certificate of Occupancy for a longer period of time.

In the event a permanent Certificate of Occupancy has not been issued at, or prior to, the First Closing, Sponsor will place in a special escrow account pursuant to Section 352-e(2)(b) of the General Business Law with its counsel, Ganfer & Shore, LLP, all deposits and funds received from Purchasers under this Plan, which sums may be released from escrow upon issuance of a permanent Certificate of Occupancy. Notwithstanding the foregoing, any sums in excess of the amount certified by Sponsor's Architect, as reasonably necessary to complete the work needed to obtain a Permanent Certificate of Occupancy, may be released from the special deposit escrow account. Alternatively, by prior amendment to the Plan, Sponsor may deposit with Ganfer & Shore, LLP, an unconditional, irrevocable letter of credit or post a surety bond or deposit cash in the amount so certified. Any interest earned on any such funds shall be paid to Sponsor as and when earned.

3. **No Warranties or Guaranties by Sponsor**

All Units, Common Elements and Limited Common Elements offered pursuant to this Plan are sold as described in the Plan. Neither the Sponsor, the Selling Agent or any offeror hereunder makes any warranty or guaranty, express or implied, with respect to the materials, Building systems, fixtures, windows, appliances, workmanship or any other aspect of the Units, Common Elements, Limited Common Elements or any portion thereof, except as set forth in the Plan. Prospective Purchasers are advised that Article 36-B of the New York General Business Law ("Housing Merchant Implied Warranty Law") does not apply to this offering.

Sponsor will correct, repair, or replace any and all defects relating to construction of the Building or to the installation or operation of any appliances, fixtures or equipment therein, or will cause the same to be corrected, repaired, or replaced, but only if:

(1) such defects are due to substantially improper workmanship or construction practices or the use of materials that are substantially and materially at variance with the description of the work set forth in the Architect's Report; and

(2) Sponsor is given notice, which notice shall be by certified mail, return receipt requested, of the same in accordance with the following:

(i) with respect to any latent defect (that is, a defect that is not visually ascertainable) in the construction of an Unsold Unit, notice must be given within one (1) year of the closing of title to such Unsold Unit;

(ii) with respect to any patent defect in the construction of an Unsold Unit, notice must be given within six (6) months of the closing of title to such Unsold Unit, provided such patent defect is not caused by the use of the Unit Owner; and

(iii) with respect to the Common Elements, notice must be given within the later to occur of either a) six (6) months from the closing of title of the first Unit, or b) three (3) months after Sponsor or its designees no longer have a majority of the seats on the Board of Managers.

The method of correcting any defect will be selected by Sponsor, in its sole discretion. The quality of construction as to any such correction will be comparable

to local standards customary in the particular trade or trades involved and will be in accordance with the Plan.

Sponsor will be conclusively considered to have discharged any obligation that it may have with respect to any defects, whether patent or latent, if:

(a) Sponsor is not notified of the existence of such defect, in the manner specified above and within the appropriate time period specified above, time being of the essence.

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

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

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

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

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

(c) that are caused by the failure of the Condominium to maintain the Building, its fixtures, equipment or systems, or to properly enforce any warranties or guaranties; or

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

i death of trees or landscape improvements, cracks in roof ballast, or concrete cracks that do not impair the structural soundness of the Building, including cracks or discoloration in concrete used walls and paving, leaching or color variation in colored mortar, tiles, and brick,

dimensional variations in brick joints, mortar droppings on bricks, ponding, and/or controlled drainage on roof and terrace surfaces, terrace tiles not laid flat, stained tiles, and cracks in pressure treated wood used, or intended for use, outside the Building;

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

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

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

v. variations in wood floor stains and finishes caused by normal foot traffic during construction and sales periods;

vi. normal plumbing, heating, air-conditioning, ventilating, and floor noises and creaking;

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

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

apartment door frames; and

ix. normal noise and vibrations emanating from the operating Mechanical Equipment located atop the Roof Terraces and Private Terraces.

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

THE ITEMS AND CONDITIONS DESCRIBED ABOVE ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE A UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR UNITS OR THE COMMON ELEMENTS. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY SUCH ITEMS AND CONDITIONS AND SHALL NOT BE LIABLE TO ANY PURCHASER OR CONDOMINIUM BOARD THEREFOR IF PURCHASER OR CONDOMINIUM BOARD DESIRES TO CORRECT OR REPAIR ANY SUCH ITEMS OR CONDITIONS. TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THE PURCHASER OR CONDOMINIUM BOARD WILL HAVE TO PROCEED AT ITS SOLE COST AND EXPENSE AND/OR AGAINST ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO IT BY SPONSOR.

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

Sponsor will, except as hereinafter provided, cause to be corrected any defects in the construction of the Building, including its electrical, mechanical, air

conditioning, heating, ventilating, plumbing and other systems (hereinafter collectively called the "Building Systems"), due to improper workmanship or defective material or material substantially at variance with the Architect's Description, **PROVIDED AND ON CONDITION THAT SPONSOR IS NOTIFIED IN WRITING BY THE BOARD OF MANAGERS OF SUCH DEFECTS** (i) with respect to any latent defect (that is, a defect that is not visually ascertainable) in the construction of an Unsold Unit, within one (1) year of the closing of title to such Unit, (ii) with respect to any patent defect in the construction of an Unsold Unit within six (6) months of the closing of title to such Unit, provided such patent defect is not caused by the use of the Unit Owner, and (iii) with respect to the Common Elements, within the later to occur of either a date which is either six (6) months from the Closing of title of the first Unit, or three (3) months after Sponsor or its designees no longer have a majority of the seats on the Board of Managers.

At the First Closing or thereafter, with reasonable promptness after receipt of any assignable manufacturer's or subcontractor's warranty or bond relating to a portion of the Common Elements, Sponsor will deliver to the Board of Managers an assignment of such warranty or bond. Sponsor will also deliver to each Unit Owner, with reasonable promptness after the issuance of the Unit Deed, an assignment of all assignable manufacturer's warranties and bonds relating to appliances in Unit and in the event of a problem, each Unit Owner will have the sole responsibility of pursuing remedies with the manufacturer.

4. Payment of Costs in Connection with Construction of the Building and Creation of the Condominium

Sponsor will pay or cause to be paid all expenses incurred in connection with the construction of the Building, including without limitation, all sums properly due to contractors, subcontractors and materialmen and all others involved in the construction of the Building for work performed and fixtures, material and equipment supplied or installed. Sponsor will also bear all costs and expenses to be incurred in connection with the creation of the Condominium, including the preparation, filing and distribution of the Plan and the filing of the Condominium Documents. In addition, Sponsor will pay all selling expenses and brokerage commissions of the Selling Agent or other broker engaged by Sponsor.

Sponsor will cause any and all mechanic's liens arising out of the construction of the Building and its appurtenances, authorized by Sponsor, to be discharged on or prior to the First Closing. Alternatively, Sponsor will cause the company insuring the Purchaser's title to a Unit to affirmatively insure against collection thereof out of the Unit or any portion thereof by posting a bond or escrowing a sum deemed sufficient by such company.

In the event that there are violations of record or other title encumbrances (other than mortgages and permitted encumbrances) affecting the Property at the time of the First Closing, Sponsor shall cause such violations or encumbrances (other than mortgages and permitted encumbrances) affecting the Property at the time of the First Closing, to be cured, remedied and removed, at its sole cost and expense, and cure all dangerous and hazardous conditions, except that Sponsor shall have no obligation to cure, remedy, or remove any encumbrances if the same cannot be accomplished at an aggregate cost and expense (as reasonably estimated by Sponsor) of one-half of one percent (1/2%) of the aggregate amount of the offering or less. The existence of any such violations or encumbrances will not constitute an objection to title or excuse any Purchaser from completing payment of the balance due under his Purchase Agreement (without provision for escrow), provided that Sponsor either furnishes adequate proof that such violation or encumbrance has been cured or remedied, or deposits with the Board of Managers a reasonable sum to secure Sponsor's obligation to cure and remedy such violation or encumbrance subsequent to the First Closing. At Sponsor's request, the Board of Managers shall apply the sums so deposited towards payment of the cost of curing or remedying the title defect, except that the Board of Managers shall retain a sufficient portion of such security deposit to pay for the reasonable costs of curing or remedying the remaining title defects. If the aggregate cost and expense of curing, remedying and removing all encumbrances exceeds one-half (1/2%) percent of the aggregate offering (as reasonably estimated by Sponsor) and Sponsor elects not to accomplish the same, Sponsor shall withdraw the Plan in accordance with the terms of the section above entitled "Effective Date of This Offering Plan."

5. Floor Plans

In accordance with Section 339-p of the New York Real Property law, a registered architect or licensed professional engineer shall certify, within reasonable tolerances, that the Floor Plans for the Units filed with the Declaration are a substantially accurate copy of the portion of the plans of the Building as filed with, and approved by, the Department of Buildings.

6. Indemnities

Sponsor agrees to indemnify the Board of Managers and Unit Owners and hold them harmless from and defend on their behalf, any suits or claims brought by third parties arising out of acts or omissions of Sponsor and not attributable to the acts of the Board or any Unit Owner provided Sponsor is timely notified of any such claim and the Board and/or the Unit Owner or Owners, as the case may be, cooperate in the defense of any such claim. Sponsor shall have the right to select counsel to defend any such claim.

Immediately following the First Closing, Sponsor will assign any assignable service and maintenance contracts and agreements relating to the Property to the Board

of Managers, and the Board of Managers will, on behalf of all Unit Owners, assume same and indemnify Sponsor against all claims and liability arising thereunder that relate to matters and events occurring on or after the First Closing.

7. Obligations to Survive Delivery of Deed

All representations under the Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan that are to be performed subsequent to the closing date will survive delivery of the Unit Deed.

The obligations set forth in this section contain all the obligations of Sponsor under the Plan and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers relative to their Units under their respective Purchase Agreements. Sponsor makes no warranties other than as set forth in this section. Sponsor shall not be liable for, nor obligated to defend, any suits or claims with respect to any Unit, or the leasing thereof to any Purchaser, or to the Common Elements or Limited Common Elements, except for suits or claims arising out of the acts or omissions of Sponsor and except on the terms and conditions set forth in Section 6 above.

The obligations of Sponsor under this section with respect to the Condominium, the Common Elements or the Limited Common Elements shall be enforceable only by the Board of Managers on behalf of all Unit Owners. In no event shall any obligations of Sponsor be enforceable by individual Unit Owners unless the Board of Managers fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of written notice of such claim by any Unit Owner to the Board of Managers.

8. Delivery of Building Plans

Prior to or at the First Closing, Sponsor shall deliver to the Board of Managers a copy of the "as-built" Building Plans.

9. Security for Sponsor's Obligations

No bond or other security has been furnished to secure the performance of the Sponsor's obligations set forth in this section. The ability of Sponsor to perform its obligations will depend upon its financial condition, when and if it is called upon to perform. No warranty is made that Sponsor will be financially able to perform any or all of such obligations.

10. Sponsor's Obligation to Pay Common Charges on Unsold Units

Sponsor will pay all Common Charges, assessments and real estate taxes assessed against the Unsold Units for so long as Sponsor owns them. Sponsor expects to have the financial resources to meet the aforesaid obligations and to fund same from projected sales, the rental of Unsold Units and Sponsor's other financial resources.

Notwithstanding the foregoing, during the first six (6) months of Condominium Operation, or until there has been a closing of title with respect to seventy five (75%) percent of the Units, the Common Charges required to meet the expenses set forth in the Projected Budget for the First Year of Condominium Operations may be reduced if the actual expenses of operating the Building are less than the projected expenses set forth in the Budget for the First Year of Condominium Operations. See Schedule B entitled "Projected Budget for First Year of Condominium Ownership" set forth in the Plan. If the operating expenses are reduced, then the difference between the actual expenses and the full Common Charges will be refunded to all Unit Owners (including the Sponsor) on a pro-rated basis in the form of either a credit against future Common Charges or as a cash reimbursement to the extent that the Unit Owner (including the Sponsor) has sold the Unit prior to the receipt of the full credit. Sponsor makes no warranty or representation that the operating expenses during this period will be less than the actual Common Charges or as to the amount of any credit that may be available as a result of any such computation.

11. Fire and Casualty Insurance

Prior to or at the First Closing, Sponsor shall deliver to the Board of Managers policies or binders for fire and casualty insurance coverage described in footnote 9 of Schedule B. The projected all-risk coverage described in that footnote is based upon an agreed amount replacement cost for the Building (less site preparation). In order to safeguard the investment of the Unit Owners, in the event of a substantial or total destruction of the Building, the Board of Managers should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage equals the Building's then replacement cost. The foregoing insurance does not include the insurance coverage found in a standard "home Owners policy" for any belonging or personal property in a Unit Owner's Unit. See footnote 9 to Schedule B for further discussion. The Sponsor or the Board of Managers may require Unit Owners to obtain individual unit insurance.

12. Documents on File

Sponsor agrees that copies of this Plan, Parts A, B and C of the Exhibits and documents referred to herein shall be on file and available for inspection without charge and copying at a reasonable charge by Prospective Purchasers and by any

Purchaser, at the office of the Sponsor, 3220 Arlington Avenue, Bronx, New York 10463 and shall remain available for such inspection or copying for a period of six (6) years from the date the Declaration is recorded. Copies of the plan, including all exhibits and amendments thereto, will also be available for inspection and copying at a reasonable charge at the NYS Department of Law.

13. Sponsor's Right to Liquidate

Sponsor has reserved the right to transfer or sell its Unsold Units and otherwise liquidate its assets at any time. Such liquidation and the concomitant distribution of the Sponsor's assets will affect Sponsor's ability to perform its obligations hereunder. In the event of dissolution or liquidation of the Sponsor or the bulk transfer of the lesser of ten (10) or more Units or twenty (20%) percent or more of the total number of Units in the Condominium the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

14. Sponsor's Right of Access to Complete Construction

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

15. Leasing of Unsold Units

Sponsor reserves the right, freely and without restriction, to rent or lease Units to Purchasers and non-purchasers at any time, both before and after the First Closing, provided a permanent or temporary Certificate of Occupancy covering such Unit has been obtained, and subject to the restrictions on the use of the Community Facility Units. However, once a Purchase Agreement has been accepted for a Unit, and for so long as such Purchase Agreement is in effect, such Unit may only be leased to the Purchaser thereof. The lease will be for such rent (but not to exceed the maximum rent legally collectible, if any) and upon such other terms as may be mutually agreed upon. Such lease will also provide that an uncured default by the Purchaser under his Purchase Agreement will constitute a default under the lease entitling the landlord (Sponsor), at its sole option, to terminate the lease. The Purchase Agreement contains a similar cross-default provision entitling the Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under his lease within the applicable grace period (if

any) and such default results in his eviction from the Unit (whether by voluntary removal or by court order). No portion of the rental paid under such lease will be credited toward the Unit's purchase price.

No purchaser shall have the right to occupy the Unit purchased by him prior to closing unless Sponsor agrees to permit such occupancy under an interim lease or other written rental agreement.

Sponsor's right to rent or lease any Unsold Unit will not be subject to any right of first refusal in favor of the Board of Managers or any third party designated by the Board of Managers.

16. Sale of Units

Sponsor reserves the right, freely and without restriction, to sell any of the Unsold Units. Sponsor's right to sell any Unsold Unit will not be subject to the right of first refusal in favor of the Board of Managers or any third party designated by the Board of Managers. In connection with the sale of any of the Unsold Units, Sponsor shall have, in addition to any other rights the Sponsor may have pursuant to the terms of the By-Laws and Declaration, the right to maintain any of the Unsold Units as a sales office (and/or a leasing office) and to post signs in the common areas advertising the Units for sale (or rent).

The Board of Managers shall, at the request of the Sponsor, cause any existing building alteration, application or permit to be modified to allow any work, which the Sponsor seeks to perform with respect to the Common Elements or the Unsold Units.

17. The Parking Unit and Parking Space Leases

The Parking Unit will be one Unit with its own separate tax lot and will include the eighteen (18) Parking Spaces that are not allocated to a Unit. The Sponsor will retain the rights to the Parking Unit. The Sponsor reserves the right to transfer title of the Parking Unit and assign the leases of the Parking Spaces to the Condominium. Each Purchaser of a Residential or Community Facility Unit shall have the opportunity to also purchase the rights to lease a Parking Space in the Parking Unit on a first come first serve basis. The Unit Owner will pay the Parking Space Lease Purchase Price and will then pay to the Sponsor, or the Owner of the Parking Unit, according to the terms of the Parking Space Lease, a monthly rental fee for the rights to use a Parking Space in the Parking Unit. The initial Purchase Price of the Parking Space Lease will be $35,000.00. The monthly rental fee for a Parking Space in the Parking Unit for the first year of operations will be $62.56, if 421a benefits are granted, or $109.64, if the 421a benefits are not granted. The monthly Parking Space rental fee is subject to change and will never be less than one-eighteenth (1/18) of the Parking Unit's total monthly

Carrying Charges. The fees to be paid by each Purchaser for the first year of operation are set forth on Schedule A.

A Purchaser who wants the rights to use a Parking Space in the Parking Unit must execute the Parking Space Lease and Parking Space Rider set forth in Part II of the Plan. A default by a Purchaser under the Parking Space Rider shall constitute a default under the Purchase Agreement for the Unit. Similarly, a default by Purchaser under any of the other terms of the Purchase Agreement shall be a default under the Parking Space Rider. Purchasers are advised that based upon the status of construction of the Building, the Parking Spaces may not be available for use at the time of the closing of title to the Unit. Notwithstanding any delay in completion of the Parking Spaces, Purchaser will still be required to close title to the Unit and pay the balance of the Unit Purchase Price as well as the Parking Space Lease Purchase Price at the originally scheduled closing. However, if at the time of closing, the Parking Space acquired under the Parking Space Lease is not completed by the closing date, the Parking Space Lease Purchase Price will be placed in escrow and will be delivered to Sponsor, or the Owner of the Parking Unit, upon completion of said Parking Space. Until closing of title to a Unit, at which time the Purchaser obtains rights to a specific Parking Space in the Parking Unit, the Sponsor, or the Owner of the Parking Unit, has the right to change the designated Parking Space number allocated to the Purchaser in the Parking Space Lease. Purchaser and the Sponsor shall execute the Parking Space Lease at Closing. Sponsor, or the Owner of the Parking Unit, will pay the Carrying Charges of the Parking Unit pending closing of title to Units, when Parking Space Leases are executed.

Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Parking Unit Parking Spaces. Certain of the Parking Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Parking Spaces will remain dry or will not experience any water infiltration and the Sponsor, or the Owner of the Parking Unit, or any Board will not be responsible for any damage to vehicles placed in the Parking Spaces. The Parking Unit is an unattended facility and each person shall be required to park his or her own car. Unit Owners who place their vehicles in the Parking Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such vehicles.

The Parking Space Lease may only be assigned by the Parking Space Lessee to a party simultaneously acquiring a Unit or to another Unit Owner. In addition, Unit Owners can only lease their respective Parking Space to other Unit Owners in the Building after obtaining the consent of the Sponsor or the Owner of the Parking Unit thereto. In the event a Parking Space Lessee elects to terminate a Parking Space Lease or sells his, her, or its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Parking Space in question will devolve to the

Sponsor, or the Owner of the Parking Unit, who shall have the right to issue a new Parking Space Lease to another Unit Owner in its sole discretion.

18. The Storage Unit and Storage Space Leases

The Storage Unit will be one Unit with its own separate tax lot and will include the twenty-six (26) Storage Spaces that are not allocated to a Unit. The Sponsor will retain the rights to the Storage Unit. The Sponsor reserves the right to transfer title of the Storage Unit and assign the leases of the Storage Spaces to the Condominium. Each Purchaser of a Residential or Community Facility Unit shall have the opportunity to also purchase the rights to lease a Storage Space in the Storage Unit on a first come first serve basis. The Unit Owner will pay the Storage Space Lease Purchase Price and will then pay to the Sponsor, or the Owner of the Storage Unit, according to the terms of the Storage Space Lease, a monthly rental fee for the rights to use a Storage Space in the Storage Unit. The initial Purchase Price of the Storage Space Lease will be $15,000.00. The monthly rental fee for a Storage Space in the Storage Unit for the first year of operations will be $17.81, if 421a benefits are granted, or $30.85, if the 421a benefits are not granted. The monthly Storage Space rental fee is subject to change and will never be less than one-twenty-sixth (1/26) of the Storage Unit's total monthly Carrying Charges. The fees to be paid by each Purchaser for the first year of operation are set forth on Schedule A.

The Storage Spaces shall be used for storage of Lessee's personal property and the property of occupants of the Unit and for no other purpose. Lessee shall not store any (i) animals, (ii) inflammable, combustible, explosive or other dangerous items, (iii) items which have an objectionable odor, or (iv) valuable items.

A Purchaser who wants the rights to use a Storage Space must execute the Storage Space Lease and Storage Space Rider set forth in Part II of the Plan. A default by a Purchaser under the Storage Space Rider shall constitute a default under the Agreement for the Unit. Similarly, a default by Purchaser under any of the other terms of the Agreement shall be a default under the Storage Space Rider. Purchasers are advised that based upon the status of construction of the Building, the Storage Spaces may not be available for use at the time of the closing of title to the Unit. Notwithstanding any delay in completion of the Storage Space, Purchaser will still be required to close title to the Unit and pay the balance of the Purchase Price as well as the Storage Space Lease Purchase Price on the originally scheduled closing date. However, if at the time of closing, the Storage Space acquired under the Storage Space Lease is not completed by the closing date, the Storage Space Lease Purchase Price will be placed in escrow and will be delivered to Sponsor, or the Owner of the Storage Unit, upon completion of said Storage Space. Until closing of title to a Unit, at which time the Purchaser obtains rights to a specific Storage Space in the Storage Unit, the Sponsor, or the Owner of the Storage Unit, has the right to change the designated

Storage Space number allocated to the Purchaser in the Storage Space Lease. Purchaser and the Sponsor, or the Owner of the Storage Unit shall execute the Storage Space Lease at Closing. Sponsor, or the Owner of the Storage Unit, will pay the Carrying Charges of the Storage Unit pending closing of title to Units, when Storage Space Leases are executed.

Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Storage Spaces. Certain of the Storage Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Storage Spaces will remain dry or will not experience any water infiltration and the Sponsor, or the Owner of the Storage Unit, or any Board will not be responsible for any damage to items placed in the Storage Spaces. Unit Owners who place items in the Storage Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such stored items. The Storage Unit is an unattended facility and each person shall be responsible for his or her property stored in the Storage Spaces.

The Storage Space Lease may only be assigned by the Storage Space Lessee to a party simultaneously acquiring a Unit or to another Unit Owner. In addition, Unit Owners can only lease their respective Storage Space to other Unit Owners in the Building after obtaining the consent of the Sponsor or the Owner of the Storage Unit thereto. In the event a Storage Space Lessee elects to terminate a Storage Space Lease or sells its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Storage Space in question will devolve to the Owner of the Storage Unit, which shall have the right to issue a new Storage Space Lease to another Unit Owner in its sole discretion.

19. Easement to Place Signage

The Sponsor shall have an easement to install such signs on the exterior of the Building, whether or not related to the sale of the Units, as Sponsor deems appropriate, provided only that any such signs comply with all governmental rules and regulations relating to any such installation. The Sponsor shall not be obligated to pay any fee to the Condominium for the right to place signs on the exterior of the Building.

The right to install any such signage shall include the right to install, in or upon the walls of the Building such equipment, hooks, supports, materials or, scaffolds as may be necessary to affix the signs to the exterior of the Building. Sponsor and its designees and their agents, servants, contractors and employees shall have the right of access to the exterior walls in order to install, maintain, operate and repair any advertising display on the exterior walls. Sponsor and its designees and their agents, servants contractors and employees shall have the right of access to the roof of the Building and

such other portions of the Building, exterior or interior, as may be necessary or desirable for the installation and/or maintenance of any signs. The Sponsor shall not be obligated to pay any fee to the Condominium for the right to place signs on the exterior of the Building.

CONTROL BY THE SPONSOR

Sponsor shall have the right to vote all of the Common Interest attributable to the Unsold Units, except that, when voting for members of the Board of Managers, Sponsor will, in no event, cast its votes in favor of more than two (2) Sponsor designees to be elected to the three (3) member Board of Managers. Further, at all elections held after the expiration of the Initial Control Period (i.e., the period ending on the earlier of (a) the Closing of title under this Plan to more than fifty (50%) percent of the Units, or (b) two (2) years after the First Closing), at which time the number of the members of the Board of Directors shall increase to five (5), not more than two (2) of the members of the Board of Managers may be designees of the Sponsor or the then Owner of the Unsold Units. Accordingly, from and after the expansion of the Board to five (5) Managers at least three (3) of the members of the Board of Managers shall be unrelated to the Sponsor. A meeting will be held to elect the requisite number of new board members unrelated to the Sponsor within thirty (30) days of the expiration of the control period.

After the Initial Control Period, when the number of members of the Board of Directors has increased to five (5), Sponsor or its designee, as Owner of Unsold Units, shall have the right to designate the following minimum number of members to the Board of Managers:

(i) Two (2) members, for so long as the percentage of Common Interest attributable to the Unsold Units equals twenty (20%) percent or more;

(ii) One (1) member, for so long as Sponsor or its designee owns at least one (1) Unsold Unit.

The number of members of the Board of Managers may not be increased without the consent of the Owner of the Unsold Units for so long as there remains at least one (1) Unsold Unit.

All members of the Board of Managers shall serve without compensation. Members of the Board of Managers are subject to removal, without cause, by vote of Unit Owners owning more than fifty (50%) percent of the Common Interest, attending a meeting at which a quorum is present. However, members designated or elected by Sponsor or its designee may only be removed without cause by Sponsor or its designee, who alone will have the right to designate a replacement. Notwithstanding anything herein to the contrary, any member of the Board may be removed for cause by Unit Owners owing more than fifty (50%) percent of the Common Interests but upon any such removal of a Sponsor designee, the Sponsor shall have the sole right to designate a replacement Manager.

Until Sponsor no longer elects a majority of the members of the Board of Managers, Sponsor will, through its control of the Board of Managers, be able to control the maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners.

Notwithstanding anything to the contrary contained herein, during the first two (2) years following the First Closing, so long as Sponsor or its designee (or both) shall continue to collectively own Unsold Units representing twenty (20%) percent or more in number or in percentage of Common Interest, the Board of Managers may not, without Sponsor's or such designee's prior written consent: (a) make any addition, alteration, or improvement to the Common Elements, Limited Common Elements or to any Unit, unless required by law or necessary for the health or safety (but not the general comfort and welfare) of the Unit Owners (nothing contained herein shall restrict the right and obligation of the Board of Managers to maintain and repair the Common Elements and Limited Common Elements); (b) assess any Common Charges for the creation or replacement of, or addition to, all or part of a reserve, contingency, or surplus fund in excess of five (5%) percent in the aggregate of the estimated Common Expenses for any year of operation; (c) increase the number or change the type of employees from that described in Schedule B; (d) enter into any service or maintenance contract costing in excess of $10,000 per annum; or (e) borrow money on behalf of the Condominium.

Sponsor's Veto Power

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.

Sponsor may exercise veto power over expenses other than those described above, for a period ending not more than five (5) years after the closing of the first Unit or whenever the Unsold Units constitute less than twenty five (25%) percent of the Common Interest, whichever is sooner.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND RIGHTS AND OBLIGATIONS OF THE BOARD OF MANAGERS

Each Unit Owner will have the following rights and obligations:

1. Sale and Leasing of Units

Each Residential Unit Owner may sell or lease his Unit, provided such sale or lease is subject to the restrictions on the use and occupancy of such Unit, and the right of first refusal of the Condominium or a third party designated by the Condominium, and provided further that he or she first gives written notice to the Board of Managers of his or her intention to sell or lease. Such notice shall be accompanied by a fully executed copy of the contract of sale or lease agreement, containing all of the terms offered in good faith by the Prospective Purchaser or Lessee. The Board of Managers, on behalf of all Unit Owners, or a third party designated by the Board of Managers, shall have the exclusive right to purchase or lease the Unit within twenty (20) business days after receipt of such notice on the same terms, as more specifically set forth in Article 8 of the By-Laws (see Exhibit "G" in Part II of the Plan). If, during such exclusive period, the Board of Managers does not notify the Unit Owner of its or its designee's election to purchase or lease the Unit, the Unit Owner will have sixty (60) days thereafter to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease agreement appended to such notice. If the Unit Owner fails to consummate the sale or lease within the sixty (60) days and in accordance with the terms stated in the contract of sale or lease agreement appended to such notice, then the Unit Owner will again be required to first offer the same to the Board of Managers as provided above.

With regard to the Board's right of first refusal, the Board 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.

The Board of Managers may not exercise its option to purchase any Unit unless the Unit Owners owning more than one-half (1/2) of the Common Interest affirmatively vote in favor thereof, in person or by proxy, at a meeting of Unit Owners at which a quorum is present. The Board of Managers may not exercise its option to lease any Unit unless a majority of the members of the Board of Managers affirmatively vote in favor thereof, in person or by proxy, at a meeting of the Board of Managers at which a quorum is present. If approval is given, the Board of Managers may assess each Unit Owner (other than the selling Unit Owner), in proportion to his percentage of Common Interest, an amount necessary to effectuate the purchase or lease.

If approval is given for the Board of Managers to purchase or lease a Unit, on behalf of all Unit Owners, the Board of Managers may assess each Unit Owner (other than the selling Unit Owner), in proportion to his percentage of Common Interest, an

amount necessary to effectuate the purchase or lease. If approval is given for the Board of Managers to designate a third party to purchase or lease a Unit and such party elects to purchase or lease same, such third party shall purchase or lease such Unit using its own funds without the imposition of any assessment to the Unit Owners.

Notwithstanding the foregoing, any Unit Owner may sell or lease his Unit to his spouse, adult child, parent, grandparent, parent-in-law, or adult sibling, or may convey his Unit by gift, devise it by will, or have it pass by intestacy, without complying with the restrictions described above, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, such restrictions. In addition, any Unit Owner that is not a natural person may sell, lease, or convey its Unit to a related or controlled entity as more particularly set forth in Article 8 of the By-Laws.

The foregoing restrictions upon the sale and leasing of Units shall not apply to Sponsor or its designee, with respect to any Unsold Units or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, or of the Common Unit Owners, or to the Owners of the Community Facility Units who shall be free to sell or lease their Units without first offering to sell or lease same to the Board of Managers. Sponsor reserves the right to sell or lease any of the Unsold Units subject only to the restrictions on the use and occupancy of such Unit. Sponsor is not subject to the right of right of first refusal in favor of the Board of Managers (or a third party designated by the Board of Managers) and may be sell or lease any Unsold Unit without offering it first to the Condominium Board or a third party designated by the Condominium Board.

Unit Owners (including the Condominium or its Board of Managers but excluding the Sponsor or Sponsor's designee) who sell their Units shall be required to pay to the extent allowed by law, a fee to the Board of Managers or its Managing Agent for the services performed in connection with processing the application for the sale or lease of their Units.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's (i) percentage of Common Interest, (ii) the undivided interest in any Unit or Units acquired by the Board of Managers (or the proceeds received at a foreclosure or other judicial sale of a Unit), and (iii) the undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than Permitted Mortgages, are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver, in accordance with Article 16 of the Declaration set forth as Exhibit F in Part II of the Plan, a Unit Owner's Power of Attorney in favor of the Board of Managers and Sponsor, in the form set forth as Exhibit C in Part II of the Plan.

A lease for any Residential Unit (other than an Unsold Unit of which a

Purchase Agreement is in effect and which is leased to the Purchaser thereof) shall be for a term of not less than one (1) year and not more than two (2) years and shall be in the form of an apartment lease then approved by the Real Estate Board of New York, Inc., except for such changes thereto as are provided in the By-Laws. The restrictions provided for herein shall not apply to the Sponsor or its designees or to the Owners of the Community Facility Units who may lease their Units on such terms and conditions as they deem appropriate. In addition, any such lease shall also provide that if the Unit Owner defaults in paying any amount, which may be due and owing to the Condominium, then Lessee shall, upon demand of the Condominium, pay any amounts due under the lease to the Condominium.

The Parking Space Lease may only be assigned by the Parking Space Lessee to a party simultaneously acquiring a Residential Unit or to another Unit Owner. In the event a Parking Space Lessee elects to terminate a Parking Space Lease or sells its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Parking Space in question will devolve to the Sponsor, or the Owner of the Parking Unit, which shall have the right to issue a new Parking Space Lease to another Unit Owner in its sole discretion. In addition, Unit Owners can only lease their respective Parking Space to other Unit Owners in the Building after obtaining the consent of the Sponsor thereto.

The Storage Space Lease may only be assigned by the Storage Space Lessee to a party simultaneously acquiring a Unit or to another Unit Owner. In the event a Storage Space Lessee elects to terminate a Storage Space Lease or sells its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Storage Space in question will devolve to the Sponsor, or the Owner of the Parking Unit, which shall have the right to issue a new Storage Space Lease to another Unit Owner in its sole discretion. In addition, Unit Owners can only lease their respective Storage Space to other Unit Owners in the Building after obtaining the consent of the Sponsor thereto.

The foregoing restrictions and limitations on the right to sell or lease a Unit may be modified or added to in the future provided the provisions in the By-Laws for amending same are followed (see the section entitled "Summary of Declaration and By-Laws" for further details).

2. Restrictions on the Use and Occupancy of Units

Each Residential Unit shall be used only as a residence, by not more than one (1) family unit, and for any home occupation permitted by law. Notwithstanding the foregoing, the Sponsor may use any one or more of the Unsold Units as model units and sales and/or promotion offices in connection with the sale or rental of the Unsold Units or for any other purpose, subject only to compliance with the applicable laws and

the then existing Certificate of Occupancy.

A Residential Unit owned or leased by an individual may be occupied only by the individual and members of his immediate family. The Bylaws define the "immediate family" to include a spouse or living companion, children (natural or adopted), step-children, grandchildren, siblings, parents, parents-in-law, grandparents, nieces and nephews of the Unit Owner.

A Unit owned or leased by a corporation, partnership, fiduciary, or other entity may be occupied by a designated officer, director, stockholder, or employee of such corporation, or by a designated partner or employee of such partnership, or by said fiduciary (including designated officers, directors, stockholders, or employees of corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or designated employee of such other entity, respectively, or by members of the immediate family of any of the foregoing. Within thirty (30) days after a Unit is acquired by one other than an individual, such non-individual Owner shall notify the Building's Managing Agent of the name of the officer, director, stockholder, partner or employee designated by such Owner to occupy its Unit. The person so designated may be changed from time to time by the non-individual Owner by similar written notice to the Managing Agent. However, all designees must be bona fide officers, directors, stockholders, partners or employees of the non-individual Owner and, under no circumstances, may more than one (1) family occupy a Unit at one time.

Guests are permitted to occupy a Residential Unit only when a Unit Owner (or, in the case of a Unit owned by a non-individual, the designee of such Unit Owner) or members of his family are present. The foregoing restriction does not apply to the Unsold Units.

Notwithstanding the foregoing, pursuant to the terms of the Declaration, the Community Facility Unit Owners shall have the right, in their sole and absolute discretion, to use the Community Facility Units for any lawful purpose subject to all applicable zoning regulations relating to any such use, and subject to the restrictions that are contained in the Declaration.

No nuisance or immoral, improper, offensive or unlawful use shall be allowed in the Building or any portion thereof. No portion of a Residential Unit, other than the entire Unit, may be rented, and no transient tenants may be accommodated therein. 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 of Managers, whoever shall have the obligation to maintain or repair such portion of the Property. No plantings shall be placed or installed on the balconies and terraces without the prior written approval of the Board of Managers or the Managing Agent.

The Rules and Regulations of the Condominium, which govern the use of all of the Units, may be amended from time to time by the Board of Managers, provided that copies of such amendments are furnished to each Unit Owner prior to the time that they become effective and provided further that no such amendment may be made which will affect the right of the Sponsor or its designee or the Community Facility Unit Owners, without their prior written consent.

3. Right to Mortgage Units

Each Unit Owner may mortgage his Unit, provided that the Unit Owner first complies with the following conditions, as more particularly set forth in Article 7 of the By-Laws set forth as Exhibit G in Part II of the Plan: (i) the mortgage must be substantially in the form of the New York statutory form of mortgage or the form required by a Bank, Savings, and Loan Association or other lending institution, except for such changes or additions as may be required to permit a lender to make the loan; (ii) written notice thereof together with a copy of the mortgage is sent to the Board of Managers; and (iii) the Unit Owner is not in arrears of Common Charges and first satisfies all other pre-existing unpaid liens against his Unit. Sponsor or its designee, as the Owner of an Unsold Unit, shall have the right to mortgage such Unsold Unit without any restriction or limitation, except that the Board of Managers is required to be notified in writing of the making of any such mortgage and is to be given a copy thereof.

4. Obligation to Pay Common Charges and Assessments

The Board of Managers will prepare and distribute to all Unit Owners annually a budget setting forth its projection of the Common Expenses for the Condominium's coming fiscal year. Based upon such budget, the Board of Managers will determine and advise each Unit Owner of the proportionate share of the Common Charges payable by each Unit Owner during the ensuing fiscal year, which will be paid on the percentage of Common Interest allocated to his Unit.

Pursuant to the terms of Article 6 of the By-Laws, the Board of Managers has the right to revise its projection of the Common Expenses at any time and from time to time during the Condominium's fiscal year. Any such revision may result in an increase or decrease in the amount of Common Charges payable by Unit Owners during such fiscal year. However, no such revision shall have a retroactive effect on the amount of Common Charges payable by Unit Owners prior to the date of such new determination.

Unless otherwise determined by the Board of Managers, Common Charges will be payable in monthly installments, in advance, on the first day of each calendar month. No Unit Owner will be relieved from liability for the payment of his Common Charges by waiving the use of any of the Common Elements or Limited Common

Elements or by mere abandonment of his Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a permissible sale, transfer, or other conveyance by him of such Unit.

Any Unit Owner may, by conveying his Unit to the Board of Managers without consideration and by complying with certain conditions set forth in the By-Laws in connection therewith, exempt himself from Common Charges accruing thereafter.

In the event that the Board of Managers forecloses its statutory lien on any Unit for unpaid Common Charges and the net proceeds of the foreclosure sale are not be sufficient to pay such unpaid Common Charges, or if such Unit is acquired by a mortgagee or buyer at a mortgage foreclosure sale, then, in either event, the defaulting Unit Owner shall remain personally liable for the balance of unpaid Common Charges. The Board of Managers shall have the right to assess such unpaid balance amongst all Unit Owners at the time that the lien is levied.

Under the provisions of Section 339-z of the Condominium Act and Article 6 of the By-Laws, the Board of Managers will have a lien, on each Unit for unpaid Common Charges assessed against such Unit together with interest thereon. All such liens, however, will be subordinate, to the extent required by applicable law, to any liens for real estate taxes and assessments on such Unit.

5. Obligation to Repair and Maintain the Units, Limited Common Elements and Common Elements

Generally, all maintenance, repairs and replacement to the Common Elements and all maintenance, repairs and replacements of a structural nature to the Limited Common Elements will be made by the Condominium and all maintenance repairs and replacements to the Units and non-structural maintenance, repairs and replacements to the Limited Common Elements will be made by the respective Unit Owners at their own cost and expense. For a more complete discussion see paragraph 5 of the following section entitled "Summary of Declaration and By-Laws."

In the event that any Unit Owner fails to maintain or repair his Unit, or in the event of any breach of the Condominium Documents, then, as set forth in Article 6 of the By-Laws, the Board of Managers shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

The Board has the right to accumulate reserves for capital expenditures.

The Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Units in which Sponsor is more than thirty (30) days in arrears of common charges while it is in control of the Board of Managers.

6. Alterations and Improvements of Units, Common Elements and Limited Common Elements

No Unit Owner (except Sponsor or its designees) may make any structural alteration, addition, improvement, or repair in or to his Unit or its Limited Common Elements without the prior written approval of the Board of Managers. Such approval may be conditioned, in the discretion of the Board of Managers, upon the execution of an agreement by such Unit Owner, in form and substance, satisfactory to the Board of Managers, setting forth the terms and conditions upon which such alteration, addition, improvement, or repair may be made, including (a) obtaining such insurance as the Board of Managers may reasonably require, and (b) indemnifying the Board of Managers. Except as otherwise provided in the By-Laws, no Unit Owner may make any alteration, addition, improvement, or repair in or to the Common Elements or Limited Common Elements.

Sponsor (or its designee) shall have the right, without the approval of the Board of Managers, or representatives of holders of mortgages on Units to (a) make alterations, additions, improvements, or repairs in or to any Unsold Unit, including a change in the use and Certificate of Occupancy for any Unsold Unit and its Limited Common Element, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of Unsold Units (see the section entitled "Changes in Prices or Units" for further discussion).

At the request of Sponsor (or its designee) the Board of Managers, will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such addition, alteration, improvement, repair, change of use or proposed change to be made to the Unsold Units, at which time Sponsor (or such designee) shall indemnify and hold the Condominium harmless from any expense or liability by virtue of the execution of the application or such other documents.

Generally, all alterations, additions or improvements in or to the Common Elements and Limited Common Elements will be made by the Condominium, and the cost and expense thereof will be charged to all Unit Owners as a Common Expense.

7. Insurance

Upon commencement of Condominium operation, the Property will be provided with the insurance coverage described in Note 8 to Schedule B, which is for the benefit of all the Unit Owners and provides for basic casualty insurance for the Limited Common Elements and the Common Elements and liability insurance for the occurrences on the Common Elements. This insurance does not cover personal

property within Units. Unit Owners may obtain supplemental or additional insurance for their own benefit, provided that such policies contain waivers of subrogation and provided further, that the liability of the companies issuing insurance procured by the Board of Manager shall not be affected or diminished by any Unit Owner's supplemental or additional insurance.

Each Unit Owner should consider the desirability of obtaining additional insurance at his or her own cost covering: (i) fire or casualty losses to the contents of his or her Unit and any replacements, additions, upgraded fixtures and improvements therein, and (ii) liability for personal injury or property damage as a result of occurrences in his or her Unit and any appurtenant Limited Common Elements. The Sponsor or the Board of Managers may require Unit Owners to obtain individual unit insurance.

8. Rights of Access

As more fully set forth in the By-Laws, the Board of Managers, the Managing Agent, the superintendent and all other persons authorized by the Board of Managers have a right of access to any Unit and its Limited Common Elements, including, but not limited to, the following purposes: to make inspections regarding violations of governmental laws or regulations against any part of the Property, curing defaults committed by the Owner of such Unit under the Condominium Documents, or correcting any conditions originating in any Unit and threatening any other Unit, Common Element, or Limited Common Element. In addition, Sponsor and its contractors, subcontractors, agents and employees have a right of access to each Unit and to all of the Common Elements and Limited Common Elements, for purposes of completing construction of the Building or performing alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan.

9. Compliance with the terms of the Declaration, the By-Laws and the Rules and Regulations

Each Unit Owner must strictly comply with the provisions of the Condominium Documents, as the same may be amended, modified, deleted, or added to, from time to time, pursuant to the terms thereof. Failure to strictly comply with the provisions of the Condominium Documents is grounds for an action for damages, injunctive relief, or both.

SUMMARY OF DECLARATION AND BY-LAWS

1. Board of Managers

The affairs of the Condominium shall be governed by the Board of Managers, which shall initially consist of two (2) members designated by Sponsor. Sponsor has designated Shmuel Jonas and Howard Jonas, principals of Sponsor, to be the initial members of the Board. At the first meeting of the Unit Owners, which will be held within approximately seven (7) months after the First Closing, the two (2) member Board of Managers shall resign in favor of a new three (3) member Board of Managers. After the initial control period by the Sponsor the number of members of the Board of Managers shall increase to five (5), all to be elected by Unit Owners at such meeting. Thereafter, elections to the Board of Managers shall be held at the regular annual meeting of Unit Owners. See Article 3 of the By-Laws entitled "Unit Owners" for further discussion.

The term of office of each member of the Board of Managers shall normally be one (1) year. At the expiration of the initial term of office of each member of the Board of Managers, such member's successor shall be elected to serve for a term of one (1) year.

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All members of the Board of Managers, other than for any Sponsor designees, shall be either: (a) Unit Owners or spouses of Unit Owners, or mortgagees of Units or a spouse of an individual mortgagee; (b) partners or employees (or their spouses) of a partnership owning a Unit or a mortgage covering a Unit; (c) officers, directors, stockholders or employees (or their spouses) of corporate Owners or corporate mortgagees of Units; or (d) fiduciaries or their beneficiaries (or their spouses) who are Owners of mortgagees of Units (or directors, officers, stockholders, or employees, or their spouses, of corporate fiduciaries, or partners or employees, or their spouses, of partnership fiduciaries). However, members elected by Sponsor or its designee are not subject to the foregoing restrictions. Other than members elected by Sponsor or its designee, no member shall continue to serve on the Board of Managers after he or she ceases to be a Unit Owner or an interested party in a Unit Owner, as specified in the first sentence of this paragraph.

2. Control by Sponsor

Sponsor shall have the right to vote all of the Common Interest attributable

to Units owned by Sponsor, except that when voting for members of the Board of Managers, Sponsor shall, in no event, cast its votes in favor of more than two (2) designees who are related to the Sponsor for the three (3) member Board. Further, at all elections held after the expiration of the Initial Control Period and the subsequent increase in the number of members of the Board of Directors to five (5), not more than two (2) of the members of the Board of Managers may be designees of the Sponsor or the then Owners of the Unsold Residential Units; at least two (2) of the members of the Board of Managers shall be non-Sponsor designees.

After the Initial Control Period, Sponsor or its designee, as Owner of the Unsold Units, shall have the right to designate the following minimum number of members of the Board of Managers: (a) two (2) members, for so long as the Common Interest attributable to the Unsold Units equals, in the aggregate, twenty (20%) percent or more of the Common Interests of all Units; and (b) one (1) member, for so long as Sponsor or its designee owns at least one (1) Unsold Unit.

The number of members of the Board of Managers may not be increased without the consent of the Owner of the Unsold Units for so long as there remains at least two (2) Unsold Units.

Until Sponsor no longer elects a majority of the members of the Board of Managers, Sponsor will, through its control of the Board of Managers, be able to control the maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners.

Except for the first meeting, annual meetings shall be held in each succeeding year as determined by the Board. At each annual meeting, the Unit Owners shall elect successors to the members of the Board of Managers whose term of office expires as of the next such meeting. In addition, special meetings of Unit Owners may be held from time to time, pursuant to the By-Laws, whenever necessary for the affairs of the Condominium.

Each Unit Owner shall be entitled to cast one (1) vote at all meetings of the Unit Owners for each .0001% of Common Interest attributable to the Unit(s) owned by him or her, except that when voting for the election of members of the Board of Managers, each Unit Owner shall be entitled to one (1) vote for each .0001% of Common Interest attributable to his or her Units per member to be elected. The presence, in person or by proxy, of Unit Owners having a majority of the votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners, and, unless otherwise provided, the decision of the Unit Owners casting a majority of the votes of the Unit Owners at a meeting at which quorum shall be present shall be binding upon all of the Unit Owners. However, elections of members of the Board of Managers shall be determined by plurality vote.

3. Powers and Duties of the Board of Managers

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium (subject to the limitations set forth in the By-Laws), including, without limitation, the following:

(a) operation, care, upkeep and maintenance of the Common Elements and Limited Common Elements;

(b) determination of the Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property;

(c) collection of the Common Charges from the Unit Owners;

(d) employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements and Limited Common Elements;

(e) adoption and amendment of the Rules and Regulations covering the details of the operation and use of the Property (subject to the right of the Unit Owners to overrule the Board of Managers as provided in the By-Laws);

(f) maintaining bank accounts on behalf of the Condominium and designating the signatures required therefor;

(g) purchasing, leasing, or otherwise acquiring in the name of the Board of Managers or its designees, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers;

(h) purchasing Units at foreclosure or other judicial sales, in the name of the Condominium or its designee, on behalf of all Unit Owners;

(i) selling, leasing, mortgaging, or otherwise dealing with (but not voting the votes appurtenant to) Units acquired by, and subleasing Units leased by, the Condominium or its designee, on behalf of all Unit Owners;

(j) obtaining and renewing insurance for the Property, including the Units;

(k) making repairs, additions and improvements to, or alterations of, the Property and repairing and restoring the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(l) enforcing obligations of the Unit Owners;

(m) levying fines against the Unit Owners for violations of the Rules and Regulations (no fine may exceed fifty ($50) dollars for any one violation, but each day a violation continues after notice shall be considered a separate violation);

(n) commencing any action or other proceeding against any third party (including the Sponsor) to enforce the rights of Unit Owners or the Condominium, provided only that, any litigation or proceeding that is estimated to cost more than fifty thousand ($50,000) dollars in the aggregate as reasonably determined by the Board, shall require the consent of at least two-thirds (2/3) of all Unit Owners, and provided further that the Board may commence, without first obtaining the consent of the Unit Owners, any proceeding necessary to collect maintenance charges;

(o) borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep, and maintenance of the Common Elements or Limited Common elements, provided, however, that (i) the consent of at least two-thirds (2/3) of all Unit Owners, both in number and in Common Interests, shall be required for the borrowing of any sum in excess of $100,000, 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 Unit Owner;

(p) adjusting and settling insurance claims and executing and delivering releases in connection therewith; and

(q) bringing tax certiorari proceedings on behalf of the Unit Owners.

The Board of Managers shall be responsible for maintaining and repairing the Common Elements and Limited Common Elements as set forth in the Declaration and in the By-Laws, regardless of whether a Unit is vacant or occupied by the Owner thereof or by a permitted lessee or other occupant.

Notwithstanding anything to the contrary contained herein, for so long as

Sponsor or its designee or both shall continue to collectively own Units representing twenty (20%) percent or more in number or in aggregate Common Interest, but in no event later than two (2) years from the date of the First closing, the Board of Managers may not, except as disclosed in this Offering Plan, without Sponsor's or such designee's prior written consent:

(a) make any addition, alteration, or improvement to the Common Elements or to any Unit, unless required by law or necessary for the health or safety (but not the general comfort and welfare) of the Unit Owners (nothing contained herein shall restrict the right and obligation of the Board of Managers to maintain and repair the Common Elements and Limited Common Elements);

(b) assess any Common Charges for the creation or replacement of, or addition to, all or part of a reserve (for capital replacements or otherwise), contingency, or surplus fund in excess of five (5%) percent in the aggregate of the estimated Common Expenses for any year of operation;

(c) increase the number or change the type of employees from that described in the First Year's Budget;

(d) enter into any service or maintenance contract costing in excess of $10,000 per annum; or

(e) borrow money on behalf of the Condominium.

4. Officers of the Condominium

The officers of the Condominium shall consist of the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers at its annual meeting. All officers shall serve without compensation from the Condominium. None of the officers need be Unit Owners until the five (5) member Board of Managers is elected at the first meeting of the Unit Owners. Thereafter, both the President or Vice President and the Secretary or Treasurer must be members of the Board of Managers.

The cost of snow removal from, and maintenance of, the sidewalks, arcades, plaza, planted areas etc. and public walks shall be a Common Expense. Snow removal, planting and regular maintenance of the terraces, gardens and roof terraces shall be the responsibility of the Unit Owners. All maintenance and repairs to the Common Elements and Limited Common Elements, which are the responsibility of the Board of Managers, shall be performed by employees of the Condominium or by

independent contractors. The Condominium will employ a non-resident non-union superintendent, whose estimated wages are included in Schedule B.

When, in the judgment of the Board of Managers, the Common Elements or Limited Common elements shall require additions, alterations, or improvements costing more than $50,000 in the aggregate, in any calendar year, such additions, alterations, or improvements shall not be made unless the same have been approved by the Unit Owners (including Sponsor, if it then owns any Unit) owning a majority of the Common Interests at a duly constituted Unit Owner's meeting and by the representatives of institutional mortgagees of Units (the "Mortgage Representatives"), if any, appointed pursuant to the By-Laws. If approved, the Board of Managers may, in its discretion, assess each Unit Owner his pro-rata share of the cost of such additions, alterations, or improvements, according to his or her Common Interest, as part of the Common Charges. Any additions, alterations, or improvements costing $50,000 or less, in the aggregate, in any calendar year, may be made by the Condominium without the approval of the Unit Owners or the Mortgage Representatives, if any, and the cost thereof shall constitute a Common Expense. Notwithstanding the foregoing, for the sooner of two (2) years following the First Closing or so long as Sponsor or its designee or both shall collectively own Units representing twenty (20%) percent or more in number or in Common Interests, no additions, alterations, or improvements shall be made to the Common Elements or Limited Common Elements, regardless of the cost thereof, without the consent of Sponsor, unless same is required by law or is necessary for the health or safety (but not the general comfort or welfare) of the residents of the Building. However, nothing contained in the preceding sentence shall restrict the right and obligation of the Condominium to maintain and repair the Common Elements and Limited Common Elements.

5. Repair or Restoration After Fire or Other Casualty

Except as set forth in the next paragraph, in the event that the Building or any part thereof is damaged or destroyed by fire and other casualty, the Board of Managers will arrange for the prompt repair and restoration thereof (including any damaged Units, but excluding appliances, fixtures, furniture, furnishings, or other personal property not constituting a part of such Unit). If the insurance proceeds are insufficient to cover the cost of repairs or restoration, the Condominium may assess all Unit Owners for such deficit as a Common Expense. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until payment 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 that are Permitted Mortgages) in the order of priority of such liens.

If seventy-five (75%) percent or more of the Building is destroyed or

substantially damaged and if seventy-five (75%) percent or more of all Unit Owners, both in number and in Common Interests, do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, in which case the net proceeds of the resulting 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 or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than) mortgages that are not Permitted Mortgages) in the order of the priority of such liens. If Sponsor or its designee is then a Unit Owner, it will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building.

6. Insurance

The Board of Managers shall maintain fire insurance policies, insuring the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, or other personal property supplied or installed by the Unit Owners or tenants of Unit Owners) and covering the interests of the Condominium, the Board of Managers, all of the Unit Owners and the holders of all Permitted Mortgages (the "Permitted Mortgagees"), as their respective interests may appear, in an amount equal to at least the full replacement value of the Building (exclusive of excavation and foundations), without deduction for depreciation. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the loss proceeds, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee (hereinafter defined) as set forth below. The cost of all such insurance shall be paid by the Board of Managers and shall be borne by the Unit Owners as part of the Common Charges.

The proceeds of all such policies of physical damage insurance shall be payable to the Board of Managers, in the event of a loss amounting to $100,000 or less, and to the Insurance Trustee, if the loss shall amount to more than $100,000. Such proceeds shall be applied for the purpose of repairing, restoring, or rebuilding the Building, unless otherwise determined by Unit Owners. In no event shall such proceeds be paid to the holder of any mortgage placed by a Unit Owner on his Unit unless, in accordance with the provisions of Section 5.5 of the By-Laws, there shall be a determination not to rebuild the Building. The Insurance Trustee shall be a bank or trust company, having an office in the City and State of New York, designated by the Board of Managers in accordance with the By-Laws.

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

The Board of Managers shall also maintain, to the extent obtainable (a) fidelity insurance covering all officers and employees of the Condominium and of the Managing Agent (if any) who handle Condominium funds. The cost of providing a fidelity bond has been included in the Budget; (b) public liability insurance as to personal injury and property damage in such limits and amounts as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the Managing Agent or manager (if any) and each of the Unit Owners; (c) rent loss insurance in such limits and amounts as the Board of Managers may, from time to time, determine; (d) workmen's compensation and New York State disability benefits insurance; (e) boiler insurance; (f) elevator liability and collision insurance; and (g) such other insurance as the Board of Managers may, from time to time, determine. Such public liability insurance will also cover cross-liability claims of one insurer against another.

However, such insurance will not cover the individual liability of a Unit Owner arising from any occurrence within his or her own Unit. In addition, members of the Board of Managers and officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member or officer (as the case may be) shall be liable for his or her own bad faith or willful misconduct. Prospective members and officers are advised to consult with their own attorneys about the risk of personal liability in their capacity as a board member or officer.

Any insurance maintained by the Condominium may provide for such deductible amounts as the Board of Managers may determine. The cost of all such insurance shall be paid by the Condominium and shall be borne by all Unit Owners as part of the Common Charges.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that such policies contain waivers of subrogation and provided, further, that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance. A Unit Owner should consider maintaining, at his or her own expense: (a) separate insurance on the contents (i.e., furniture and other personal property and belongings) in his Unit, in such amount as will be adequate to insure against loss by

reason of fire or other casualty, and (b) liability insurance against claims for personal injury or property damage resulting from occurrences in his or her Unit or its appurtenant Limited Common Elements. The Sponsor or the Board of Managers may require Unit Owners to obtain individual unit insurance.

7. Liability of the Board of Managers and the Unit Owners

The members of the Board of Managers and the officers of the Condominium will have no liability to Unit Owners because of errors of judgment, negligence, or otherwise, except that individual members and officers will be liable for their own bad faith or willful misconduct. The Board of Managers may contract or effect other transactions with any member thereof, with any Unit Owner, with Sponsor, or with any affiliate of any of them at competitive rates without incurring any liability for self-dealing.

Every contract made by the Board of Managers, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable) that (a) it is made only as agent for all Unit Owners (if the contract affects the Common Elements and Limited Common Elements), (b) the members of the Board of Managers or such officer, superintendent, or Managing Agent shall have no personal liability for such contract (except in their capacities as Unit Owners), and (c) the liability of any Unit Owner with respect to such contract shall be limited to: (i) the proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate common interests of all Unit Owners, and (ii) such Unit Owner's interest in his or her Unit and its appurtenant Common Interest, unless otherwise provided by law.

All Unit Owners shall severally indemnify each member of the Board of Managers against any liability or claim, contractual or otherwise, except those arising out of the bad faith or willful misconduct of such member or that are contrary to law or the terms of the Declaration or the By-Laws. However, the liability of any Unit Owner on account of such indemnification will be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners.

8. Reports to Unit Owners

An annual report of the income and expenses of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board of Managers to all Unit Owners within four (4) months after the end of each fiscal year of the Condominium. The records and books of account of the Condominium will be available for inspection by any Unit Owner during reasonable business hours.

9. Amendments to the Condominium Documents

Generally, subject to certain exceptions, and provided that any required consent of the Mortgage Representatives is obtained, any provision of the Declaration, the By-Laws, or the Rules and Regulations may be amended, modified, added to, or deleted by the affirmative vote of two thirds (2/3) of all Unit Owners in Common Interests. However, for so long as Sponsor or its designee is the Owner of one or more Units, the Declaration, the By-Laws and the Rules and regulations may not be amended or modified so as to adversely affect Sponsor or such designee without the prior written consent of Sponsor or said designee. In addition, the provisions of the Declaration and By-Laws relating to (i) the use of Units or each Unit's Common Interest may not be amended without the prior written consent of every Unit Owner affected by such amendment or (ii) the rights, benefits and exemptions of the Unsold Units.

10. Termination of the Condominium

The Condominium shall continue (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 of all Unit Owners in Common Interests. In addition, the written consent of the Mortgage Representatives, if any, shall be required before such vote is effective. Sponsor will not vote the aggregate Common Interests appurtenant to Unsold Units for such withdrawal unless at least eighty (80%) percent of all other Unit Owners in Common Interests elect to withdraw at which time Sponsor may choose to vote its Common Interests either in favor of, or against, withdrawal from condominium Ownership, as it sees fit. 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 resulting therefrom 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, in the order of priority of such liens.

11. Right of First Refusal

In accordance with Article 8 of the By-Laws, the Board of Managers, on behalf of all Unit Owners, or a third party designated by the Board of Managers, shall have the exclusive right to purchase or lease a Unit (other than an Unsold Unit) subject to the restriction on use and occupancy of such Unit, within twenty (20) business days after receipt of notice of a proposed sale or lease, on the same terms set forth in the applicable contract or lease. The Board of Managers must notify the Unit Owner during such exclusive periods of its or its designees' election to purchase or lease the Unit. In the event the Board of Managers or its designee elects to exercise its right of first refusal as aforesaid, title shall close or the lease shall be executed (as the case may be) within

twenty (20) business days after the day upon which the Board of Managers gives notice of its or its designees' election.

In the event that the Board of Managers exercises its right of first refusal and:

(a) Purchases or leases a Unit on behalf of all Unit Owners:

(i) the Board of Managers may use any funds deposited in its capital and/or expense account or may assess each Unit Owner (other than the selling Unit Owner), in proportion to his Common Interest, an amount necessary to effectuate the purchase or lease (and to maintain the Unit thereafter, if applicable).

(ii) in the case of a purchase, the Condominium shall become the Owner of the Unit, on behalf of all Unit Owners, as tenants-in-common. Such Unit will be deemed and thereafter treated in the same way as a Limited Common Element. Such Unit may be sold by the Condominium by regular sale, public auction or other commercially reasonable method, or leased, provided such sale or lease complies with the restrictions on the use and occupancy of such Unit, and the Condominiums By-Laws, Declaration and Rules and Regulations.

(iii) in the case of a lease, the Condominium or its designee becomes the lessee of a Unit, any lease thereof must comply with the requirements of the Condominiums By-Laws, Declaration and Rules and Regulations, except the consent of the Landlord shall not be required to enter into a sublease.

(iv) The proceeds from the sale or lease of a Unit owned by the Condominium may (at the discretion of the Board of Managers) be used to reduce the Common Charges payable by Unit Owners, be applied to the Working Capital fund or other reserve or contingency fund, or be divided among all Unit Owners in proportion to their respective Common Interest, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

(v) All units acquired or leased by the Condominium shall be held by the Condominium on behalf of all Unit Owners. Any rent, purchase price, closing costs or closing adjustments payable in connection with the acquisition or lease of such Units shall be assessed against all Unit Owners as a Common Expense. No Units held by the Condominium shall carry voting rights.

(b) Designates a third party to purchase or lease a Unit, and such third party elects to purchase or lease same:

(i) such third party shall use its own funds to complete the purchase or lease without any imposition of an assessment to the Unit Owners.

(ii) in the case of a purchase, the third party or its designee shall become the Owner of the Unit. Such Unit may be sold by the third party or its designee by regular sale, public auction or other commercially reasonable method, or leased, provided such sale or lease complies with the restrictions on the use and occupancy of such Unit, and the Condominiums By-Laws, Declaration and Rules and Regulations, including, but not limited to the right of first refusal in favor of the Condominium Board.

(iii) in the case of a lease, the third party or its designee becomes the lessee of a Unit, any lease thereof must comply with the requirements of the Condominiums By-Laws, Declaration and Rules and Regulations, including, but not limited to the right of first refusal in favor of the Condominium Board.

(iv) all units acquired by a third party designee of the Board shall carry voting rights.

If the Board of Managers does not notify the Unit Owner during such exclusive period, of its or its designee's election to purchase or lease the Unit, the Unit Owner will have twenty (20) business days thereafter to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease agreement appended to such notice, failing which the Unit Owner will again be required to first offer the same to the Board of Managers as provided above.

12. Procedure to Review Real Estate Tax Assessments

In the event any Unit Owner seeks to have the Assessed Valuation of his

Unit reduced by bringing a certiorari proceeding, the Board of Managers, 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 Board of Managers from all claims, costs and expenses (including without limitation, reasonable attorney's fees, resulting from such proceedings). The Board of Managers shall have the right to institute such proceedings on behalf of all Unit Owners, who shall individually execute any documents required in connection therewith.

13. Covenant Against Partition of Common Elements and Limited Common Elements

The Condominium shall continue until terminated in accordance with the By-Laws and Declaration. In the event that withdrawal from the provisions of the Condominium Act is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such net proceeds all liens on the Unit Owner's Unit, in the order of priority of such liens.

Copies of the Declaration and By-Laws are set forth in Part II of the Plan as Exhibits F and G, respectively.

REAL ESTATE TAXES

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes by the City of New York. Residential Units will be subject to a Class II rate and the Community Facility, Parking, and Storage Units will be subject to a Class IV Rates. After the Units are separately assessed, a Unit Owner will not be responsible for unpaid taxes on other Units, nor will his or her Unit be subjected to any lien arising from the non-payment of taxes on other Units.

There are no tax certiorari proceedings pending.

1. Taxes Without Benefit of Section 421-a

The value of the Property for real estate tax purposes is determined annually by the Property Division of the Department of Finance of the City of New York. Each year the Property Division fixes the "actual" assessment of a property based upon its market value. Under Article 18 of the Real Property Assessment Tax Law, changes in a property's actual assessed value from one year to another, attributable to changes in its market value, other than those due to new construction or alteration, are phased in over five (5) years in equal annual increments or decrements of twenty (20%) percent per year, resulting in a "transitional" assessment for the property which is also determined each year. For any given year, taxes are based on the lower of the "actual" or "transitional" assessed value. However, increases in assessed value due to new construction, as is the case here, are not phased in, so the "transitional" assessed value and the "actual" assessed value of the Property may be the same.

Assuming initially that Section 421-a benefits are not granted to the Property, projected real estate taxes that will be payable by each of the Units during the first year of Condominium Ownership are based upon an estimate that the aggregate real estate taxes for the Residential Units for such first year will be approximately $470,284.00, the aggregate real estate taxes for the Community Facility Units for such first year will be approximately $123,409.00, the aggregate real estate taxes for the Parking Unit for such first year will be approximately $14,691.00, and the aggregate real estate taxes for the Storage Unit for such first year will be approximately $5,877.00. The estimated taxes were in turn based upon estimates made by The Mazursky Group, Inc. in a letter dated, November 2, 2006, stating that i) the assessed valuation that will be applicable to the Property from January 1, 2007 to June 30, 2007 will be three million two hundred fifty-five thousand two hundred and eighty-eight dollars ($3,255,288.00) and the assessed valuation that will be applicable to the Property from July 1, 2007 to December 31, 2007 will be six million seven hundred eleven thousand dollars ($6,711,000.00), (ii) the tax rates in effect for the Residential Units for the fiscal year beginning January 1, 2007 will be $12.50 per $100 of assessed valuation, and (iii) the tax rates in effect for the Community Facility, Parking, and Storage Units for the fiscal

year beginning January 1, 2007 will be $11.45, per $100 of assessed valuation.

Schedule A allocates the projected real estate taxes payable by Unit Owners according to each Unit's Purchase Price Percentage. However, it is possible that the tax assessor of the City of New York may allocate assessments on a basis that differs from the allocation of interests in the Common Elements.

2. Taxes with Partial Exemption Under Section 421-a

The Sponsor intends to apply for, and will use reasonable efforts to obtain a, partial exemption from real estate taxes with respect to the Property pursuant to Section 421-a of the New York Real Property Tax Law. Assuming that the criteria set forth in Section 421-a and elsewhere for the receipt of these benefits (see below) are met, the Units will be eligible for a partial real estate tax exemption during the construction of the Building. If the exemption is granted, there may be up to 100% exemption of building value during the construction period (not to exceed three years) and the first eleven years of operation. As indicated in the chart below, in the years twelfth through fifteenth, the exemption will decrease progressively and, after year fifteen, the property will be fully taxed. Starting in the twelfth year, the amount of the exemption will decrease (and thus the amount of tax paid will increase even if the tax rate were to remain the same) by twenty (20%) percent of the original exemption amount every year during the period from the twelfth through the fifteenth anniversary period, at the end of which the entire assessed valuation of the Units will be subject to taxation.

Year of 421-a Benefits	**Benefits**
Years 1 – 11	100% of the amount over the Base Assessment is deducted and not taxed
Year 12	20% of the amount over the Base Assessment is added to the Base Assessment and is taxed
Year 13	40% of the amount over the Base Assessment is added to the Base Assessment and is taxed
Year 14	60% of the amount over the Base Assessment is added to the Base Assessment and is taxed
Year 15	80% of the amount over the Base Assessment is added to the Base Assessment and is taxed

Year 16 and thereafter	100% of the amount over the Base Assessment is added to the Base Assessment and is taxed

For purposes of computing the amount of real estate taxes payable in a given fiscal year for a property receiving Section 421-a benefits, the starting point is the "Base Assessment," or the Property's assessed valuation in the tax year prior to commencement of construction. Taxes are then computed as follows:

(i) during the first eleven (11) years, following qualification for 421a benefits, the Base Taxes;

(ii) commencing in the twelfth year, the difference between the Base Assessment and the then current actual assessed valuation of the Property is multiplied by the percentage of such difference in assessment that is not subject to exemption during the fiscal year in question (i.e., twenty (20%) percent in the twelfth tax year; forty (40%) percent in the thirteenth tax year; sixty (60%) percent in the fourteenth tax year; eighty (80%) percent in the fifteenth tax year);

(iii) the amount of the Base Assessment is added to the result of the calculation in (i) above; and

(iv) the then current real estate tax rate is applied to the result of the calculation in (ii) above.

There will always be a minimum tax equal to the then current rate times the Base Assessment, since the exemption is applicable only to the increase over the Base Assessment.

Assuming that Section 421-a benefits are granted to the Property, the real estate taxes payable by each Unit for the first year of Condominium operation will equal its allocable share of the Base Assessment times the then current tax rate, plus its allocable share of assessments for local improvements or special assessment districts payable in connection with the Property.

Assuming the Property receives Section 421-a benefits, projected real estate taxes for the Units during the first year of Condominium Ownership are based upon an estimate that the aggregate real estate taxes for such first year will be approximately $10,752.00 for the Residential Units, the aggregate real estate taxes for such first year will be approximately $38,826.00 for the Community Facility Units, the aggregate real estate taxes for such first year will be approximately $4,523.00 for the Parking Unit, and the aggregate real estate taxes for such first year will be

approximately $1,809.00 for the Storage Unit. These estimates were in turn based upon a letter, dated November 2, 2006, from The Mazursky Group, Inc., which provides that the tax rates in effect for the fiscal year beginning January 1, 2007 for the Residential Units at the Class 2 rate will be $12.50 per $100 of assessed valuation and for the Community Facility, Parking, and Storage Units at the Class 4 rate will be $11.98 per $100 of assessed valuation. (see Exhibit J - Opinion Letter of Jerome Mazursky, contained in Part II of this Plan),

The foregoing estimates both with and without Section 421-a partial tax exemption benefits were based on existing tax rates, current City of New York assessing policies and the Sponsor's description of the Building to be constructed on the Property. However, no guaranty or warranty is given that the projected amounts, including assessed values and rates, will approximate the actual amounts, that the New York City Real Estate Tax Assessment Bureau will allocate the assessed value by a Purchase Price Percentage, or that the assumptions upon which the tax calculations were based will remain valid.

The Sponsor's ability to obtain Section 421-a benefits for the Property is contingent on its meeting certain criteria contained in the statute and in the Regulations of the New York City Department of Housing Preservation and Development ("HPD"). These include, among other things, the requirements that (i) the construction take place on land, which thirty-six (36) months prior to the commencement of construction was either "vacant, under-utilized or improved with a non-conforming use," (ii) the construction must be completed no later than four years after the start of construction, and (iii) the Units must be owned in Condominium or cooperative form or be registered with HPD. With respect to the Property, the Sponsor has represented that (i) the site was vacant for the thirty-six (36) months prior to the start of construction, (ii) the construction will be completed within the statutory time period, and (iii) upon completion of construction, the Building will be owned as a Condominium. Until all Unsold Units are sold, Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. After all Unsold Units are sold, Sponsor, or its designee, will turn over all records required by HPD to the then current Board of Managers. HPD routinely conducts audits, which can result in the reduction or revocation of benefits, if proper documentation is not provided. Upon closing, Sponsor will make all tax benefit documents available to the Board of Managers, for inspection and copying for the life of the benefits. Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

The above requirements and the additional criteria imposed by Section 421-a that must be met in order for the Property to receive partial tax exemption benefits are more fully described in the opinion of Jerome Mazursky, which is contained as Exhibit J in Part II of the Plan. It is the opinion of Jerome Mazursky based on the representations made to him by the Sponsor, and on certain information independently

verified by him, that all conditions of eligibility will be satisfied, that HPD will issue a Preliminary Certificate of Eligibility pursuant to the statute and regulations, and that the Department of Finance of the City of New York will grant an exemption from real property taxes to the extent of one hundred (100%) percent of the assessed valuation, which exceeds the Base Assessment of $113,928.

Until Units are separately assessed, real estate taxes and thus the partial tax exemption will be allocated between Units based on their respective percentages of Purchase Price. However, once Units are separately assessed, there is no assurance that the New York City taxing authority will allocate taxes, and thus the tax exemption, between the Units in accordance with their percentages of Purchase Price.

After the recording of the Declaration and establishment of the Condominium, and for the term of the Section 421-a benefits, the Sponsor will make all documents related to the Section 421-a partial tax exemption available to the Board of Managers for inspection and copying. It will continue to file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

The New York City Department of Housing Preservation and Development ("HPD") routinely conducts audits under Section 421-a, the result of which can be either the reduction or revocation of benefits if proper documentation is not provided. The Sponsor represents that it will keep all records required by HPD and will make them available to HPD whenever requested to do so.

Notwithstanding the foregoing, no guaranty or warranty is made as to when or whether the application for Section 421-a partial tax exemption benefits will, in fact, be submitted or approved, or as to the amount of any tax exemption benefits that may actually be received. In this regard, Purchasers should note that to the extent the receipt of the Section 421-a benefits depends upon the date on which the construction of the Building is completed, such receipt would be jeopardized if construction is delayed due to causes within or beyond the Sponsor's control.

If, for any reason (including, without limitation, Sponsor's failure to satisfy any of the criteria for obtaining Section 421-a benefits for the Property, regardless of whether within or beyond Sponsor's control), Sponsor's application to obtain Section 421-a partial tax exemption benefits for the Property is either not submitted or not approved, the Units will be subject to full taxation and will receive no benefits under Section 421-a. If such eventuality occurs, Purchasers under this Plan will have no right to rescind their Purchase Agreements, will continue to be obligated to pay their full purchase prices without any offset or credit and will have no claim against the Sponsor by reason of the same. Consequently, Schedule A to the Plan contains projections of monthly real estate taxes, total monthly carrying charges and annual amounts deductible for income tax purposes both assuming that Section 421-a benefits will be

available to the Property and assuming that such benefits will not be available.

Jerome Mazusky has opined, but does not guaranty, that, predicated upon the assumptions and representations stated in its opinion letter and subject to the caveats and conditions described above and in such opinion letter, the Units will be entitled to receive the partial real estate tax exemption benefits available under the Section 421-a program. Jerome Mazusky opinion letter is based solely on the facts and documents referred to therein. Both the Sponsor and Jerome Mazusky strongly advise each person who is contemplating the purchase of a Unit to consult with his or her own attorney, accountant, or other financial advisor as to all such matters (including the partial tax exemption benefits discussed above). Neither the Sponsor, the Selling Agent, nor Jerome Mazusky guaranty that such partial tax exemption benefits will be applied to any Unit Owner or Owners. No warranties are made that the laws, the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Jerome Mazusky has based its opinion letter, will not change. In no event will the Sponsor, the Selling Agent, Jerome Mazusky or any other person or firm connected with the offering be liable if it is determined that the Units do not qualify for tax exemption benefits under the Section 421-a program, or, if granted, if such benefits are later reduced or revoked.

3. Separate Assessment of Units

It is intended that Units shall be separately assessed on their closing date for the then current tax year, but this may not have been done, depending on the closing date of the Unit. In the event that Units have not been separately assessed for real estate tax purposes prior to the first closing of title to a Unit, the Sponsor will collect from each Unit Owner, at the Closing, an amount to be held in escrow in the name of the Board of Managers equal to the unpaid real estate taxes, which will be levied against the Property for the a six (6) month period next following the tax period for which an adjustment is made at the closing of title. The Board of Managers shall pay the real estate taxes from this escrow account when they become due and payable, and Sponsor shall pay any amounts which may be due and owing with respect to the Unsold Units during the period of Sponsor's Ownership. If there are funds remaining in the account after the Units are separately assessed, then the Condominium shall refund the excess amount to the Unit Owner entitled to any such refund. To the extent that the escrow funds are insufficient to cover the taxes or the Units are not separately assessed within six (6) months from the Closing Date, then each Unit Owner shall be obligated to contribute such Owner's pro-rata share of any such taxes calculated based on each Unit's Purchase Price Percentage.

To provide for the possibility that Units may still not be separately assessed for real estate tax purposes at the end of the six (6) month period hereinabove referred to, Purchasers shall be required, at closing, to enter into an

agreement with the Sponsor whereby they agree to deliver to the Condominium within ten (10) days after request therefor, a check payable to the appropriate taxing authority in the amount necessary to cover the Purchaser's percentage of taxes due after the six (6) month period and prior to separate assessment calculated based on each Unit's Purchase Price Percentage. The Condominium's request shall contain a copy of the relevant tax bill and the calculation of the Purchaser's portion. The review of real estate tax assessments will be the responsibility of the Board of Managers of the Condominium.

The real estate taxes for the Units, set forth in Schedule "A" above, were calculated upon the assumption that the taxes for the first year of Condominium operations will be allocated based on each Units' Purchase Price Percentage. Notwithstanding any such allocation, the City of New York Taxing Authority, when it establishes the individual tax lots, may allocate the taxes in any such other manner as the Taxing Authority deems appropriate. Accordingly, Units having the same Purchase Price may pay different real estate taxes.

TAXES - DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The following discussion of certain income tax consequences of the Ownership of Residential Units is based, in part, upon the income tax opinion of Ganfer & Shore, LLP counsel to Sponsor. A copy of this opinion is set forth in the section entitled "Opinion of Counsel."

GANFER & SHORE, LLP IS COUNSEL TO SPONSOR AND NOT TO THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT WITH HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF OWNERSHIP OF A UNIT.

Each Residential Unit Owner will own his Unit in fee simple and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Because each Unit Owner will own his Unit in fee simple, the Owner may, subject to certain restrictions discussed above, mortgage such Unit and will thereby become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness (and not on mortgage indebtedness secured by other Units).

It is the opinion of Ganfer & Shore, LLP that, under present law, and subject to the Alternative Minimum Tax Rules and Regulations, Residential Unit Owners who itemize their deductions will, in general, be entitled to a deduction for mortgage interest and real estate taxes for Federal, New York State and New York City income tax purposes in the taxable year in which the same are actually paid or accrued by such Unit Owners in accordance with their method of accounting.

Common Charges will be borne by the Unit Owners and assessed and collected by the Condominium. The status of the Condominium for Federal, New York State and New York City income tax purposes is uncertain. If the Condominium were deemed to be merely a conduit for the Unit Owners, all income earned by the Condominium, less the expenses incurred in earning such income, would be deemed income to the Unit Owners and taxable to them. However, Common Charges would not be considered income to the Condominium.

However, the Internal Revenue Service may contend that the Unit Owners, acting through the Condominium, constitute an association taxable as a corporation because of certain of its features such as: centralized management, the attempt to limit the contractual liability of the Unit Owners and the possibility of the perpetual life. If the Unit Owners, acting through the Condominium, were treated as an association taxable as a corporation, such association would be subject to Federal, New York State and New York City corporate income tax on earned income, if any, for the portion of the Common

Charges deemed to constitute gross income less deductible expenses.

THE FOREGOING OPINION IS NOT A GUARANTY: IT IS BASED UPON EXISTING RULES OF LAW APPLIED TO THE FACTS REFERRED TO ABOVE. NO ASSURANCE CAN BE GIVEN THAT THE TAX LAWS UPON WHICH COUNSEL BASES THIS OPINION WILL NOT CHANGE. IN NO EVENT WILL SPONSOR, SPONSOR'S ATTORNEY, THE SELLING AGENT, THE MANAGING AGENT, OR ANY OTHER PERSON CONNECTED WITH THIS OFFERING BE LIABLE IF THE UNIT OWNERS, OR ANY OF THEM, OR THE CONDOMINIUM, DO NOT MEET OR, AT ANY FUTURE TIME, CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE NEW YORK STATE TAX LAW OR THE NEW YORK CITY ADMINISTRATIVE CODE, IF THERE ARE CHANGES IN THE FACTS ON WHICH COUNSEL RELIED IN ISSUING THIS OPINION OR IF THERE ARE CHANGES IN APPLICABLE STATUTES, REGULATIONS, DECISIONAL LAW OR IRS RULINGS ON WHICH COUNSEL RELIED. MOREOVER, NONE OF THE AFORESAID MAKE ANY WARRANTIES WITH RESPECT TO THE TAX CONSEQUENCES OF THIS PLAN OR THE TAX CONSEQUENCES OF OWNERSHIP OF ANY RESIDENTIAL UNITS OFFERED UNDER THE PLAN, AND NO ONE HAS BEEN AUTHORIZED TO MAKE ANY STATEMENTS OTHER THAN THOSE CONTAINED HEREIN.

GANFER & SHORE, LLP
360 LEXINGTON AVENUE
NEW YORK, NEW YORK 10017

TELEPHONE (212) 922-9250
TELECOPIER (212) 922-9335

OPINION OF COUNSEL

January 8, 2007

Arlington Suites, LLC
3220 Arlington Avenue
Bronx, New York 10463

Re: Arlington Suites

Gentlemen:

We are serving as special counsel to you, the Sponsor for the proposed condominium to be known as ARLINGTON SUITES. You have requested our opinion concerning (i) the availability of income tax deductions for purchasers of Residential Units in said Condominium and (ii) the tax consequences to the Condominium of the collection of assessments from Unit Owners.

We have reviewed the Condominium Offering Plan and the documents set forth therein, including the Declaration of Condominium. We have also reviewed Article 9-B of the Real Property Law of the State of New York, as amended, pursuant to which said Condominium will be formed, Section 339-i of the Real Property Law of the State of New York, the relevant Sections of the Internal Revenue Code of 1954, as amended (the "Code"), the regulations or rules issued thereunder and any judicial interpretations thereof, the Tax Reform Act of 1976, the Economic Recovery Act of 1980, the Tax Equity and Fiscal Responsibility Act of 1982, the Tax Reform Act of 1984, the Tax Reform Act of 1986 and the New York State Tax Law. We have also reviewed the opinion of Halstead Property regarding the method of allocation of common interests to each Unit in the Condominium.

Based on our review of the foregoing and assuming the Condominium is validly created pursuant to said Article 9-B, we are of the opinion that, under present law, each Residential Unit Owner of the Condominium who itemizes deductions on his or her income tax return may deduct for both Federal and New York State Income Tax purposes all real estate taxes assessed against the Residential Unit and paid by him or her in the year in which such taxes are paid, and may likewise deduct all "qualified residence interest" paid by him or her on any mortgage indebtedness covering the Residential Unit in the year in which such interest is paid. (Revenue Ruling 64-31, 1964-1 Cumulative Bulletin (Part 1) 300). No deduction is allowed for interest which is not "qualified resident interest." "Qualified resident interest" is interest on indebtedness secured by a "qualified residence" of the taxpayer, which is defined as the taxpayer's principal residence plus one other residence selected by the taxpayer. "Qualified residence interest" is further limited to exclude interest allocable to that portion of the principal of the indebtedness, which, when added to all other indebtedness secured by the residence, exceeds the lesser of (i) the fair market value of the residence and (ii) the sum of the taxpayer's adjusted basis therein, plus the amount of indebtedness secured by the residence and incurred after August 15, 1986 to pay for qualified medical expenses or qualified educational expenses.

In addition, if any of the Residential Unit Owners are Veterans of the United States Armed Forces, they may be entitled to Veterans' Exemptions covering part of the real estate taxes assessed against their respective Residential Units.

It should be noted that under Section 55 of the Code a non-corporate taxpayer may be subject to an alternative minimum tax on his or her alternative minimum taxable income ("AMTI") in lieu of the regular income tax. AMTI means the taxpayer's adjusted gross income for the taxable year, plus tax preference items described in Section 57 of the Code, and minus certain specified deductions, including, but not limited to, qualified housing interest (incurred to buy, build or rehabilitate the taxpayer's principal residence or a qualified dwelling used by the taxpayer or any member of his family), but excluding certain deductions allowed with respect to the regular income tax, such as real estate taxes.

New York State also imposes a minimum tax based on certain Federal tax preference items, including "adjusted itemized deductions." See Sections 601-A and 622 of the Tax Law of the State of New York.

Section 528 of the Code, which concerns the taxability of condominiums, provides that a Condominium Management Association ("Association") may elect to be exempt from federal income tax on assessments collected from Unit Owners if it meets certain requirements set forth in said section of the Code. Those requirements are:

1. The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of Association property, which includes property held by the Association and property commonly held by the members of the Association;

2. Sixty (60%) percent or more of the Association's gross income must consist of assessments from Residential Unit Owners ("exempt function income");

3. Ninety (90%) percent of the Association's expenditures must be for the acquisition, construction, management, maintenance and care of the Association property;

4. No part of the net earnings can inure to the benefit of private individuals; and

5. Substantially all units must be used as residences.

In order for a Condominium Management Association meeting the above requirements to obtain the tax treatment provided by Section 528 of the Code, it must elect to have said Section apply for the taxable year of the Association. The election may be made by filing Form 1120-H, U.S. Income Tax Return for Home Owners Associations, within the time provided for filing Federal income tax returns for the year for which the election is made, including any extensions. A Condominium meeting the requirements of Section 528 of the Code and electing to be exempt from federal income tax or exempt function income would be taxable at corporate rates, with some minor modifications, on the amount by which its non-exempt function income exceeds the amount of allowable deductions, which are directly connected with the production of such income. Any tax paid on non-exempt function income would be a common expense of the condominium. Each Unit Owner's share of the income tax would then be based on his or her Unit's percentage of interest in the Common Elements of the Condominium.

It is our opinion ARLINGTON SUITES will qualify as a "Condominium Management Association," and that the receipts from the Residential Unit Owners, which qualify as dues and assessments, will be "exempt function income" for the taxable year for such Association. It is our further opinion that ARLINGTON SUITES will meet the above requirements for election of Section 528 during its first year of operation, but we are unable to express an opinion as to whether it will be able to qualify under Section 528 in any particular subsequent taxable year.

If an exemption under Section 528 of the Code is not in effect for any taxable year, the tax status of the Condominium will be governed by the law effective prior to the enactment of said section. Under New York State law, the Condominium would be an unincorporated association and, in such event, each Unit Owner would be directly taxable on his or her proportionate shares of non-exempt function income, if any. The status of the federal law prior to the enactment of Section 528 is unclear. The characterization of the Condominium under State law is not controlling. The Internal Revenue Service may disregard the status of the Condominium as an unincorporated association and treat it as

an association taxable as a corporation. In such event, the result would be similar to an effective election under Section 528.

No warranties are made that either the United States Treasury Department or the New York State Department of Taxation and Finance will allow the aforementioned deductions for real estate taxes and/or mortgage interest to Residential Unit Owners or that the tax laws, regulations and rulings upon which this opinion is based will not change. The undersigned will in no event be liable if it shall be determined that the Condominium does not meet, or at any future time ceases to meet, the requirements of the Internal Revenue Code of 1954, as amended, or the New York State Tax Law, or any amendment of either thereof, by reason of changes in fact or statutory or decisional law or amendment to any law, which could not be foreseen or expected to be foreseen. Moreover, no opinion is expressed nor is any representation or warranty made with respect to the tax consequences of the Plan or any other matter (including, without limitation, the tax consequences of Ownership of Units offered under the Plan), except as herein expressly set forth.

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

Very truly yours,

GANFER & SHORE, LLP

WORKING CAPITAL AND RESERVE FUND

1. Working Capital Fund

At the time of the Closing of each Unit sold by Sponsor under this Plan, each Purchaser will contribute the amount of $5,000 ($145,000.00 in the aggregate) to a Working Capital Fund to be maintained by the Board of Managers. In addition, in the event the Closing Adjustments referred to below result in a net credit in favor of the Condominium, Sponsor shall, at the time of the First Closing, make an additional contribution to the Working Capital Fund Equal to the amount of such credit. While Sponsor is in control of the Board of Managers, Sponsor will not use the Working Capital Fund for the purpose of reducing the maintenance charges.

The Working Capital Fund may be held, or used for working capital, to make repairs and/or for such other appropriate purposes permitted under the declaration and the By-Laws as will be determined by the Board of Managers, in its sole discretion.

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

There is no provision in the Plan for a Reserve Fund to be used by the Condominium for capital replacements or repairs. The Board of Managers, in its discretion, and subject to the provisions of the By-Laws, may decide in the future to create a reserve fund by special assessment or increases in Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

2. Closing Adjustments

Immediately prior to the First Closing, Sponsor shall apportion the following items with the Condominium as of the day immediately preceding such closing:

(a) Part-time, non-union Superintendent salary;

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

(c) Cost of fuel, plus sales tax;

(d) Charges for electricity and gas and other utilities for the Common Elements and Limited Common Elements;

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

(f) Real estate taxes, assessments, water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);

(g) Cost of building supplies on hand, at Sponsor's cost, plus sales tax; and

(h) Premiums for transferable insurance policies.

Rent prepaid by an interim lessee of a Unit (if any) will be credited to the Condominium, which, in turn, will credit such rent against the first Common Charges payable by the Owner of such Unit.

If the result of the closing adjustments is a net credit in favor of the Condominium, Sponsor shall make a contribution to the Working Capital Fund in the amount of such net credit. If, however, the result of the closing adjustments is a net credit in favor of Sponsor, the amount of such net credit will be paid to Sponsor by the Condominium, with interest at the annual rate of fourteen (14%) percent, in twelve (12), equal, consecutive monthly installments, commencing the first day of the second calendar month after the First Closing, pursuant to the terms of twelve (12), negotiable, serial, promissory notes to be executed by the Board of Managers at the First Closing. Each serial promissory note will contain a provision allowing Sponsor to accelerate the note's maturity date in the event of a default under any other serial promissory note. The Board of Managers will be entitled to prepay each serial promissory note in full, at any time and without penalty. Payment of the promissory notes, including the interest due thereon, will be a Common Expense payable as part of the Common Charges. No provision has been made in the Budget for the payment of any closing adjustments to the Sponsor. If the net closing adjustments are in favor of the Sponsor, then either the Common Charges will have to be increased or the Working Capital Fund reduced to pay these expenses.

IDENTITY OF PARTIES

Sponsor: The Sponsor of the Offering Plan is Arlington Suites, LLC, a New York Limited Liability Company, whose principal members are Shmuel Jonas and Howard Jonas. Shmuel Jonas and Howard Jonas have not participated in any prior offerings.

Selling Agent: The Selling Agent for the Condominium will be Stephen Kliegerman at Halstead Property with offices located at 831 Broadway, New York, New York 10003. He has over 20 years of experience in sales and rentals in New York City.

Attorneys: The Sponsor's attorney is Ganfer & Shore, LLP, 360 Lexington Avenue, New York, New York 10017. Ganfer & Shore, LLP is a partnership consisting of Mark A. Berman, Esq., Thomas J. Curran, Esq., Allen L. Finkelstein, Esq., Steven R. Ganfer, Esq., Sandra L. Jacobus, Esq., Richard A. Krauss, Esq., Arthur M. Lieberman, Esq., Steven J. Shore, Esq., and Ira B. Matetsky, Esq. Ganfer & Shore, LLP is experienced in the preparation of Offering Plans. The Plan was prepared under the supervision of Sandra L. Jacobus, Esq.

Architects: The Sponsor's architect is David Mandl, Meltzer/Mandl Architects, P.C., is licensed in New York and has an office located at 215 Park Avenue South, New York, New York 10003. He has been working as a licensed architect in the New York area for 27 years.

Managing Agent: The managing Agent will be HSC Management Corp. with their main office at 850 Bronx River Road, Bronxville, New York 10708. The Corporation has been managing real estate properties for 28 years and now manages approximately 75 properties.

Real Estate Tax Consultant: Jerome Mazursky is a property tax consultant and maintains its offices at 42 Broadway, Suite 1744, New York, New York 10004.

MANAGEMENT AGREEMENT AND CONTRACTS

The Condominium will enter into a one (1) year Management Agreement with HSC Management Corp., effective as of the date of the first closing of title to a Unit, at a fee of $28,000.00 for the first one (1) year of Condominium Operation. All expenses incurred by the Managing Agent in performance of its duties to the Condominium will also be reimbursed to the Managing Agent. See the Budget for the First Year of Condominium Operation (Schedule B). The Management Agreement provides that the books and records held by the Managing Agent shall be returned to the Condominium upon termination. The Management Agreement may not be assigned by either party without the consent of the other. It may be cancelled by either party for cause. The Management Agreement provides that the Condominium shall indemnify the Managing Agent for acts properly performed by the Agent in accordance with the terms of the Management Agreement.

The Managing Agent will, among other things:

(a) cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Common Elements, all of whom shall be the Condominium's employees;

(b) cause the Common Elements to be maintained in such condition as may be deemed advisable by the Board of Managers, provided that ordinary repairs or alterations involving an expenditure of over $2,500 for any one item which is not part of a previously approved operating or capital budget shall be made only with the prior approval of the Condominium, although emergency repairs, i.e., those immediately necessary for the preservation and safety of the Common Elements or for the safety of Unit Owners or other persons, or required to avoid the suspension of any necessary service to the Property, may be made by the Managing Agent without prior approval irrespective of the cost thereof, but with notice to the Board as soon as practicable thereafter. Notwithstanding the foregoing, the Managing Agent shall not be required to supervise any major capital improvement projects, although it will solicit bids, if requested by the Board;

(c) recommend, and with the approval of the Board of Managers, cause all such acts and things to be done in or about the Common Elements as shall be necessary or desirable to comply with any and all laws, rules and orders or violations affecting the Common Elements, placed thereon by any federal, state or municipal authority having jurisdiction thereover;

(d) enter into contracts for any necessary services and supplies, provided that any such contract having a term longer than two (2) years, or requiring annual payments in excess of $2,500, must be authorized by the Board of Managers;

(e) check and approve all bills received for services, work, and supplies ordered in connection with maintaining and operating the Common Elements, and pay or cause to be paid all such bills and all water charges, sewer rents and assessments imposed on the Building as and when the same shall become due and payable;

(f) supervise the moving in and out of Unit Owners;

(g) bill or cause to be billed Unit Owners for Common Charges, late charges and other charges, use its best efforts to collect such Common Charges and other charges, and deposit the same promptly into an account approved by the Board of Managers;

(h) consider and, when reasonable, attend to complaints of Unit Owners. If the Managing Agent shall deem any complaint unreasonable, it shall advise the Board of Managers of the complaint and the reason for its opinion that the complaint is unreasonable;

(i) if requested by the Board, carry out required procedures and give required notice as set forth in the Condominium Documents in connection with the exercise of the right of first refusal on proposed sales or leases of Residential Units;

(j) cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and all other tax and other forms relating to the employment of Condominium employees;

(k) set up and keep in good order a separate, accurate and full set of receipts and disbursements, and maintain files containing all documents pertaining to the Building. Maintain accurate and complete accounting records and a checkbook on the Condominium's bank account;

(l) prepare and send out all letters and reports to members of the Board of Managers as the Board of Managers may request;

(m) attend Board meetings each month and all Unit Owner meetings;

(n) process applications by Residential Unit Owners for consent to alterations; assemble proposed plans and coordinate with the Unit Owner for use of Building services, but without supervising the renovations, at a fee to the Unit Owner, which shall be set by the Board of Managers; and

(o) generally, do all things reasonably deemed necessary or desirable by the Board of Managers for the proper management of the Condominium.

Additionally, the Managing Agent shall receive from every Unit Owner, other than the Sponsor or its designee as Owner of Unsold Units, a fee for processing applications for sale, rental or renewal rental of Units, which shall initially be as follows:

(i) $350 for sale
(ii) $200 for rental

In the event after the transfer of control of the Board of Managers to the Unit Owners, the Condominium Board elects to employ a different managing agent or manager of its own choice, any additional cost thereof shall be added to the annual budget and become part of the Common Charges assessed against all of the Unit Owners. No representation is made by the Sponsor as to cost, terms or availability of such management services.

Insurance

Prior to the first closing of title to a Residential Unit, the Sponsor will cause the Owner to obtain, on behalf of the Condominium, the insurance coverage described in the Footnote to Schedule B.

Service Contracts

The following service and maintenance contracts, as extended or replaced, will be binding on the Condominium after the first closing of title to a Residential Unit:

Elevator Maintenance	$10,800
Heating and Cooling System, Sprinkler System, Fire Protective Alarm System	$ 7,500
Exterminator	$ 1,385
Uniform Cleaning and Maintenance	$ 4,664
Landscaping	$ 2,400

REPORTS TO UNIT OWNERS

All Unit Owners will be entitled to receive annually from the Condominium, at the expense of the Condominium, copies of the following:

(a) annual financial statements of the Condominium, prepared and certified by independent certified public accountants, to be received within four and one-half (4-1/2) months after the end of the fiscal year;

(b) notices of the holding of the annual meetings of the Unit Owners, to be sent not less than ten (10) days nor more than forty (40) days in advance of the meeting, stating the purposes thereof as well as the time and place where it is to be held; and

(c) a copy of the proposed annual budget of the Condominium, to be received not less than ten (10) days prior to the date set for adoption thereof by the Board of Managers. While the Sponsor is in control of the Condominium, this budget will be certified in accordance with Section 20.4(d) of the Attorney General's Regulations.

DOCUMENTS ON FILE

The Declaration and the By-Laws will be recorded in the Bronx County office of the Register of the City of New York prior to the conveyance of title to the first Unit. In addition, a set of floor plans for the Building showing the layout, location and approximate dimensions of the Units and Unit designations, certified by the Real Property Assessment Department of the City of New York as conforming to the official tax lot number for each such Unit, and an Architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York, certifying that the floor plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built, will be filed in said City Register's office.

Pursuant to Section 352-e(9) of the General Business Law, copies of this Offering Plan, all Exhibits or documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan are and will be kept on file at the offices of the Sponsor set forth on the cover page hereof for six (6) years from the first closing of title to a Unit, for examination without charge and copying at a reasonable charge, during normal business hours and upon reasonable notice, by Prospective Purchasers and any person who has purchased a Condominium interest offered by this Plan and who has otherwise participated in this offering. Copies of the plan, including all exhibits and amendments thereto, will also be available for inspection and copying at a reasonable charge at the NYS Department of Law.

The Sponsor will deliver to the Board of Managers at the first closing of title to a Unit, a copy of all documents filed with the City Register.

GENERAL

This plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all the provisions of various documents referred to herein. Statements made to the provisions of such documents are qualified in all respects by the contents of such documents.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, against the Sponsor, or any person or persons, which might become a lien against the Property or which might materially affect this offering, the Purchasers of Units, the Property, the Condominium, or the operation thereof.

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

In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person because of sex, race, creed, color, national origin, ancestry, disability, marital status or other ground prohibited by law in the sale of the Units offered by Sponsor pursuant to this Plan, or in the leasing of any such Units or any other portion of the Building.

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers, or Prospective Purchasers, without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in case of an uncured default), nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given the right to rescind their Purchase Agreements and be refunded all monies paid thereunder (with any interest earned thereon) within thirty (30) days after the presentation of the amendment. However, such rescission, as to a Purchaser who becomes a tenant of the Building, will be conditioned on the cancellation of any interim lease and surrender of possession of his Unit within forty-five (45) days thereafter.

The Sponsor agrees to pay such interest on deposits as a court may consider just and proper as part of any order granted pursuant to Section 354 of the General Business Law.

No person has been authorized to make any statement or representation which is not expressly contained herein. Information, data or representations not contained herein or in the exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

The Sponsor adopts the Description of Property and Specifications (the "Report") prepared by Meltzer/Mandl Architects, P.C., which is set forth as Exhibit L in Part II of this Plan, and has relied solely on this Report. The Sponsor represents that it does not know of any material defect or of a need for major repairs except as set forth in the Report.

Dated: New York, New York
February _____, 2007

ARLINGTON SUITES, LLC, *SPONSOR*

BY: _____
Shmuel Jonas, Member

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Part II

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PURCHASE AGREEMENT

A PURCHASER SIGNING THIS AGREEMENT SHALL BE ENTITLED TO RESCIND THIS AGREEMENT BY DELIVERY OF WRITTEN NOTICE OF RESCISSION TO THE SPONSOR WITHIN SEVEN (7) DAYS AFTER EXECUTION HEREOF IF SUCH PURCHASER HAS NOT BEEN IN POSSESSION OF A COPY OF THE OFFERING PLAN FOR AT LEAST THREE (3) BUSINESS DAYS PRIOR THERETO.

THIS AGREEMENT IS NOT CONDITIONED ON FINANCING

PURCHASE AGREEMENT (the "Agreement") among _____ and _____("Purchaser"), and Arlington Suites, LLC ("Seller"), for Condominium Unit number _____ in the proposed Condominium located at 3220 Arlington Avenue, Bronx, New York, together with the Unit's _____% undivided interest in the common elements (the "Common Elements"), which Purchaser agrees to buy and Seller agrees to sell as set forth in this Agreement:

1. Purchase Price

i. The "Purchase Price" is: $_____

ii. The Purchaser's Downpayment (10% of purchase price, the receipt of which is acknowledged) is: $_____

iii. The "Balance" (to be paid at Closing) is: $_____

2. Definitions

The following terms in the Agreement shall have these meanings:

(i) "Buildings" shall mean the building known as Arlington Suites, 3220 Arlington Avenue, Bronx, New York.

(ii) "Closing Date", "closing", "closing of title" and similar words are used synonymously and mean the settlement of the mutual obligations of Sponsor and Purchaser under this Agreement, including the payment to Sponsor of the Purchase Price and the delivery to Purchaser of the deed transferring ownership to the Unit on the terms set forth in this Agreement.

(iii) "Condominium" shall mean Arlington Suites.

(iv) "Declaration" shall mean the Declaration establishing condominium

ownership of the Property.

(v) "Escrow Agent" shall mean Ganfer & Shore, LLP.

(vi) "Plan" shall mean the Offering Plan to convert the Property to condominium ownership and any amendments thereto filed prior to the date upon which Purchaser signs this Agreement.

(vii) "Property" shall mean the Building and the land upon which they are erected.

All other terms not defined elsewhere herein shall have the meanings ascribed to them below.

3. Plan

Purchaser acknowledges having received and read the Plan at least three (3) full business days prior to Purchaser's signing this Agreement. The Plan is incorporated in this Agreement with the same force and effect as if set forth herein at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents and investigate all statements made in this Agreement and in the Plan.

4. Payment of Purchase Price

a. The balance of the Purchase Price (hereinafter referred to as the "Balance"), due at the Closing, must be paid by Purchaser's personal unendorsed certified check or official cashier's check, in either event drawn on a bank that is a member of the New York Clearing House Association, and made payable to the direct order of the Sponsor or such other party as Sponsor may designate.

b. Subject to Sponsor's continued obligation to perform all of its obligations under the Offering Plan, including without limitation, its obligations to complete the alterations, obtain the Certificate of Occupancy, and guarantee the quality of the work as set forth in the Section of the Plan entitled "Rights and Obligations of the Sponsor," Purchaser's payment of the Balance and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations expressly stated herein or in the Plan to be performed by the Sponsor, prior to, or subsequent to the closing.

c. Purchaser is not required to close title, to pay the Balance or accept title to the Unit unless all of the conditions set forth in the Section "Closing of Title to Individual Units" in Part I of the Plan are met concurrently with, or prior to, the closing.

5. Purchase Monies to be Held in Trust

All monies delivered to the Selling Agent on account of a Unit's purchase price will be held in trust and deposited into a special interest bearing escrow account entitled "ARLINGTON SUITES – SPECIAL ACCOUNT" at Citibank, N.A., 120 Broadway, New York, New York. The monies paid by each Purchaser and deposited in said account may not be withdrawn therefrom until this Purchase Agreement is consummated (i.e., title to the Unit is transferred to the Purchaser) or cancelled due to the Purchaser's uncured default or the abandonment of the Plan, whereupon such monies shall be paid to the party entitled to receive same under the terms hereof. All disbursements from said account shall require the signature of Ganfer & Shore, LLP, counsel to Sponsor. The amounts paid by Purchasers will be handled in accordance with the provisions of Section 352-e(2)(b) and 352-h of the New York General Business Law and Section 71-(a)3 of the Lien Law.

6. Closing Contingent on Plan Being Declared Effective

The obligations of Purchaser and Sponsor under this Agreement are conditioned upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the terms of the Plan, as same may be amended from time to time. Purchaser understands and agrees that the Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter, in certain limited cases set forth in the Plan. The Sponsor shall notify Purchaser, by notice and subsequently duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

7. Closing Date and Place

a. The closing of title shall occur as set forth in the Plan, and on the date and at the time and place in the City and State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days prior written notice. Sponsor shall have the right, from time to time, to adjourn such date and time for closing on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than ten business days' prior written notice of the new scheduled date and time for closing.

b. The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under Section "Closing of Title to Individual Units" in Part I of the Plan.

8. The Deed

At Closing, Sponsor shall deliver to Purchaser a Bargain and Sale Deed with covenants against grantor's acts, transferring to Purchaser full ownership (fee simple title) to the Unit. The deed shall be substantially in the form reproduced in the Plan and shall be executed and acknowledged by Sponsor in form for recording. Such executed deed shall be delivered immediately to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Purchaser's attorney) for recording at the Office of the Register of the City and County, and State of New York. After being recorded, the deed shall be returned to Purchaser.

9. State of Title

Except as otherwise set forth in Paragraph 11 below, legal ownership to the Unit shall be transferred to Purchaser at closing subject only to the liens, encumbrances and title conditions (hereinafter called the "Permitted Encumbrances") enumerated in Exhibit A to this Agreement. Any other liens, encumbrances, or conditions shall not be an objection to title if: (i) the instrument required to remove it from the record is delivered to the representative of Purchaser's title insurance (or, if none, to Sponsor's attorney) for recording in the proper office, together with the requisite recording or filing fees; or (ii) Purchaser's title insurance company will insure Purchaser and Purchaser's lending institution against its collection or enforcement out of the Unit.

10. Title Company Approval

Subject to the terms of Paragraph 11 below, Sponsor shall give, and Purchaser shall accept, such title as a title company approved by the Sponsor and licensed to do business in New York will approve and insure, provided that the only liens, encumbrances and conditions effecting title shall be the Permitted Encumbrances, and further provided that if a title insurance company selected by Purchaser other than a title insurance company designated by Sponsor and licensed to do business in New York ("Sponsor's designated title company") refuses to approve and insure title in accordance with the foregoing, and Abstract or Sponsor's designated title company delivers its commitment to approve and insure in accordance herewith, then, in that event, Purchaser shall accept such title as Abstract or Sponsor's designated title company will approve and insure, subject only to the Permitted Encumbrances, provided said policy is acceptable to Purchaser's lending institution.

11. Sponsor's Inability to Convey Title

In the event that Sponsor is unable to deliver to Purchaser title to the Unit in

accordance with the provisions of this Agreement, Sponsor will not be obligated to bring any action or proceeding, or otherwise incur any cost or expense of any nature whatsoever in excess of ½ of 1%, to render title marketable, and in such case, if Sponsor notifies Purchaser of its refusal to remedy the defect in title and if Purchaser is not in default hereunder, Purchaser shall have the option to (i) take title subject to such title defect (without any abatement in, or credit against, the Purchase Price, or claim or right of action against Sponsor for damages or otherwise), or (ii) terminate this Agreement. If Purchaser elects to terminate the Agreement, Sponsor shall instruct the Escrow Agent to return to Purchaser, within ten (10) days after receipt of Purchaser's termination notice, all monies deposited hereunder, with interest accrued thereon, if any. Upon making such refund, this Agreement shall be null and void and neither party shall have any further rights, obligations or liabilities with respect to the other hereunder or under the Plan. The above option must be exercised by Purchaser in writing sent to Sponsor within ten (10) days after the giving of Sponsor's notice of refusal to remedy the title defect, failure of which shall be conclusively deemed that Purchaser elected the first option above to acquire title subject to the title defect.

12. Closing Adjustments

a. At Closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the Closing:

(i) Common Charges for the month in which title closes;

(ii) Real Estate Taxes and any escrow for Real Estate Taxes;

(iii) if Purchaser has executed an interim lease for the Unit, rent and other charges due thereunder for the month in which closing takes place based upon a thirty (30) day month.

(iv) if Purchaser fails to close on the Closing Date initially Scheduled by Sponsor, all adjustments (except interim rent, if any) shall be made as of the original closing date. In addition, Purchaser shall pay to Sponsor interest on the full amount of the Purchase Price at the rate of .03% per day for each day from and including the original closing date through and including the date of the actual closing of title.

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.

b. In the event the Unit has not been separately assessed for the then current fiscal tax year at the time of title closing, the apportionment of real estate taxes shall be based on the Unit's pro rata share (in proportion to its Common Interest) of the

then current real estate taxes assessed against the Property. If the Unit has been separately assessed, but the closing occurs before the tax rate is fixed, then the apportionment of real estate taxes shall be based upon the latest tax rate applied to the most recent assessed valuation.

c. Any errors or omissions in computing apportionments at closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the closing.

d. Installments of tax assessments due after the delivery of the deed, if any, shall be paid by the Purchaser and shall not be considered a defect in title.

13. Purchaser's Closing Costs

At Closing, Purchaser will pay certain costs in connection with the Purchase of the Unit, in addition to the legal fees of Purchaser's counsel (if any) and the amount of any net credit in favor of Sponsor that may result from the closing apportionments described in the preceding Paragraph 12. Such closing costs will include the following, the amounts of which are based on rates in effect on the date of the Plan and are subject to change without prior notices:

(i) If Purchaser elects to obtain fee title insurance, Purchaser will pay a premium to the title company for such insurance, which will vary depending on the amount of insurance requested. Purchaser understands that Purchaser is free to obtain title insurance from a title insurance company other than the company named above or Sponsor's designated title company. Additionally, Sponsor makes no representation or warranty as to the cost, terms or availability of such other title insurance, and in the event the Purchaser opts to obtain such other title insurance, the provisions of paragraph 10, above, shall be carefully noted by the Purchaser;

(ii) Purchaser will pay a fee for recording the deed and the Unit Owner's Power of Attorney of seventeen ($17.00) dollars for each instrument, plus five ($5) dollars per page, together with a service charge to the title company for such recording; and

(iii) If Purchaser obtains a mortgage loan, Purchaser will pay:

(a) if required by the mortgage lender, Mortgage origination fee of the lender, appraisal and credit investigation fee;

(b) a fee and service charge for recording the mortgage at the same rates given above for recording the deed;

(c) a mortgage recording tax in the amount provided by law (at the date of this Plan the tax is 2.05% of the face amount of the mortgage for loans up to $500,000 and 2.13% for loans in excess of $500,000, less twenty five ($25) dollars;

(d) to Sponsor, a sum equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee (2) of the New York Condominium Act; however, in no event shall the reimbursement of Sponsor exceed the amount of the mortgage recording tax paid by the Purchaser as set forth in the preceding subdivision (ii);

(e) the legal fees of counsel to the lender in connection with such mortgage loan as agreed between Purchaser and lender;

(f) if required by the lender, a premium for mortgage title insurance insuring the mortgagee's interest in an amount equal to the mortgage loan. The premium for both fee and mortgage title insurance, if ordered simultaneously from Sponsor's designated title company, will vary depending upon the amount of fee and mortgage title insurance requested;

(g) if required by the lender, an escrow for real estate taxes, any assessments and (if separately assessed) water charges and sewer rents in an initial amount and in such monthly sums after closing as is deemed sufficient by the lender; and

(h) such other charges Purchaser's mortgage lender may require.

(iv) Purchaser will pay, at the time of closing, the amount of $5,000.00 towards working capital reserve.

(v) Purchaser shall pay to Ganfer & Shore, LLP, at the Closing, the sum of $2,000.00 representing a fee for services in connection with preparing the Unit Deed, the Unit Owner's Power of Attorney and for coordinating and attending the Closing. Such fee shall be payable at, or prior to, the Closing by certified or bank check made payable directly to the order of Ganfer & Shore, LLP. In the event the Closing takes place outside of the Offices of Ganfer & Shore, LLP, an additional travel fee in the amount of $500 shall be paid. Purchaser shall pay a fee of approximately $100.00 for the preparation of the Acris documentation. In the event a Purchaser fails to close on the Closing Date, there will be an additional fee of $500 payable to Ganfer & Shore, LLP in addition to all other fees and costs. If Sponsor, in its sole discretion, consents to Purchaser's request to an assignment of the Purchase Agreement Purchaser, Purchaser shall also pay a fee of $1,000. All of the foregoing fees are cumulative.

(vi) The New York City Real Property Transfer Tax for each Residential Unit,

which is currently one (1%) percent of the total consideration where the purchase price is $500,000 or less, but when paid by the purchaser is approximately 1.01% since the shifting of the obligation from the seller to the purchaser is considered to be additional consideration, or at the rate of 1.425% of the purchase price where the price is more than $500,000, but when paid by the purchaser is approximately 1.445%, plus a Fifty ($50) dollar filing fee to the City of New York;

(vii) The New York State deed document stamps, currently .4% of the total consideration, but when paid by the purchaser is increased to approximately .4016%;

(viii) If the purchase price for a 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" and currently equal to one (1%) percent of the Purchase Price of a Residential Unit.

No work can be performed in the Unit by a Purchaser prior to closing, prior to issuance of a permanent certificate of occupancy. If Purchaser wishes to make alterations to the Unit, certain finishes may be omitted, but only upon written agreement with the Sponsor and only if it will not interfere with obtaining the permanent certificate of occupancy.

14. No Guarantee of Mortgage

Purchaser hereby acknowledges and agrees that no warranties or representations were made to Purchaser, either in the Plan or by the Sponsor or any other person or entity, that Purchaser will be able to obtain financing for the purchase of the Unit from any lending institution. Purchaser hereby agrees that if Purchaser is unable to obtain any such financing, Sponsor shall have no liability to the Purchaser for the failure to obtain any such financing.

15. Power of Attorney to Board of Managers and Sponsor

At closing, Purchaser shall execute, acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or, if no representative is present, then to Sponsor's attorney) for recording in the New York City Register's office of the County and State of New York, a power of attorney in favor of the Board of Managers relative to purchasing or leasing of Residential Units and in favor of Sponsor relative to amending the Condominium Documents to the extent permitted in the power of attorney. The power of attorney shall be substantially in the form set forth as Exhibit C in Part II of the Plan. After being recorded, the power of attorney shall be sent to the Board of Managers.

16. Certificate of Occupancy

At closing, Sponsor shall deliver to Purchaser a copy of the Certificate of Occupany for the Unit, whether permanent or temporary. If a permanent Certificate of Occupancy shall not have been issued at the time of the closing, then Sponsor shall be obligated, at its sole cost and expense, to obtain renewals of the temporary Certificate of Occupancy until such time as a permanent Certificate of Occupancy is obtained.

17. Events of Default

a. The following shall constitute "Events of Default" under this Agreement:

(i) Purchaser's failure to pay the Balance on the Closing Date designated by Sponsor;

(ii) Purchaser's failure to duly sign, notarize and deliver at closing, the power of attorney pursuant to Paragraph 15 above or the New York City transfer tax return pursuant to Paragraph 13 above;

(iii) The failure to pay, perform or observe any of Purchaser's other obligations hereunder, which is not cured within fifteen (15) days after the mailing of written notice specifying the nature of such default.

b. Upon the occurrence of an Event of Default, Sponsor's sole right shall be to cancel this Agreement by sending Purchaser thirty (30) days prior written notice of its intention to do so. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the cancellation notice within which Purchaser must cure the specified default. Time is of the essence to remedy such default within said thirty (30) day period. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the down payment (but in no event to exceed ten (10%) percent of the Purchase Price), plus the cost of any special work in the Unit ordered by Purchaser, together with any interest earned thereon (hereinafter called the "Liquidated Sum"), and any sums in excess thereof (together with any interest earned thereon) shall be returned to Purchaser promptly thereafter. Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

18. Acceptance of the Condition of the Buildings and the Unit

a. The signing of this Purchase Agreement by Purchaser signifies

Purchaser's acceptance of the condition of the Property, including the Buildings, the Unit and all necessary machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively referred to as "Installations"), in their respective existing conditions, subject to Sponsor's obligations to renovate, alter, and construct as set forth in the Plan and the provisions of subdivisions, b, c and d of this Paragraph 18.

b. The Sponsor warrants and represents that it shall cause its contractors to correct any defects due to improper workmanship or material substantially at variance with the Plans and description contained in the Architect's report, provided that Sponsor is notified, in writing by certified mail, within three (3) months of the first occupancy of the Unit of any latent defects and thirty (30) days with respect to any patent defects. Notwithstanding the forgoing, Sponsor shall not be obligated to correct any defect covered by any assignable warranties or guaranties, or as otherwise limited as provided for in the Plan.

c. The Sponsor will not be responsible for correcting defects in appliances, equipment, or fixtures with respect to which assignable warranties, guaranties or other undertakings from manufacturers, suppliers, subcontractors, material men or others are assigned to the Purchaser. However, all appliances, equipment and fixtures shall be in working order at the time of closing.

d. Sponsor shall not be responsible for any condition resulting after the closing from normal wear and tear, or natural deterioration, or from the normal settling or shifting of the Buildings, or for defects of any insubstantial nature, such as, without limitation, nail pops, ridging on sheetrock walls, lumber shrinkage, doors sticking due to weather, or warpage of less than 1/4", separations in bathroom tiles or tile grouting, slight separation in kitchen tile or normal plumbing, heating and ventilation (exhaust) noises. Unless notified in writing by the Purchaser of a Unit on or before the Closing for such Unit, the Sponsor shall not be responsible with respect to such Unit for paint touch-ups or for repair of chips, mars, breaks or other defects in window sashes, electrical fixtures and globes, kitchen cabinets, countertops, vanity tops and bases, medicine cabinets, doors, bases, mirrors, hardware and appliance cabinets. The Sponsor shall not be liable for consequential damages (whether based on negligence, or breach of contract, warranty, or otherwise), it being intended that the Sponsor's sole obligations in this respect shall be to cause its contractors to repair or replace, at its option, any defective items of construction, subject to the terms and conditions and within the time limit set forth in this Agreement.

19. Possession; Risk of Loss

a. Purchaser shall not be entitled to possession of the Unit until the deed is delivered to Purchaser at closing.

b. All risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Board of Managers to complete such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been substantially repaired as near as is reasonably possible to its condition immediately prior to the casualty, and (ii) its essential services (such as gas, electricity and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance, or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Board of Managers, or of other Unit Owners). If such proceeds are paid to Purchaser, Purchaser shall promptly, upon receipt, turn them over to Sponsor. The provisions of the two preceding sentences shall survive the Closing.

c. In the event that Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, or (in the event the Declaration has been filed) the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Agreement shall be deemed cancelled and of no further force or effect, and Sponsor shall instruct the Escrow Agent to return to Purchaser all sums deposited hereunder, together with interest, whereupon the parties shall be released and discharged from all obligations and liabilities hereunder and under the Plan.

20. No Representation

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 others, including, but not limited to, any relation to the description or physical condition of the Property, the Buildings 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 or the estimated Common Charges and estimated real estate taxes for the Units, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan, Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of

the Common Elements, as shown on the Floor Plans, is accurate and correct, provided the layouts and dimensions conform substantially to such Floor Plans, and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Paragraph 20 shall survive the closing of title.

21. Notices

All notices, elections, consents, demands and communications other than the mailing of any Amendments to the Plan (collectively referred to herein as "notices" or individually referred to as "notice") shall be delivered personally, or given in writing, by registered or certified mail, return receipt requested, postage prepaid, and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in this Agreement (with copy, if requested, to Purchaser's attorney) and, if sent to Sponsor, addressed to Arlington Suites, LLC, 3220 Arlington Avenue, Bronx, New York 10463 (with copy sent in like manner to Ganfer & Shore, LLP, 360 Lexington Avenue, 14th Floor, New York, New York 10017, Attn: Steven R. Ganfer, Esq.

22. Broker

Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. The Sponsor represents to the Purchaser that to its knowledge, no other broker or sales agent was instrumental in introducing the Purchaser to the Sponsor. Sponsor agrees to compensate the Selling Agent pursuant to a separate agreement. Purchaser agrees that should any claims be made against Sponsor for commissions by any broker, other than the Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 22 shall survive the closing.

23. No Lien; Agreement Subject to Mortgage

a. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded and any purported recordation hereof by Purchaser shall constitute an Event of Default.

b. In furtherance, and not in limitation, of the provisions of the preceding subdivision a, Purchaser agrees that the provisions of this Agreement are, and shall continue to be, subject and subordinate to the lien of any mortgages heretofore or hereafter made with respect to the Buildings, and any payments or expenses already

made or incurred or which hereafter may be made or incurred without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration and the Unit is released from the lien of such mortgage at closing.

24. Entire Agreement

This Purchase Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements.

25. 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 shall be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment shall not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor.

Purchaser is hereby advised that Purchaser is not permitted to resell this Unit for a price lower than that offered by the Sponsor for a comparable apartment, for one (1) year after the closing of title, without the prior written consent of Sponsor. This provision shall survive the closing.

26. Joint Purchasers

The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

27. Liability of Sponsor

Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed, or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike lock-out, action of labor unions or

any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of the Sponsor. Sponsor's time to perform such obligation or undertaking shall be extended for the reasonable period for it to perform, following termination of the event for which such performance was excused.

28. Miscellaneous

a. 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.

b. 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 provisions 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.

c. Any failure by Sponsor to insist upon strict performance by Purchaser 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 that may occur, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

d. The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State or New York.

e. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, connected with, or related to, this Agreement or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

f. 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.

g. The provisions of this Agreement shall bind and inure to the benefit of

Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

29. No Oral Changes

This Agreement cannot be changed or any provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN AN ADDENDA HERETO OR IN A SEPARATE WRITTEN AGREEMENT BY THE PARTIES.

30. Acceptance of Purchase Agreement

a. On or prior to Purchaser's signing and delivering this Agreement, Purchaser shall complete, sign and deliver to the Selling Agent an application form furnished by Sponsor. Such application shall be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or the Sponsor.

b. The submission of such application or this Purchase Agreement to Purchaser does not constitute a binding obligation on either the Purchaser or the Sponsor. No such binding obligation shall arise until duplicates of this Purchase Agreement are executed by, and delivered to, both Purchaser and Sponsor (or Sponsor's duly authorized agent). If, within thirty (30) days after the Selling Agent receives this Purchase Agreement, a Purchase Agreement signed by Sponsor or its authorized selling agent is not sent or delivered to Purchaser, then it shall be deemed rejected and of no force or effect, and all monies paid by Purchaser shall be promptly refunded, without interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, or other ground proscribed by law.

31. Prohibition Against Advertising

Prior to the closing of title and within one (1) year after the closing of title, Purchaser shall not 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, for a price lower than that offered by the Sponsor for a comparable apartment, without Sponsor's prior written consent. This provision shall survive closing.

32. Execution

The parties have executed this Agreement this ____ day of _____, 2007.

SPONSOR:

ARLINGTON SUITES, LLC

By: _____, as Member
Shmuel Jonas

_____
Purchaser's Attorney's Name

_____
Attorney's Firm Name

_____
Attorney's Address

_____
City State Zip

_____
Attorney's Telephone Number

_____
PURCHASER (1)

_____
Social Security No. (1)

_____
PURCHASER (2)

_____
Social Security No. (2)

Please Print:

_____
Address

_____
City State Zip

_____
Office Telephone Number

_____
Home Telephone Number

EXHIBIT A

PERMITTED ENCUMBRANCES

1. Covenants, conditions, easements, leases and agreements of record.

2. Terms and conditions set forth in Declaration of Condominium and By-Laws dated _____ recorded _____ in Reel ____ p _____.

3. Restrictive Use and Regulations as set forth in the By-Laws of the Condominium.

4. Power of Attorney as set forth in the Purchase Agreement from the insured to Sponsor and the members of the Board of Managers of Condominium and their successors.

5. State of facts of the Land and Building of which the Apartment Unit is a part as shown on the survey made by _____ and any additional state of facts, which a subsequent and accurate survey of such Land and Building would show.

6. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction.

7. Any easement or right of use in favor of any utility company for construction, use, maintenance, repair and replacement of all utility lines, wires, terminal boxes, main pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across, the Land and Building.

8. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid by the Condominium Board).

9. Encroachments of stoops, areas, cellar steps or doors, trims, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, vent pipes, footings, chutes, fuel oil lines, drainage and stand pipes, and similar projections, if any, on, over or under the Property or the streets or sidewalks abutting the Property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.

10. Leases and service, maintenance, employment, concessionaire and license agreements and easement agreements, if any, of other Units over portions of the Common Elements.

11. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.

12. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at closing).

13. Any encumbrance as to which the title insurance company, which insures Purchaser's title to the Unit, would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien, and (b) will not prevent the use of the Unit for dwelling (if the Unit is a Residential Unit) purposes.

14. Any recorded covenant, restriction, reservation, agreement, assessment or encumbrance against the Property (including the Air Rights Agreement and the Zoning Lot Declaration) other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

15. Any violations against the Property (other than the Unit), which are the obligation of the Condominium Board or another Unit Owner to correct.

16. Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring Purchaser's title to the Unit.

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

INSPECTION STATEMENT

Date: _____

Arlington Suites, LLC
3220 Arlington Avenue
Bronx, NY 10463

Re: Unit #_____
Arlington Suites
3220 Arlington Avenue, Bronx, New York

Gentlemen:

This is to confirm that, based upon the undersigned's personal inspection of the above-referenced Unit, I (we) have found the Unit, its floors, walls, doors, fixtures, appliances, equipment, hardware and all other items listed below to be in good and satisfactory condition, free of chips, mars, scratches, breaks or other defects, except for those matters (if any) expressly noted below under "Exceptions" requiring repair, adjustment or correction:

Item	Exceptions (if any)	Purchaser's Initials
1. Unit Interior	_____	_____
(a) Walls	_____	_____
(b) Floors	_____	_____
(c) Ceilings	_____	_____
(d) Windows: glass, sash, panes, sills, etc.	_____	_____
(e) Doors	_____	_____
(f) Electric Fixtures	_____	_____
(g) Painted Surfaces	_____	_____
(h) Kitchen Cabinets	_____	_____
(i) Appliances	_____	_____
(j) Kitchen Sink	_____	_____
(k) Medicine Cabinets, doors and mirrors	_____	_____
(l) Bathroom Sinks	_____	_____
(m) Water Closet	_____	_____
(n) Bathtubs	_____	_____
(o) Shower Doors	_____	_____

(p) Bathroom Tile _____ _____
(q) Hardware: doorbell, doorknob, faucets, locks, etc. _____ _____
(r) Other _____ _____

2. General Operating Conditions
(a) All Doors _____ _____
(b) All Windows _____ _____
(c) All Plumbing _____ _____
(d) All Hardware _____ _____
(e) Other _____ _____

I (we) understand that to prevent pilferage, certain items such as cabinet doors, shower heads, toilet seats and towel bars will be installed just prior to the date I (we) move in.

The undersigned will sign and deliver to you a separate statement signifying my (our) satisfaction with each item excepted above (if any), immediately upon the completion of the repair, adjustment or correction of same. The undersigned understands and agrees that you shall not be obligated to make any repairs, adjustments or corrections to the Unit or any portion thereof or its fixtures, appliances, equipment, etc., contained therein, from or after the date of delivery of possession of the Unit to the undersigned, except as to those items (if any) expressly excepted above (and your obligation regarding any such excepted items shall cease upon the completion of the repair, adjustment or correction or same).

Very truly yours,

_____
Purchaser's Signature

_____
Purchaser's Signature

Arlington Suites, LLC

By: _____
Shmuel Jonas, Member

POWER OF ATTORNEY

The undersigned, _____, residing at 3220 Arlington Avenue, Bronx, New York, the Owner of the Condominium Unit known as Unit No. _____ (hereinafter referred to the "Undersigned's Unit") at 3220 Arlington Avenue, said Unit being designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot in Block of the City of New York on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans, does hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium's Board of Managers 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 Board of Managers or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners or Residential Unit Owners, as the case may be, in accordance with the Unit Owners' respective Common Interests, subject to the provisions of the By-Laws then in effect (1) (a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, or lease the same; (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender the same pursuant to the terms of paragraph (c) of Section 6.2 of the By-Laws; (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present; and (2) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium; or (ii) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate; and (3) to contest the assessed valuation allocated to the Unit or the Property on behalf of any Unit Owner and to settle such contest on such terms as the Board of Managers deems appropriate.

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

The Undersigned does hereby irrevocably nominate, constitute and appoint (until such date as the Sponsor or its designee no longer owns any Unsold Units under the Plan) Arlington Suites, LLC (hereinafter referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the said Condominium, or any of said documents when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the

reapportionment of the Common Interests of the affected Unsold Units, resulting therefrom, made by Sponsor or its designee in accordance with Article 10 of the Declaration, or (2) shall be required by (a) an Institutional lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (by any governmental agency having regulatory jurisdiction over the Condominium, or (b) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or require a material, physical modification to the Common Elements serving the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the Undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Sponsor or its designees shall cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the Undersigned has executed this Unit Owner's Power of Attorney as of this ____ day of _____, 200__.

_____

_____

JD0161

Acknowledgement

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

On the ___ day of _____ in the year _____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and he/she/they 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(s) upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the ___ day of _____ in the year _____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and he/she/they 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(s) upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

JD0161

Unit Owner's Power of Attorney

RECORD AND RETURN:

_____

_____

_____

Bronx County
Block –
Lot -

JD0161

CONDOMINIUM UNIT DEED

THIS INDENTURE, made as of the ____ day of _____, 200_, between **Arlington Suites, LLC**, a New York limited liability company, having an office at 3220 Arlington Avenue, Bronx, New York (hereinafter referred to as the "Grantor"), and _____, residing at _____ Street, _____, New York, (hereinafter referred to as the "Grantee").

WITNESSETH:

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

The Condominium Unit known as Unit No. ____ together with a ___% undivided interest in the common elements of the Arlington Suites, also known by the street number 3220 Arlington Avenue, County of Bronx, City of Bronx, and State of New York, said Unit being designated and described by the above unit number in the Declaration establishing a plan for condominium ownership of the condominium property under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York) dated _____ and recorded in the office of the Clerk of the County of New York on _____ in Liber _____ at Page_____. The land on which the building containing the Unit is located is bounded and described as on schedule "A" annexed hereto.

Together with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration);

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of Arlington Suites, as the same may be amended from time to time (hereinafter referred to as the "By-Laws"), all of which shall constitute covenants running with the Land and shall bind the person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively referred to as the "Property");

To have and to hold the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 16 of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium's Board of Managers (as such term is defined in the Declaration) a Residential Unit is intended for residential purposes only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (any Rules and Regulations adopted under the By-Laws).

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 improvements at the Property and will apply the same first to the payment of the cost of such improvements before using any part of the same for any other 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.

This conveyance is made in the regular course of business actually conducted by the Grantor.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this indenture as of the day and year first above written.

GRANTOR:

Arlington Suites, LLC

By: _____
Shmuel Jonas, Member

GRANTEE:

_____

EXHIBIT "A"

GRANTOR'S ACKNOWLEDGMENT

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

On the ____ day of _____ in the year 200_ before me, the undersigned, a Notary Public in and said State, personally appeared Shmuel Jonas, member of Arlington Suites, LLC, the Sponsor and a New York limited liability company, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

GRANTEES' ACKNOWLEDGMENT

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

On the ____ day of _____ in the year 200_ before me, the undersigned, a Notary Public in and said State, personally appeared _____ and _____personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

Condominium Unit Deed

District:
Section:
Block:
Lot:
County: **Bronx**

Property Address:

3220 Arlington Avenue
Unit #__
Bronx, New York

RECORD AND RETURN TO:

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

ARLINGTON SUITES

3220 Arlington Avenue
Bronx, NY 10463

Date: December 19th, 2006



Prepared by:
MELTZER/MANDL ARCHITECTS, P. C.

DAVID MANDL, R.A.
MELTZER MANDL ARCHITECTS

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Bronx, NY 10463

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Exhibit B: Unit Areas
Exhibit C: Unit Heating & A/C Assignments

ARLINGTON SUITES
3220 Arlington Avenue
Bronx, NY 10463

A. LOCATION OF PROPERTY

1.	Address:	3220 Arlington Avenue Bronx, NY 10463
2.	Block No: Lot No.:	5788 78, 80, 84, 117
3.	Zoning District:	R7-1
4.	Map:	1d
5.	Permissible Use:	Residential / Community Facility

This property and its proposed use will comply with all zoning & use requirements at the completion of construction. This development does not have a landmark status.

B. STATUS OF CONSTRUCTION

1. The building is presently under construction and it is anticipated that it will be substantially completed on or about October, 2006 unless delayed by weather, strikes, lockouts, act of God, shortages of, or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which the Sponsor has no control.

2. Class of Construction: The Building will be classified as Class 1-C (Non-Combustible) and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code"). The plans were filed under the application number 200859053 (3220 Arlington Avenue) with the New York City Department of Buildings ("DOB").

3. The plans were approved by DOB on June 15, 2004

4. Where materials, appliances, equipment, fixtures and other construction and design details are specified in this report, the Sponsor has reserved the right to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equal or better quality.

5. Certificate of Occupancy: After completion of construction the Sponsor will apply for a Certificate of Occupancy for the Building from the DOB.

C. PROJECT SITE

1. The total lot area is 18,411 square feet.

2. Number of Buildings: Upon completion there will be a thirteen-story building with 26 residential units, a parking garage, and a community facility that includes Medical Offices and a Swimming Pool.

3. Streets:

   i.) The streets on Arlington Avenue and Netherland Avenue adjacent to the site are the standard NYC DOT street paved with asphalt topping and are in good condition. Patching of paving to be provided as required.

   ii.) Curbing: Exiting concrete curbs on Arlington Avenue and Netherland Avenue to be removed and replaced with steel faced concrete curbs with curb cuts for garage access.

   iii.) Catch Basin: The streets are presently pitched to drain through existing cast iron catch basins into the New York City storm water drainage system in accordance with Local Law No. 103/89.

   iv.) Street Lighting: The street lighting is provided and maintained by the City of New York.

   v.) Drainage: The sidewalks will be constructed to allow for drainage away from the building towards the street curb and gutter.

   vi.) These items conform to all local fire district and New York City Department of Building and New York City Department of Transportation Codes.

4. Drives, Sidewalks and Ramps:

   i.) The off-site sidewalks on Arlington Avenue and Netherland Avenue will be scored, poured-in-place concrete.

   ii.) These items conform to all local fire district and the New York City Department of Buildings and New York City Department of Transportation Codes.

D. UTILITIES

1. Electricity:

   i.) Consolidated Edison Company, Inc. (Con Ed), a regulated utility company or another public utility company will provide electricity to the building.

   ii.) Each residential shareholder shall be separately metered and pay actual usage charges directly to Con Ed on approved Utility Electric rates.

   iii.) The electricity consumed in the community facility will be separately metered and paid for by the owner directly to Con Ed. Con Ed will separately meter the electricity consumed in the Residential Common

Elements of the building and the cost of the same will be borne by the Residential Unit shareholder as a Residential Common Expense.

iv.) The building shall be equipped with a standard voice intercom system, with a main panel located in the lobby and a tenant panel in each unit. The power for the system shall be from the common area power panels

2. Gas: Con Edison will supply gas for space heating, domestic hot water and residential cooking shall be provided in accordance with New York City Building Code. Three gas meters shall be provided: one meter for the space heating and domestic hot water, one meter for the residential cooking, and one meter for the Community facility.

3. Water and Sewer: The City of New York will provide the water supply and the combined sewer service. The charges for water and sewer services provided to the building (including Residential Units, in the public areas of the building and community facility) will be levied on the basis of a master city meter and borne by the Residential Unit shareholder as a Residential Common Expense.

4. Telephone: Each Unit Shareholder will be required to pay telephone charges with respect to his or her unit directly to the telephone company providing such service. Similarly, the operator will pay for the charges with respect to the telephones in the community facility separately. Finally, the telephone charges with respect to the public areas of the building (such as the Residential Lobby, etc.) will be borne by the Residential Unit shareholder as a Residential Common Expense.

5. Cable Television: Cable television services will be available for all units. All charges for cable television services (including subscription charges) will be paid by each unit shareholder that subscribes. In each unit, a cable TV outlet will be provided in living room and each bedroom.

6. Washers & Dryers: Each unit will have an electric washer and electric dryer (ventless). See Section V for appliance information.

7. Trash: There will be a Municipal Trash Collection for the apartments and the community facility.

E. SUB-SOIL CONDITIONS

1. Sub soil conditions are a mixture of fill, silty sand and sand-silt mixtures. The structural system to support the building was designed with caissons, and an integral structural slab.

2. Geotechnical engineering investigation was done by Staten Island Testing, signed by Arnold L. Kline, dated April 9th, 2004. Eighteen test borings were drilled. Caissons, in accordance with the NYC Building Code, will support the building.

3. The test boring's well points readings varied based upon the geotechnical report.

4. A sump pump below the sub-cellar floor slab and a perimeter drain shall be provided to facilitate the removal of groundwater that may rise in extreme weather conditions.

F. LANDSCAPE AND ENCLOSURE

1. Grass cover: None.

2. Plantings:

   i.) Site Trees: Provided by owner.

   ii.) Shrubs: Provided by owner.

3. Fencing: 3'-6" to 6'-0" high metal/wood fencing separating adjacent terraces and/or mechanical equipments.

4. Gates: None

5. Garden Walls: None

6. Retaining Walls: None

7. Display Pools and Fountains: None

G. BUILDING SIZE

1. The building consists of thirteen floors, a sub cellar level, and a cellar level. The height of the building (to the roof deck) from the average street wall elevations based upon the NYC Zoning Resolution base plane calculations is 133'-0".

2. Crawl Space: Not applicable.

3. Sub-Cellar floor-to-ceiling height: Approximately 8'-0" (except in certain areas with soffits for mechanical ducts not lower than 7'-6").

4. Cellar floor-to-ceiling height: Approximately 8'-0" (except in certain areas with soffits for mechanical ducts not lower than 7'-6").

5. 1st through 13th floor-to-ceiling height: Approximately 8'-0" (except in certain areas with dropped ceilings not lower than 7'-6" such as foyers, bathrooms, kitchens, corridors, hallways, and closets).

6. Stair and Elevator Bulkheads: The top of roof structural deck to the top of stair bulkhead deck: 10'-0".

7. Parapets: Height from finished roof to top of parapet will be a minimum of 3'-6".

Note: All heights are approximate due to possible field conditions. Rough floor-to-ceiling heights have been measured from the top of structure to bottom of structure.

H. BUILDING OCCUPANCY

1. The building consists of twenty-six residential units, private roof terraces, public roof terraces, and a community facility.

   i.) Sub-Cellar: Parking Garage, Storage Rooms, and Mechanical Room.

   ii.) Cellar Floor: Parking Garage, Gas Meter Room, Water Meter Room, Electric Meter Room, Boiler Room, Refuse Storage/Disposal Rooms, Mechanical Room, and Pool Equipment Room.

   iii.) First Floor: Residential Lobby, Package Room, Parking Garage, Swimming Pool, Pool Locker Rooms, Mechanical Room, and Community Facility.

   iv.) Second Floor: Community Facility, Residential Terraces, and Mechanical Rooms.

   v.) Third Floor: One "flat" apartment, three lower level duplex apartments, and a trash room.

   vi.) Fourth Floor: One "flat" apartment, three upper level duplex apartments, and a trash room.

   vii.) Fifth Floor thru Eighth Floor: Three apartments and a trash room per floor.

   viii.) Ninth Floor: One "flat" apartment, two lower level duplex apartments, and a trash room.

   ix.) Tenth Floor: One "flat" apartment, two upper level duplex apartments, and a trash room.

   x.) Eleventh Floor: Two apartments and a trash room.

   xi.) Twelfth Floor: One "flat" apartment, one lower level duplex apartments, and a trash room.

   xii.) Thirteenth Floor: One "flat" penthouse apartment, one upper level duplex apartments, and a trash room.

   xiii.) Roof: Stair bulkhead and elevator over-ride bulkhead, private spiral stair bulkhead, and a private terrace.

2. Measurements of units and terraces are in accordance with the attached Footnotes in section AA "ADDITIONAL INFORMATION REQUIRED".

3.

   i.) The installed roof assembly includes concrete pavers, terrace dividers, rooftop mechanical equipment, parapet walls, and roof drains are not to

be modified or changed by the Unit Owner. The Sponsor reserves the right for all modification, repairs, and maintenance required for the all roofing equipment as required for the warranty. Such maintenance will be scheduled and coordinated with Unit Owner. Any damage to the base building Roofing elements and associated repair costs will be borne upon the Unit Owner. Unit Owners will be allowed placement of temporary and unfixed items and equipment on the roof terraces as permitted by New York City Building Code, New York City Fire Law, New York State Multiple Dwelling and Housing Laws, and the Condominium Regulations. Any and all proposed new construction including but not limited to gazebos, stairs, plumbing fixture, gardens, and storage elements must be permitted by New York City Building Code, New York City Zoning Regulations, New York City Fire Law, New York State Multiple Dwelling and Housing Laws, and the Condominium Regulations.

ii.) The Wood Flooring in residential units will be either new hardwood floors installed on top of plywood or wood sleepers, or a floating floor of strip wood. Wood is a natural, organic product and has variations in appearance, grain, and color. If not properly maintained wood will naturally discolor, decay, splinter, check, and split. Installation of a wood floor with sleepers may result in some settling and/or spaces between the wood boards. Spacing between the installed wood planks is typical and will vary with humidity and temperature fluctuation. Wood floors will expand and shrink, therefore exposing gaps periodically. Anticipated gaps for the wood planks will be approximately ¼", a quarter inch. The builder will not fill certain areas of the wood floor so as to accommodate the natural expansion of the boards. If these areas are completely filled, the floors will not have the room to expand and the floors will buckle over time. Wood floors do creak and bend slightly when stepped upon regardless of the workmanship.

Selection of finish on the wood floor may vary from a matte satin finish to high gloss. The selection of the finish is at the sole discretion of the Sponsor. Certain floors within the building may have different finishes than others. Also at times the same finish in two different apartments will appear different due to the natural affect of varying rates of absorption of the particular wood in said apartment.

Once taking title to a unit a Unit Owner has the right to do whatever they choose if they do not like the aesthetic look of the wood floor. Once a Shareholder engages in such actions, the Sponsor will not be responsible for problems arising from such actions, and all warranties will be null and void. Shareholders, once taking title to the individual unit have the right to change the finish as they see fit at their sole cost and direction. This action will nullify and void any and all warranties on the wood floor.

The Wood cabinetry has the same natural properties as described in relation to the flooring. Variation of color, texture, and pattern of the wood cabinetry is typical.

iii.) The Community Facility is to be separated from the Residential floor by a suspended gypsum board ceiling assembly with a STC Rating of 55.

This ceiling assembly will absorb sound and energy, but does not provide complete absorption of all sound and vibration. Depending on the activity and occupancy within the community facility and garages, the Residential Unit owner may hear and feel the sound and vibration emanating from the lower levels. Such sound and vibration may also transfer through the mechanical risers, ductwork, plumbing risers, egress doorways, vestibules, etc.

iv.) The Mechanical Equipment located adjacent to the private terraces will require periodic/routine maintenance. Scheduled maintenance visits will occur during normal business hours and the Unit Owner will be notified in a timely manner of such maintenance visits. And in case of emergency, access to these areas will be required to the equipment at all times. The Sponsor requires that the Unit Owner maintain the access gates to the Mechanical Equipment free of obstructions. Access to the Mechanical Equipment will be through the residential units or by ladder from the courtyard. The Management will attempt to notify the Unit Owner of the maintenance requirement in all cases in a timely manner.

The Private Terraces will have mechanical equipment located within the terraces. The equipment functions as the kitchen and bathroom exhaust for the residential units below. This operating equipment will create sound and vibration and the emitted exhaust may contain grease, odors, and debris.

v.) All Unit Owners with windows may hear and feel the sound and vibration emanating from the operating Mechanical Equipment located atop the Roof Terraces.

vi.) The Superstructure of the building will "settle" over a period of time. The masonry walls, poured in place concrete, and finish materials will gradually move downwards and "settle" due to the forces of gravity and the dead load/weight of the materials themselves. The "settling" of the superstructure will be translated to the installed finish materials, primarily the gypsum board assemblies, including ceilings and walls. Cracks, fissures, and "popped" fasteners/tape beads, exposed corner beads may result from the movement of the superstructure behind the finish surfaces. Any finish material such as ceramic tile, stonework, paneling may be damaged due "settling". The transitions of materials may be exposed and caulk/sealant joints may fail due to "settling" of the superstructure. The Sponsor will not be responsible for repairs related to the movement or "settling" of the superstructure in residential, community or common areas provided that these do not affect the structural soundness of the building.

vii.) **Note: All areas are approximate due to possible field conditions and are subject to change. See section AA "ADDITIONAL INFORMATION REQUIRED" for description of method of area measurement.**

I. STRUCTURAL SYSTEM

1. The building structure shall be reinforced poured-in-place concrete columns, beams, and structural slab. The sub cellar floor consists of a reinforced concrete slab on grade. The perimeter foundation walls are reinforced concrete walls at various heights. The foundation consists of reinforced concrete footings supported by caissons.

J. EXTERIOR OF BUILDING

1. Exterior Walls:

   i.) There are two (2) types of exterior wall assemblies used (each with its own mounting system: (1) a standard brick faced cavity wall with concrete masonry unit back up wall; (2) a finish stone panel cavity wall with concrete masonry unit back up wall. All exterior wall construction will have a minimum R-value of **11.** At the residential entrance lobby along Arlington Avenue, there will be aluminum storefront system.

   ii.) The Curtain wall assembly shall be by Kawneer, model #1600.

2. Windows: The windows shall be thermal broken painted aluminum. The windows will be Model #8225TL casement and fixed heavy commercial operable units of various sizes. All windows shall be factory-insulated glass. The manufacturer to be used will be "Kawneer" or approved equal.

   i.) Sill: Cast stone or metal sills.

   ii.) Screens: Standard Mesh Screen

   iii.) Lintel: None or cast stone.

   iv.) Storm Sash: None

   v.) Hardware: The hardware is fabricated from aluminum, stainless steel, and other non-corrosive materials compatible with aluminum and of sufficient strength to perform their functions.

   vi.) Infiltration/Seepage/Structural: Manufacturer shall furnish an affidavit of certified test report from an independent testing laboratory indicating that the window has satisfactory met the performance requirements for the specified windows.

3. Landmark Status: None.

4. Parapets and Copings: The parapet will be composed of a block back-up wall construction with brick or an aluminum frame with spandrel glazing. The height of the parapet will extend to the required minimum height of 3'-6" above the finished roofs.

5. Chimneys and Caps: There is one 32"diameter boiler flue that rises above the main roof at the south side of the stair bulkhead.

6. Balconies and Terraces:

   i.) Balconies: Concrete with sealant finish. Perimeter guardrail to be 3'- 6" high and constructed of ornamental metal and tempered spandrel glazing.

   ii.) Terraces: All terraces will be finished with concrete unit pavers over roofing system.

   iii.) Balustrades: none applicable

   iv.) Copings: All terrace parapets coping to be aluminum or cast stone.

   v.) Doors to Balconies and Terraces: All doors from the terraces will be aluminum doors.

7. Exterior Entrances:

   i.) Exterior Doors and Frames: Residential lobby entrance doors will be double-leaf double thickness insulated tempered glass door and frame with anodized aluminum finish. The storefront will be anodized aluminum with insulated tempered glass.

   All other exterior egress doors and frames will be painted hollow metal F.P.S.C. 1½-hour fire rated.

   ii.) Exterior stairs: none applicable

   iii.) Railing: All railings to be painted steel.

   iv.) Mail Boxes: Mail Boxes will be located in the residential lobby and will be anodized aluminum front-loading as manufactured by 'Auth-Florence Manufacturing Co." or approved equal. The mailboxes will comply with current United States postal Service regulations.

   v.) Lighting: Recessed fluorescent down lightings and ceiling surface mounted lightings will be installed at the residential lobby.

8. Service Entrance: Not Applicable.

9. Roof and Roof Structure

   i.) Roof type for all areas:

   ii.) Materials: All the roofs will be torched down modified roofing with rigid insulation. The roof paver system at all apartment terraces, private terraces and outdoor recreation space will be heavyweight, hydraulically pressed concrete roof pavers with a paver-support assembly.

      a.) Insulation: Rigid insulation with a minimum R-value of **23**.

b.) Surface Finish: The surface finish will be pre-cast concrete pavers.

c.) Warranty: The roofing system shall have a 15-year manufacturer's warranty.

d.) Flashing Materials including counter flashing: There will be metal cap flashing and metal base flashing.

iii.) Drains: There will be sufficient number of roof detention roof drains for each area requiring drainage.

a.) Number: There are 19 roof drains, 2 yard drains, and 2 trench drains.

b.) Gutter and Leader: Gutters and leaders will be installed at the stair bulkhead. Concrete splash block will be at bottom of each leader. Roof drains will be connected to an internal pipe that is connected to the city sewer.

iv.) Skylights:

a.) Location: There is a skylight on the roof of the 1st floor above the pool.

b.) Material: The skylight will be 10mm extruded tri-glazed CC1 fire-rated clear grey tinted polycarbonate sheets with two opening roof panels. The all-structural aluminum framing system is finished on all exposed aluminum surfaces with electrostatic powder coating in a silver color. All fasteners will be stainless steel; roof fasteners will be non-corrosive with washers and sealing gaskets.

c.) Size: The size will be approx. 15'-6" x 22'-6"

d.) Manufacturer: CCSI International, Inc. or approved equal and the model is "Garden Prairie"

v.) Bulkheads:

a.) Stairs: The stair bulkheads will be will be constructed of 8" nominal concrete masonry units with finish brick.

b.) Elevator Bulkhead: The elevator override bulkheads will be constructed of 8" nominal concrete masonry units with finish brick.

c.) Boiler Rooms: Not applicable.

vi.) Metal Work at Roof Level:

a.) Exterior Metal Stairs: Not applicable.

b.) Vertical Ladder: Not applicable.

c.) Railings: All railings to be painted steel.

d.) Hatches to Roof: Not applicable.

10. Fire Escape: Egress requirements are met via two egress stairs accessible on each floor by all apartments. The parking garages will have egress via exterior doors unto the sidewalk or access to the egress stairs.

11. Yards and Courts: none applicable

12. Interior Stairs:

i.) Number of Stairs of Each Type: There are two egress stairs. Stair No. 1 is extends from street-level entrance on Arlington Avenue to the roof of the 13th floor and to the sub-cellar floor. Stair No. 2 extends from street-level entrance on Arlington Avenue through the residential lobby to the roof of the 13th floor.

ii.) Stringers: Egress stairs to be constructed of concrete. Residential Duplex stairs are to be constructed of wood.

iii.) Treads: Egress stairs to be constructed of concrete or steel. Residential Duplex stairs are to be constructed of wood.

iv.) Risers: Egress stairs to be constructed of concrete or steel. Residential Duplex stairs are to be constructed of wood.

v.) Guard Rails: Painted steel railing.

vi.) Balustrade: Not applicable.

vii.) Handrail: Painted steel pipe handrail.

viii.) Enclosure: Each egress exit stairs will be enclosed with a two-hour drywall and concrete or concrete masonry unit construction.

13. Interior Doors and Frames:

i.) Unit Entrance: The unit entrance doors shall be 3'-0" by 7'-0" and frames shall be 1½-hour fire rated F.P.S.C. painted hollow metal type doors with a peephole and provisions for 2nd entry lock will meet the requirements of the New York City Department of Buildings Code. The apartment interior doors and closet doors shall be 1 ¾" thick and 6'-8" high hollow core wood doors with hollow metal frames. Closet doors shall be painted bi-fold or slider doors. The saddles at the unit entrance and bathroom shall be marble.

ii.) Corridor Doors and Frames: All doors and frames shall be 1½- hour fire rated F.P.S.C. painted hollow metal type and will meet the requirements of the New York City Department of Buildings Code.

iii.) Stairs and service hall doors and frames: All doors and frames into exit stairs shall be 1½-hour fire rated F.P.S.C. painted hollow metal type with clear glass wire panel and shall meet the requirements of the New York City Department of Buildings Code.

iv.) Roof doors and frames: Exit doors to exterior main roof shall be 1½ hour fire rated F.P.S.C. hollow metal type doors with weather striping and a metal saddle. The roof doors shall meet the requirements of the New York City Department of Buildings Code.

v.) Other Locations: Janitor's closet, package room, refuse storage/disposal room, water and gas meter room, booster pump closet, mechanical rooms, electric meter rooms, elevator machine rooms, telecommunication rooms, electrical closets, boiler room: 1½ hour fire rated F.P.S.C. hollow metal type doors and shall meet the requirements of the New York City Department of Buildings Code.

14. Elevators: There shall be two gearless traction elevators serving the community facility and the residential apartments.

i.) Number of Service Elevators: none

ii.) Manufacturer: The elevators will be manufactured by "Otis Elevator Company" or approved equal.

iii.) Capacities: 2,500 lbs. for the gearless hydraulic elevator.

iv.) Type of operation: The type of operating system is "duplex collective operation" for the gearless traction elevators.

v.) Controls: The elevator controls will be microprocessor-based variable voltage type.

vi.) Floors Served: Elevator No. 1 and 2 shall serve the subcellar, cellar, and 1st floor through the 13th floor.

vii.) Type: The two elevators shall be gearless traction type.

viii.) Doors: The two elevators shall have power slide doors. The doors shall be satin stainless steel at the residential lobby. All other floors are to be painted doors and frames.

ix.) Elevator Machine Room: The elevator machine room and controllers shall be located at the roof.

x.) The manufacturer shall provide a 12-month warranty from the date of Substantial Completion of elevator contract.

15. Elevator Cabs: Residential Elevators

i.) Cab: The elevator cab will be manufactured by "Otis Elevator" or approved equal.

ii.) Floor: Stone tile.

iii.) Walls: Natural finish wood and plastic laminate panels from manufacturer's standard selection.

iv.) Ceiling: Metal and wood ceiling panels from manufacturer's standard selection.

v.) Lighting: Incandescent down lights.

vi.) Handrail: Stainless steel to be manufacturer's standard.

K. AUXILIARY FACILITIES

1. Laundry rooms: A central laundry room will not be provided. Electric washer and electric dryer will be provided in each apartment unit. See Section V for appliance information.

2. Refuse Disposal: A Trash Compactor will be located on the Cellar Level.

   i.) Incinerator: Not applicable.

   ii.) Compactors: There will be one compactor located in the refuse disposal room at the cellar. The compactor services all the residential units. The compacter shall be manufactured by "Global" or approved equal.

   iii.) Approvals: The chute and compactor units shall comply with the requirements of the New York City Building Code.

   iv.) Initial Storage Location: There will be access to the trash chute located on each residential floor. The compacted bags will be stored in a residential trash compactor room until they are transferred for collection to Netherland Avenue.

   v.) Pick-up schedule: The bags will be picked up curb side by the New York City Department of Sanitation on their regular schedule.

L. PLUMBING AND DRAINAGE

1. Water Supply:

   i.) Residential Building: Potable water shall be supplied via New York City public water system. A new 3" domestic water service for the residential section of the building shall be provided at Arlington Avenue. A 6" combined sprinkler and standpipe water service shall be provided at Arlington Avenue. A new 2" domestic water service shall be provided for the commercial tenants. The water pressure in the residential section of the building is to be maintained by means of an automatic constant pressure booster system. The booster system shall contain multiple pumps and automatic pressure controls to maintain water pressure within the code required limits. There will be a single meter for all residential units in the

ii.) Domestic hot water for the residential units shall be provided by means of two Indirect fired domestic water heaters with a maximum first hour capacity of 2196 GPH. Two Gas fired domestic water heaters, similar to Laars PNCH-1000 with a output rating of 849,000 BTUH each. Each heater to be provided with an integral hot water pump. The indirect hot water heating units shall be Turbomax model 109. Domestic hot and cold water shall be distributed to each apartment by means of type "L" copper pipe distribution system. All hot water piping system shall be insulated with fiberglass pipe insulation with thickness as per New York State Energy Conservation Code. The space-heating boiler shall be provided with natural gas supplied by public utility through a schedule 40 steel pipe distribution systems.

iii.) Pool shall be provided with an independent pool water heating system. The pool heater shall be similar to Larrs L25. The gross input is to be 325,000 btuh and the output is to be 260,000 btuh.

iv.) Parking Garage: Not applicable.

2. Fire Protection System:

i.) The building is to be sprinkled throughout via a combination standpipe and wet sprinkler system in accordance with New York City Building Code. Standard pendant heads connected to the sprinkler system shall be provided in the trash compactor room and on every other floor in the trash chutes as required by New York City Building Code. At least one of the required combination of standpipe and sprinkler risers shall be located in the residential stair enclosure. A drain riser shall be provided as per code. Two Siamese connections shall be provided as required by New York City Building Code. Water for the system shall be provided through a 6" dedicated Standpipe and sprinkler water service connected to the City water main at Arlington Ave. Pressure in the system shall be maintained by means of an electrically driven fire pump. The pump shall have a capacity of 500 gpm. The pump shall be provided with a fire pump controller an 8 gpm jockey pump as required by New York City Building code.

a.) The standpipe riser shall be located in the main fire stair enclosure. The riser shall be 6" in diameter. The riser shall be part of a combined standpipe and sprinkler system. At each separate connection of the sprinkler system to the standpipe system, a floor control station and inspectors test station shall be provided.

b.) Hose jacks, hoses and nozzles location: A New York City approved lobby hose cabinet with (3) 125' hose lengths, (3) straight stream hose nozzles, (2) spanner wrenches and (2) pin lug reducers shall be provided in the Main lobby in accordance with NYC building code. All hose outlets shall be provided with valved and capped threaded connections.

c.) Sprinkler heads are to be Reliable Sprinkler Company Model 'G' or equivalent in concealed pendant, sidewall or upright configuration as required meeting space conditions.

d.) Two (2) flush mount Siamese connections, 3" x 3" x 6" shall be located at the grade level as described above.

e.) Hard-wired smoke detectors shall be provided per code within the apartments. All sprinkler floor control stations shall be monitored for flow and tamper by the sprinkler flow alarm panel. All service valves shall be provided with tamper switches connected to the sprinkler flow panel. A central station-monitoring panel shall be provided to automatically transmit an alarm whenever flow is detected in the sprinkler system.

3. There are no water storage tanks and fire pump specified for the project.

4. Domestic water pressure shall be maintained by means of a fully automatic constant pressure booster system. The booster system shall have the capacity of 150 GPM.

5. Sanitary Sewage System:

i.) Sanitary piping shall be no-hub cast iron above grade and hub spigot with neoprene joints below grade.

ii.) Sump pumps shall be provided for miscellaneous areas located below grade.

iii.) The building from the first floor up shall be connected to the municipal combined sewer system and flows by gravity out to the street main.

6. Permits Required:

i.) Approval has been obtained from the New York City Department of Environmental Protection for One 8" combined sewer connection. Approval has also been granted for one (1) 6" fire standpipe and sprinkler connections and one (1) 3" and one (1) 2" domestic water services. Application has been filed with the NYC Department of Environmental Protection.

7. Storm Drainage System:

i.) Storm water shall be collected by means of a series of roof-mounted drains and a cast iron no-hub piping system that is located in the building interior, and disposed of into the public combined sanitary/storm water system. Floor drains and yard drains located on the lower levels shall be connected to a sump pump. The sump pump discharges directly into the municipal combined sanitary and storm waste water system.

M. HEATING

1. The building shall be provided with a hot water boiler plant. The boiler plant shall consist of Two, (3) copper tube, atmospheric gas-fired modular boilers, Larrs, Model PNCH 1500 or equivalent. The boilers shall be rated at 1,260 MBH output each. The boiler manufacturer shall provide a coordinated system of operating controls including modular boiler step controller to sequence the boilers, outdoor air temperature sensor and controls to start hot water circulating pumps at 55 deg. F. and to schedule the leaving water temperature in accordance with the outdoor air temperature. The hot water shall be circulated by means of circulating pumps and a distribution system made from Schedule 40 steel, or type "L" copper pipes. Residential style packaged through the wall air conditioning units (PTAC) with hot water heating coils shall be provided at the building interior in the living spaces. There shall be one integral temperature control for each PTAC unit. The PTAC unit manufacturer shall be as manufactured by McQuay Corporation or equal. See Schedule C for PTAC unit locations.

2. The Commercial spaces shall be heated by baseboard radiation connected to the base building heating plant. The costs for all fuel consumed for space heat and other processes shall be billed by the condominium board to the commercial tenants on a pro-rated cost. The cost is to be based on the percentage of floor area that the commercial space occupies.

3. Ventilation

   i.) Each interior residential bathroom shall be provided with an exhaust duct connected the vertical exhaust shaft. At the roof level a standard centrifugal exhaust fan shall be provided at each exhaust shaft.

   ii.) Each interior kitchen shall be provided with an exhaust register connected to a common duct system. The duct system shall be constructed of 18 ga galvanized sheet metal ductwork. An exhaust fan system shall be provided. The system shall maintain a negative pressure in the duct system. Make up air for the kitchen ventilation system shall be by means of "open window". The heating and air conditioning system of each dwelling unit is not designed to condition the incoming outdoor air. Room temperature will vary from the thermostat set-point during operation.

   iii.) The residential corridors shall be provided with operable windows. No mechanical ventilation system is to be provided.

N. GAS SUPPLY

1. Gas for space heating, domestic hot water and residential cooking shall be provided by means of a schedule 40 steel piping distribution systems in accordance with New York City Building Code. Local gas utility company, Consolidated Edison Co., Inc, shall supply gas.

2. See Section D.2 for metering description.

O. AIR CONDITIONING

1. Each residential unit will be provided with packaged terminal air-conditioning (PTAC) units meeting energy requirements of the New York State Energy Conservation Code.

2. The main lobby is to be provided with two 48,000 BTUH split, air-conditioning and heating unit. All energy consumed for air-conditioning of common areas shall be billed by the Utility and borne by the residential unit owners as a Residential Common Expense and the Community Facility.

P. ELECTRICAL

1. The main electrical service shall enter the building underground from Arlington Avenue. The service shall have the capacity of 1,200 amps at 208 volt, 3-phase for the house, (common area) service. Two 600 amp, 208 volt, 3 phase service switches fused at 500 amps ea. Shall be provided to serve the two tenant meter banks. A 600 amp, 208 volt, 3-phase service shall be provided for the commercial spaces and a 600 amp, 208 volt, 3phase service shall be provided for the pool facility. All services will be independently metered by the Utility company. Fused switches in accordance with the New York City Electrical Code shall protect the wiring. All meters shall be located in the electric meter rooms.

2. Each apartment shall be provided with 80Amp 120/208V single phase service, and will have approximately twenty-four (24) circuits, including one (1) circuit for each air conditioning unit, appliance circuits, one (1) dishwasher circuit, one (1) microwave oven circuit, one (1) cloth washer and dryer circuit and several general lighting circuits as required. Each residential shareholder shall be separately metered and pay actual usage charges directly to Con Ed on approved Utility Electric rates.

3. Each apartment to have lighting in the entry, corridors, kitchens, walk-in closet, and bathrooms. Switched outlets shall be provided in each bedroom and living room. General outlets shall be provided in each room as required by the NYC Electric Code.

4. The building shall be equipped with a voice intercom system, with a main panel located at the lobby and a tenant panel in each apartment.

5. Public corridors shall be lit by means of 26-watt sconces with emergency battery packs as required to maintain NYC minimum two (2) foot-candles upon power failure as per NYC Building Code Section 27-381.

Q. PUBLIC AREA LIGHTING

1. All street level entrances to the buildings shall be provided with light fixtures. Lobbies and corridors shall be provided with a combination of surface mounted and recessed light fixtures. All lighting levels shall be designed in accordance with the NYC Building Code and the Housing Maintenance Code. These fixtures shall be wired to the building house meter.

R. GARAGE AND PARKING AREA:

1. Private unattended parking garages will be provided on the first floor, cellar, and sub cellar levels. The First floor garage will be accessed from Arlington Avenue (12 standard spaces will be provided on this level). The Sub cellar and Cellar garage will be accessed from Netherland Avenue (2 accessible spaces and 44 standard spaces will be provided on these levels). The Sub cellar will be interconnected to the cellar with a series of ramps. All columns that are located near the traffic areas will have corner guards made of polycarbonate in bright color finishes.

2. Surfaces: The reinforced poured in place concrete slabs will be finished with an epoxy coating. The ramp edges are protected by upturned concrete beams or 3'-6" high metal guardrails.

3. Garage ventilation: All levels of the Garage are to be ventilated by a 3-zone ducted mechanical exhaust system.

4. Garage Lighting: the lighting in the Garage and cellar levels are Mercury 2 lights, electronic fixtures model Mercury MP65-232-120EM. The Series M401 has an enclosed and gasket Fluorescent light designed for wet locations. There are both emergency and regular fixtures installed through out the cellar and garage area. The diffuser is a clear one piece diffuser from virgin acrylic plastic with 15% DR added for strength, all diffusers have a crepe pattern. The housing and latches are permanently finished in pearl white and the interior steel parts are baked white enamel. The fixtures are UL Listed for wet locations.

5. Garage signage: The Garage signage is printed on reflectorized sheets, all sheets are metal backed. There are directional arrows at every turn, showing the cars where to turn as well as what level they are on. There are arrows for direction of pedestrian traffic as well as yield to pedestrian signs. All garage areas are clearly marked with parking spaces by number. The floor walkways will be clearly marked with yellow & black stripe borders at all main pedestrian walkways.

6. Garage fire protection: See description in Section L.2.i

7. Drainage: Garage Floor and Trench Drains connected to house system.

S. SWIMMING POOL:

1. A non-commercial recreation centre including a pool and locker rooms is to be located on the first floor. The (2) locker rooms will have lockers with a dressing area, full bathrooms, showers, and portable saunas.

T. TENNIS COURTS, PLAYGROUNDS AND RECREATION FACILITIES

2. Tennis Courts: Not applicable

3. Playgrounds: Not applicable

4. Recreation Facilities: See S. 1.

U. PERMITS, CERTIFICATES AND VIOLATIONS

1. The building shall be constructed under the Department of Buildings New Building application number 200859053.

2. All necessary permits shall be obtained and all required inspections completed prior to obtaining a Certificate of Occupancy.

V. FINISH SCHEDULE OF RESIDENTIAL UNITS:

Space	Floor	Walls	Base	Ceiling	Remarks
Foyer/Hallway	WD	P	WD	P	
Living/Dining Room	WD	P	WD	P	
Bedrooms	WD	P	WD	P	
Kitchen	WD	ST/P	WD	P	
Bathrooms (Master)	ST	CT/P	ST	P	
Bathrooms (Guest)	CT	CT/P	CT	P	
Closet/Linen Closet	WD	P	WD	P	
Washer-Dryer	WD or CT	P	WD	P	

Residential Kitchen Appliances

All appliances will be as specified or approved equal

Appliance	Manufacturer	Model/Model No
Dishwasher	Fisher Paykel	DD603SS
Hood	Viking	
Refrigerator/Freezer	Sub-Zero/Viking	650/SRH
Sink	Franke	VNX120-37
Gas Range	Viking	VGRC485GDSS
Cloth Washer/Dryer	Frigidare	FGX831CS

Residential Bathroom Fixtures:

All fixtures will be as specified or approved equal

Fixture	Manufacturer	Model/Model No.
Vanity	Kohler	K2216
Toilet (Master Bathroom)	Kohler	K3458
Toilet (Guest Bathroom)	Kohler	K3323
Bath Tub (Master Bathroom)	Kohler	K856-H2
Bath Tub (Guest Bathroom)	Kohler	K850

W. FINISH SCHEDULE OF COMMON AREAS

Residential Areas

Space	Floor	Walls	Ceiling	Remarks
Residential Lobby	ST	WD/ST/P	P	
Public Corridor at Apartments floors	CPT /WD	P	P	
Mech./Electrical Rooms, Storage	EP	P	P	
Stairs	EP	P	P	
Elec./Telecom Closets, Janitor's Closets	EP	P	P	

Community Facility Areas

Space	Floor	Walls	Ceiling	Remarks
Community Facility	CPT	P	ACT/P	
Public Toilets	CT	CT/P	P	
Trash Storage	EP	P	P	
Mech./Electrical Rooms/Storage	EP	P	P	
Stairs	EP	P	P	

Toilets (Public Toilets at Community Facility)

All fixtures will be as specified or approved equal

Fixture	Manufacturer	Model/Model No.
Lavatory	Kohler	Standard
Toilet	Kohler	Standard
Urinal	Kohler	Standard

X. ABBREVIATIONS FOR FINISHES

ACT	Acoustical Ceiling Tile	PT	Porcelain Tile
CT	Ceramic Tile	RB	Rubber Flooring
CPT	Carpet	RFM	Recessed Floor Mat
EP	Epoxy Paint	ST	Stone
MP	Metal Panel	SS	Stainless Steel
MS	Manufacture Standard	VCT	Vinyl Composition Floor Tile
P	Paint	WD	Wood/Wood Parquet

Y. NO ASBESTOS

1. As per Labor Law Section 900 (effective July 16, 1989) no asbestos-containing materials are to be installed in any construction in New York City.

Z. SAFETY AND WARNING DEVICES

1. Apartment Smoke Detection System

   i.) Each apartment will contain a combination Carbon Monoxide/smoke detector located in the vicinity of the bedrooms in accordance with the New York City Building Code and Local Law 7. The detector is wired to a 120-volt local power supply and is self-contained with its own sounding device.

2. Common Area Fire Detection System

   i.) A sprinkler alarm system shall be provided.

AA. ADDITIONAL INFORMATION REQUIRED

1. Floor plan for each Line or Type of Unit: Refer to Unit Plans/Exhibit B.

2. For approximate total area for each unit refer to Unit Plans/Exhibit B. Each unit consists of the area measured horizontally from the exterior of the Unit side of the glass or the outer face of the exterior wall (perimeter columns and perimeter mechanical pipes are not deducted) to the centerline of all interior walls and partitions separating one Unit from another Unit, corridors, stairs, elevators, and other mechanical equipment space or any Common Elements.

3. **Special Risk**:

   i.) The following units contain "lot line" windows: the Community Facility, 3A, 4A, 5A, 6A, 7A, 8A, 9A, 10A, 11A, 12A, 13A, 3B, 5B, 6B, 7B, 8B, 9B, 11B, and 12B. These units may be required to remove the window and infill the rough opening, if new construction occurs on the adjoining property. Upon completion of infilling the rough opening, the lot line window sprinkler head will no longer be required and may be removed. The estimated cost to infill each window and remove the sprinkler head is approximately $1,500 - $5,000 per window.

   ii.) The foregoing constitutes a true and complete Description of Property by our firm for the property located at 3220 Arlington Avenue – Borough of Bronx, New York, New York.

   iii.) We consent to the inclusion of this report in the Condominium Offering Plan for the property.

CC. ADDENDA

Exhibit B: Unit Areas

Unit Designation					
Non-Residential Units:					Approx. Unit Size In Square Feet
▪ Community Facility (1st & 2nd floor)					16,686
NON-RESIDENTIAL TOTAL	-	-	-		16,686

Residential Units:	Bed Rooms	Bath Rooms	Terrace Area In square feet	Balcony Area In square feet	Unit Size In Square Feet
Unit 3A	3	2-1/2	1,210		1,902
Unit 3B	2	3	709		1,875
Unit 3C	5	3-1/2	1,637		3,333
Unit 3D	4	3	997	62	2,237
Unit 4A	3	2-1/2	-	71	1,902
Unit 5A	3	2-1/2	-	71	1,902
Unit 5B	3	2-1/2	-		1,886
Unit 5C	3	3	-	62	1,872
Unit 6A	3	2-1/2	-	71	1,902
Unit 6B	3	2-1/2	-		1,886
Unit 6C	3	3	-	62	1,872
Unit 7A	3	2-1/2	-	71	1,902
Unit 7B	3	2-1/2	-		1,886
Unit 7C	3	3	-	62	1,872
Unit 8A	3	2-1/2	-	71	1,902
Unit 8B	3	2-1/2	-		1,886
Unit 8C	3	3	-	62	1,872
Unit 9A	4	3	-	71	2,445
Unit 9B	3	2-1/2	239		2,452
Unit 9C	4	3-1/2	825		2,414
Unit 10A	3	2-1/2	-	71	1,902
Unit 11A	3	2-1/2	-	71	1,902
Unit 11B	4	3	-		2,769
Unit 12A	3	2-1/2	-	71	1,902
Unit 12B	3	2-1/2	1,652		2,262
Unit 13A	3	2-1/2	1810	71	1,967
RESIDENTIAL TOTAL	82	66	9,079	1,020	53,904

Exhibit C

Unit Heating & A/C Assignments

Unit #	LR	MBR	BR	BR #2	BR #3
3A	(2) PTAC 2	(2) PTAC 2	PTAC 1	PTAC 1	-
3B	PTAC 2 & PTAC 3	PTAC 1	-	-	-
3C	(4) PTAC 3 & PTAC 1	(2) PTAC 2	-	PTAC 1	PTAC 2
3D	(2) PTAC 2 & PTAC 1	PTAC 3	PTAC 1	PTAC 1	-
4A to 8A	(2) PTAC 2	(2) PTAC 2	PTAC 1	PTAC 1	-
5B to 8B	(2) PTAC 2	PTAC 3	PTAC 1	PTAC 2	-
5C to 8C	PTAC 3 & PTAC 1	PTAC 2	PTAC 1	PTAC 1	-
9A	PTAC 3	(2) PTAC 2	PTAC 3	PTAC 1	PTAC 1
9B	(2) PTAC 3 & PTAC 2	PTAC 3	PTAC 2	PTAC 2	-
9C	(4) PTAC 3	(2) PTAC 3	PTAC 2	PTAC 1	PTAC 1
10A to 13A	(2) PTAC 2	(2) PTAC 2	PTAC 1	PTAC 1	-
11B	(5) PTAC 3	PTAC 3	PTAC 2	PTAC 2	-
12B	(5) PTAC 3	(2) PTAC 3	PTAC 2	PTAC 2	-

LEGEND

LR	Living Room, PTAC
MBR	Master Bedroom, PTAC
BR	Bedroom, PTAC

PTAC 1 (Packaged Terminal Air Conditioner)	McQuay Model PDNS1009
PTAC 2 (Packaged Terminal Air Conditioner)	McQuay Model PDNS1012
PTAC 3 (Packaged Terminal Air Conditioner)	McQuay Model PDNS1015

BB. FURTHER DEVELOPMENT

1. There is no further development anticipated.



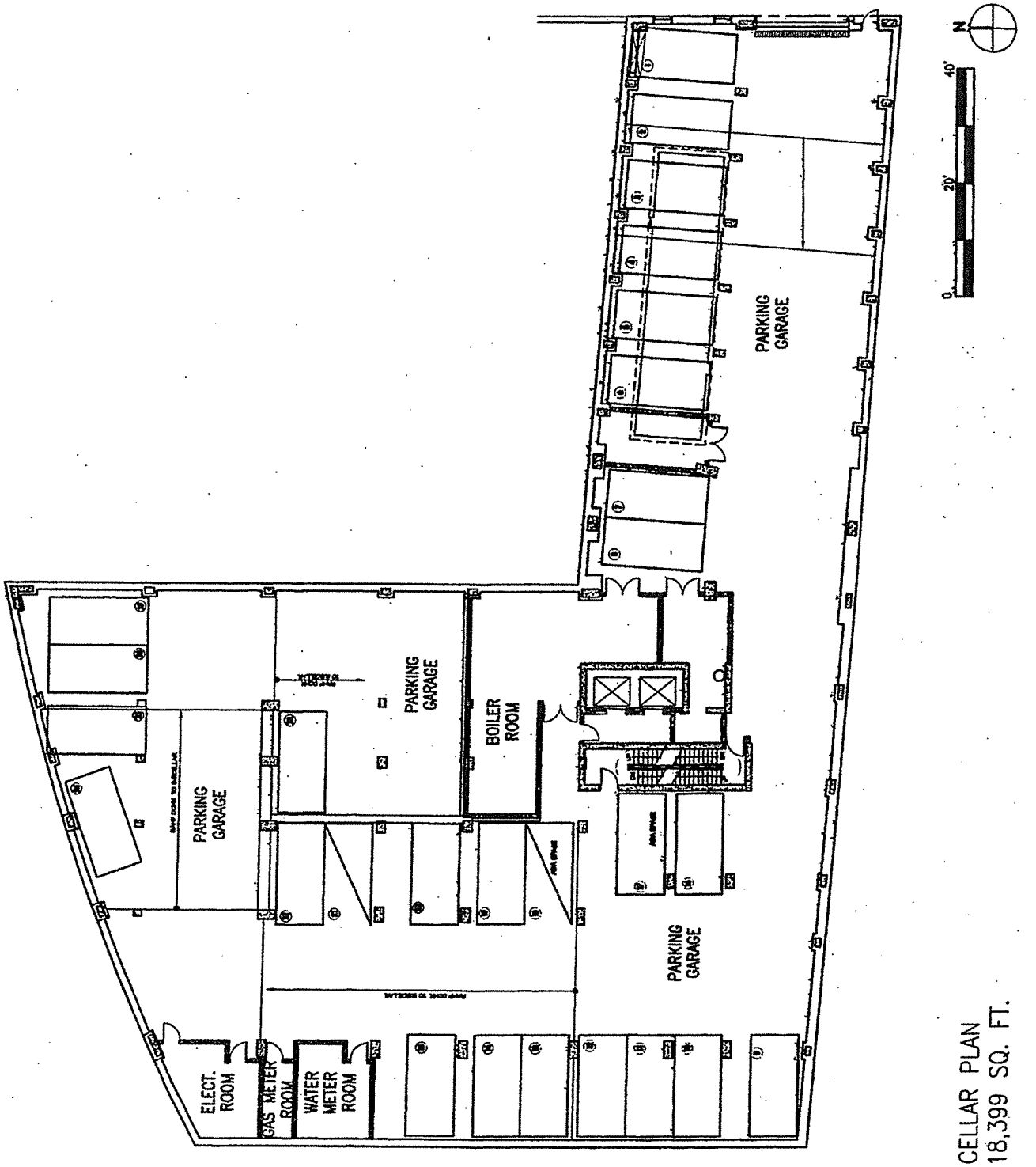
AUDREY QUIMBY
Notary Public, State of New York
No.01QU6061765
Qualified in Queens County
Commission Expires July 23, 2009

Meltzer/Mandl Architects, P. C.

Sworn to before me this 20 day of December 2006.

By: _____
David Mandl, AIA, President

_____
(Notary Public)



CELLAR PLAN
18,399 SQ. FT.

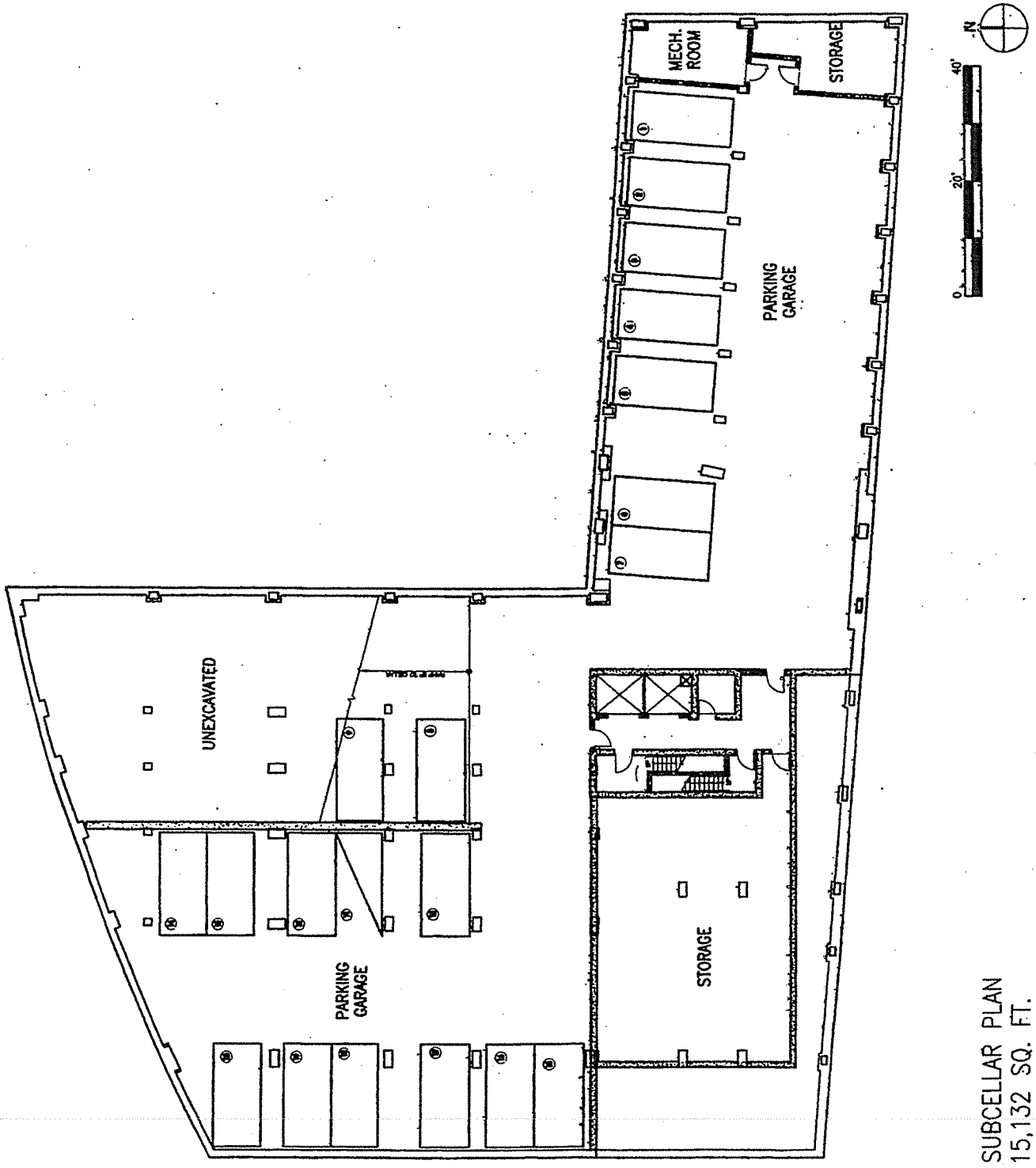
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE OFFERING PLAN. SEE SCEDULE "A" TO THE PLAN FOR METHOD OF MEASUREMENT

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315 Park Avenue South, New York, NY 10003 Phone: (646) 654-2800 Fax: (646) 654-2801

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3220 ARLINGTON AVENUE BRONX, NY 10463



SUBCELLAR PLAN
15,132 SQ. FT.

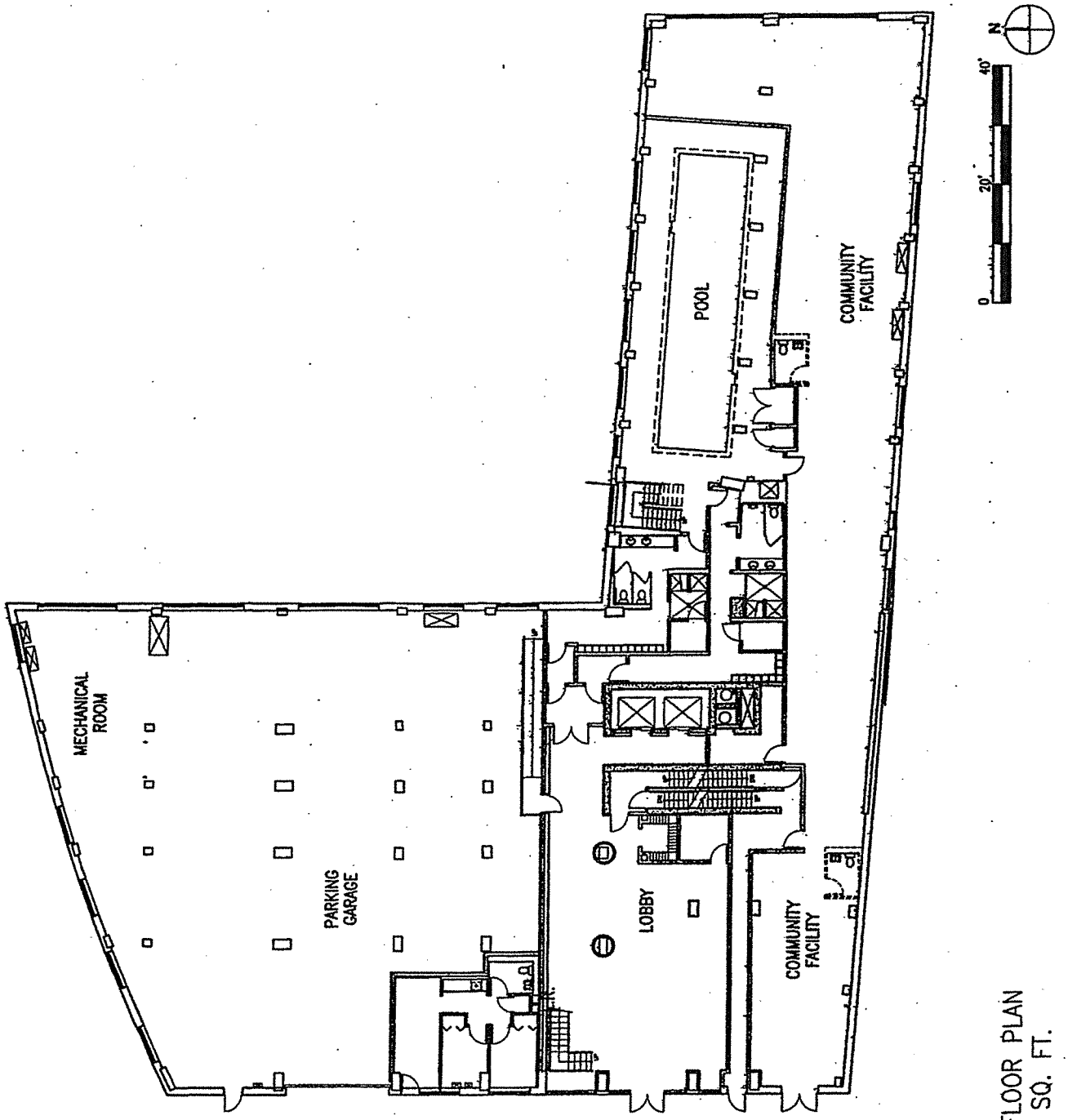
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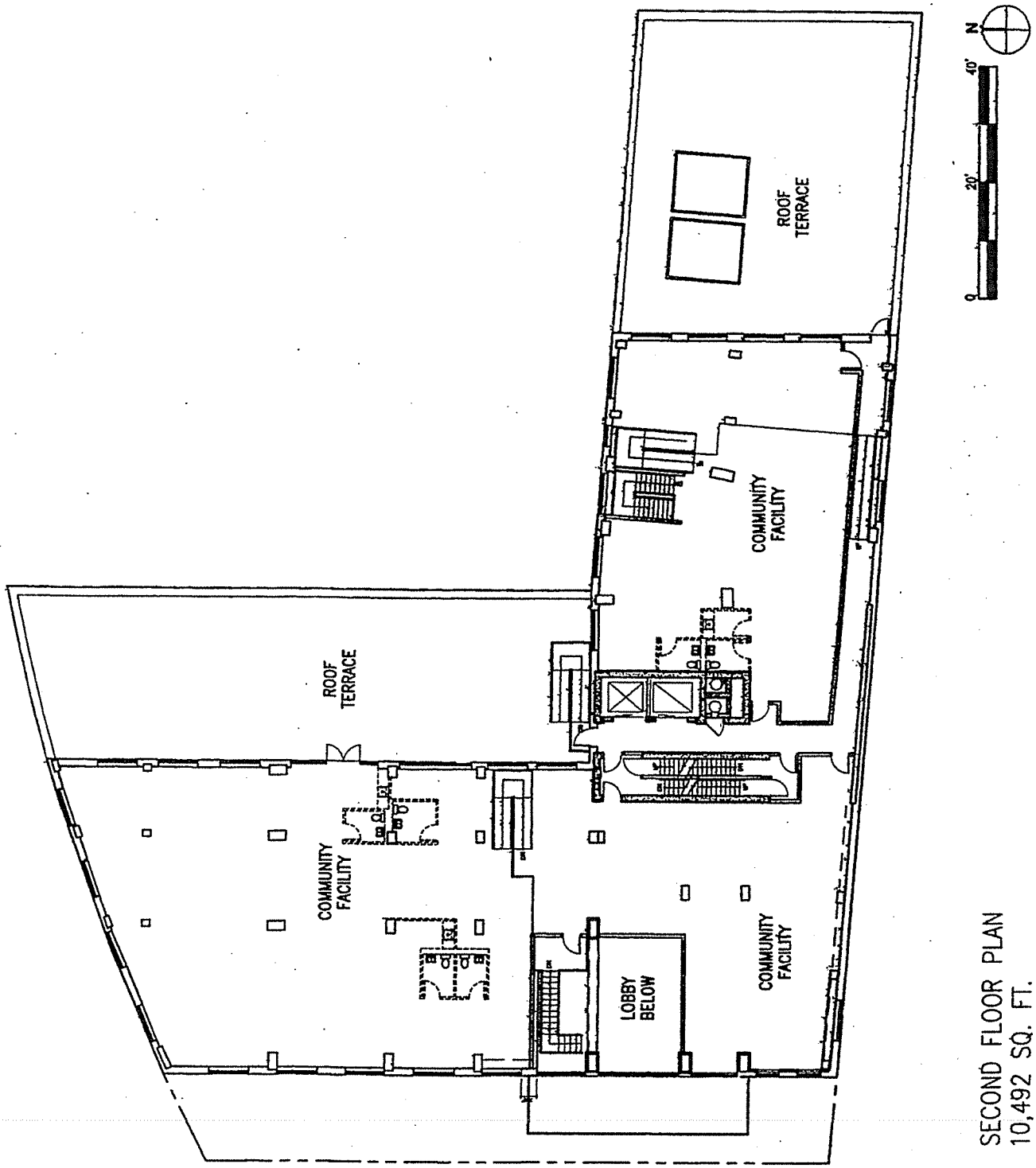
FIRST FLOOR PLAN
16,707 SQ. FT.

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SECOND FLOOR PLAN
10,492 SQ. FT.

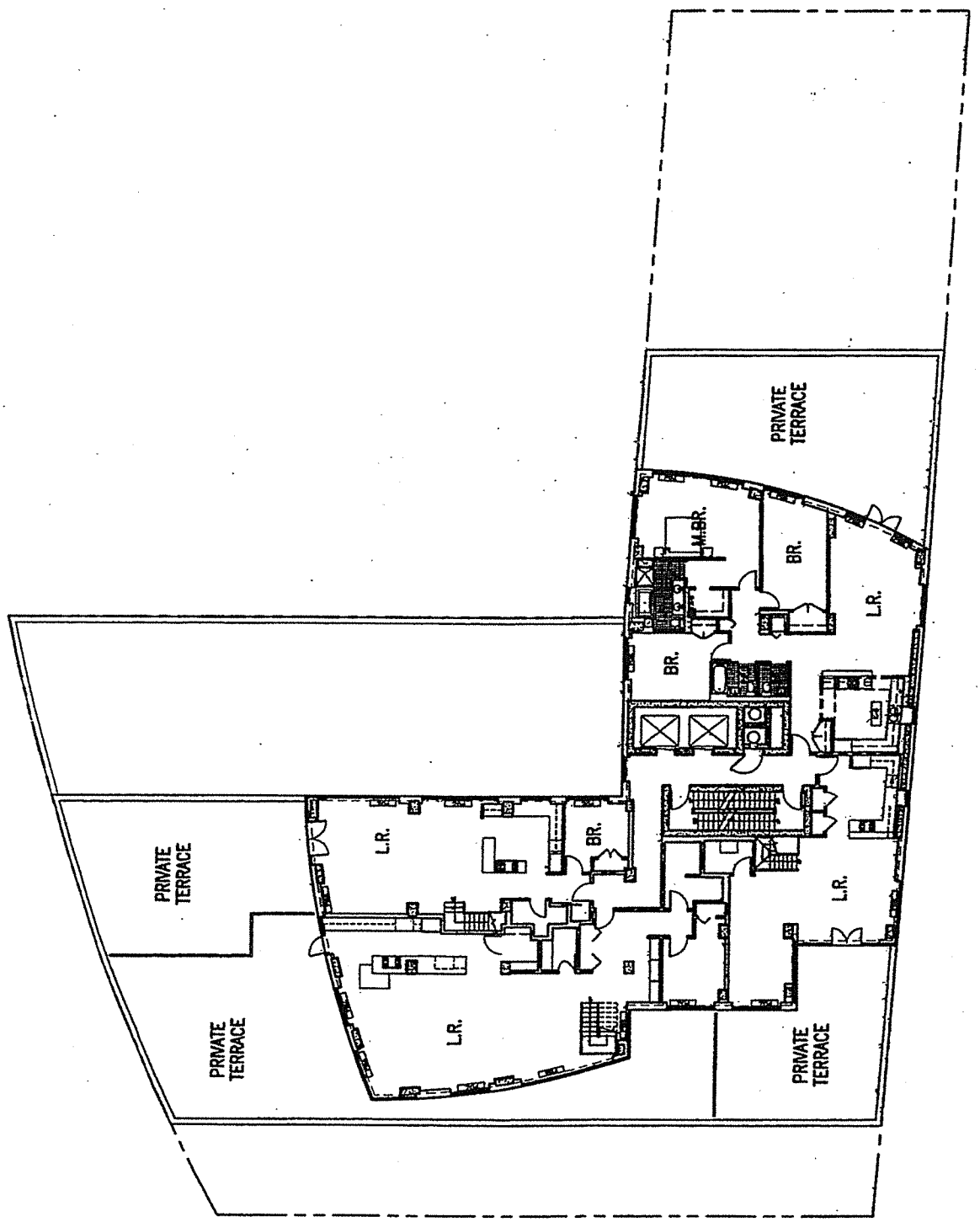
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THIRD FLOOR PLAN
6,371 SQ. FT.

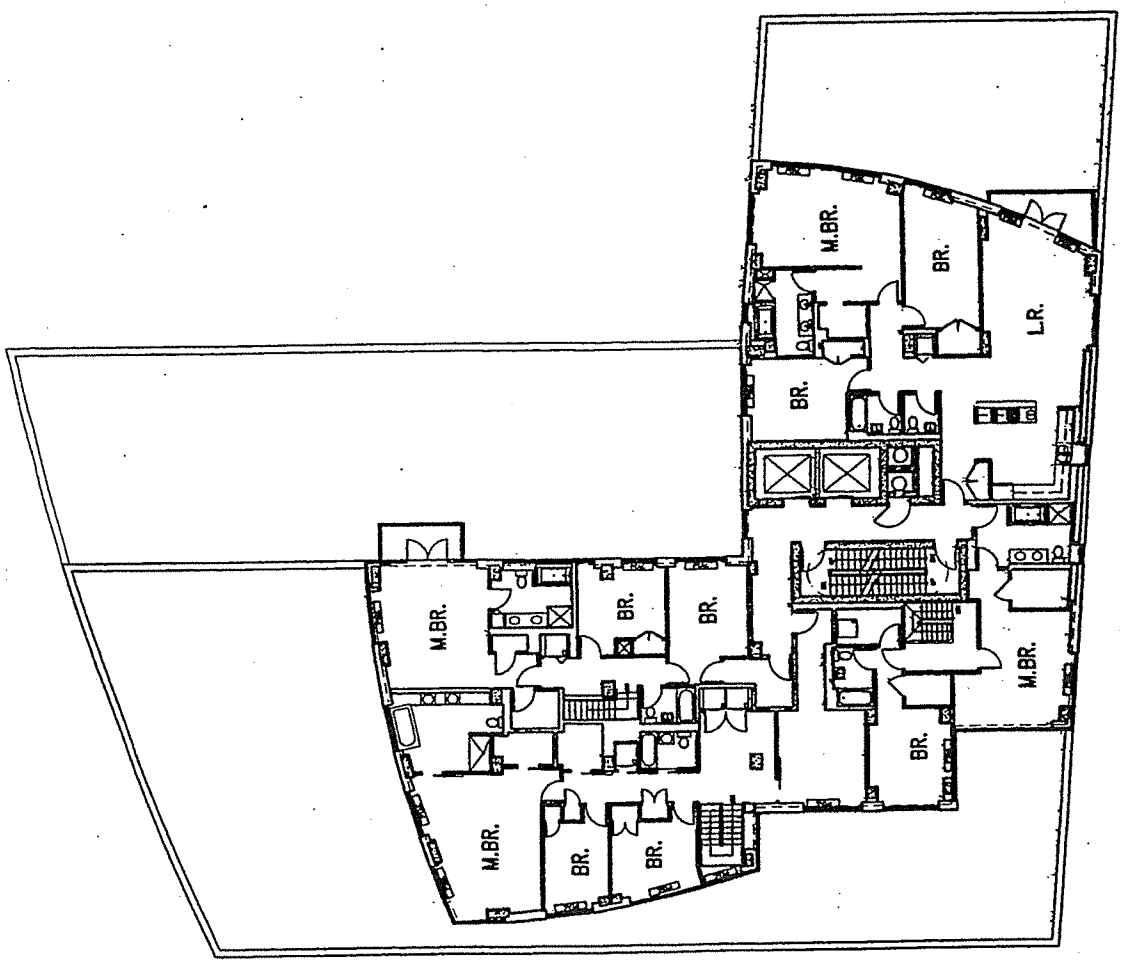
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ARLINGTON SUITES

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3220 ARLINGTON AVENUE BRONX, NY 10463



N

40'

20'

0

FOURTH FLOOR PLAN
6,371 SQ. FT.

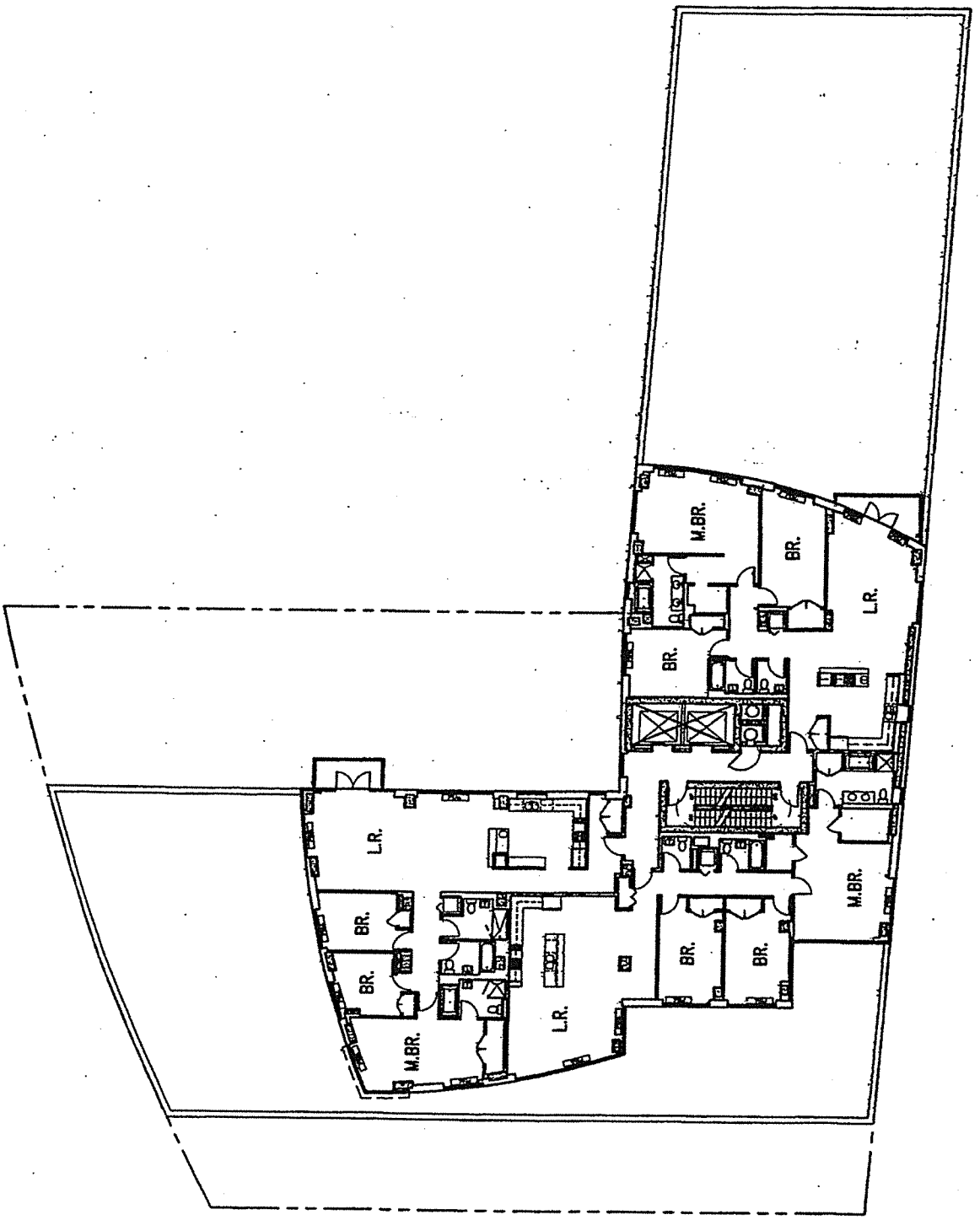
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TON AVENUE BRONX, NY 10463



FIFTH – EIGHTH FLOOR PLANS
6,371 SQ. FT.

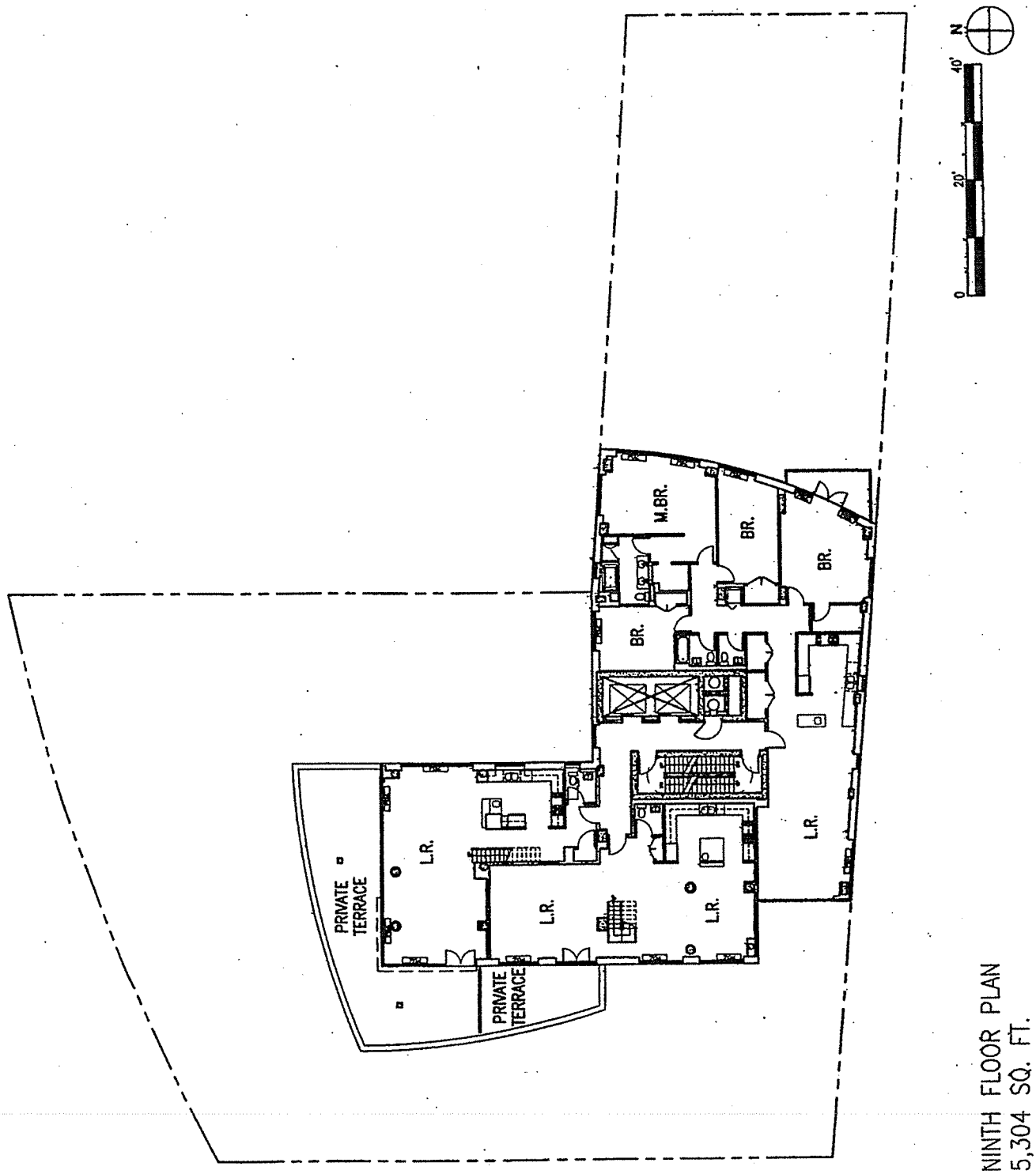
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NINTH FLOOR PLAN
5,304 SQ. FT.

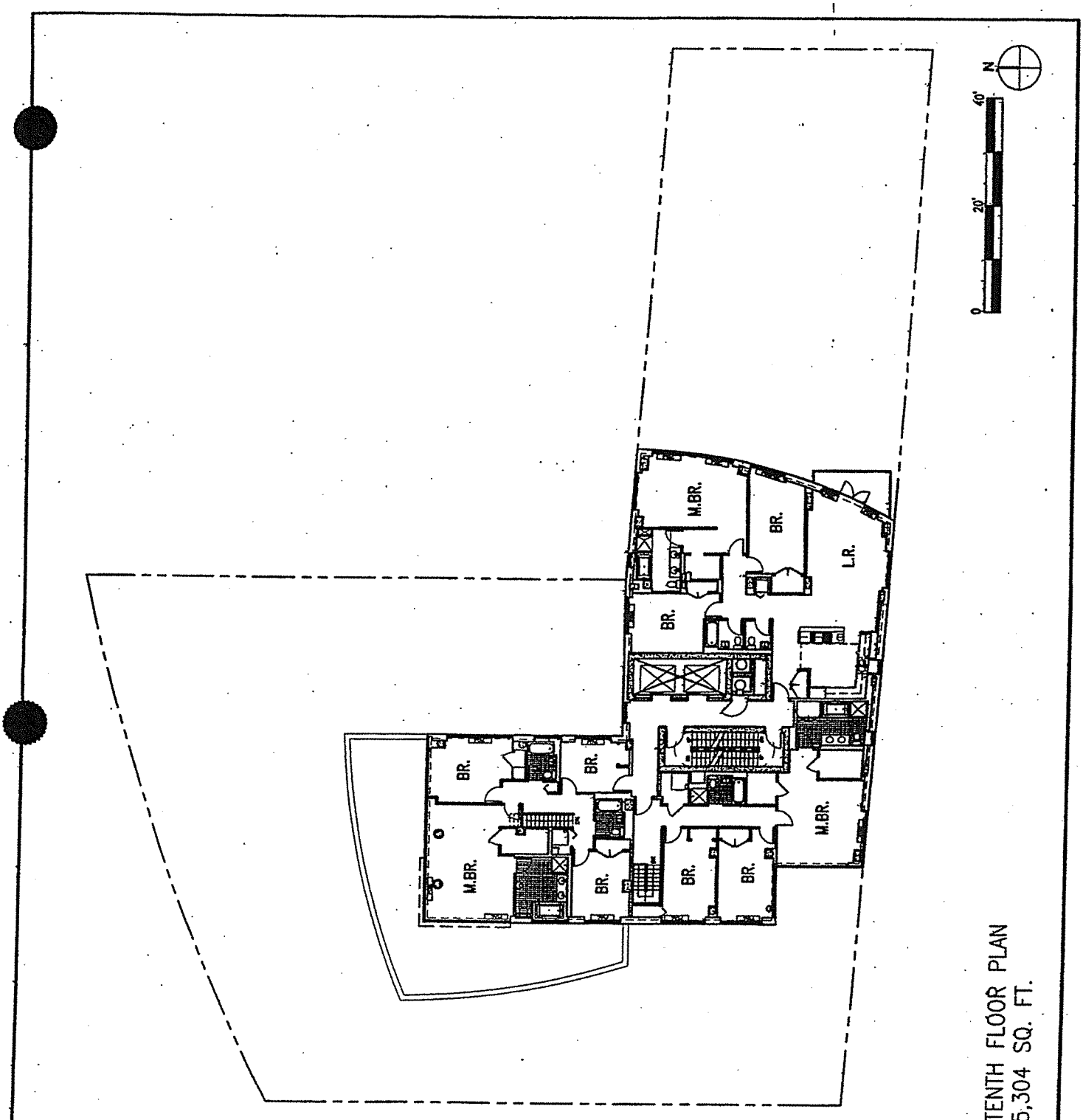
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TENTH FLOOR PLAN
5,304 SQ. FT.

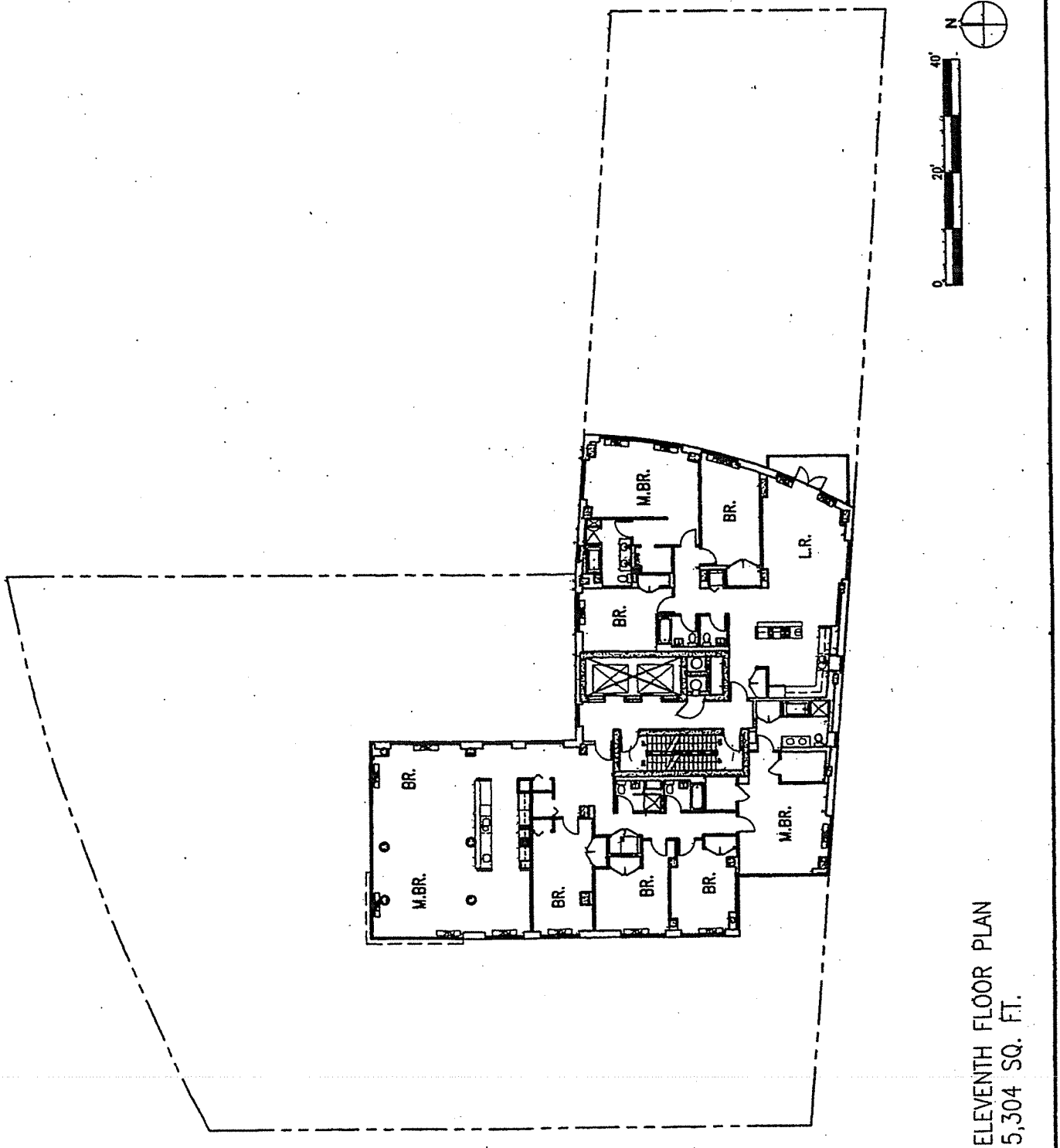
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ELEVENTH FLOOR PLAN
5,304 SQ. FT.

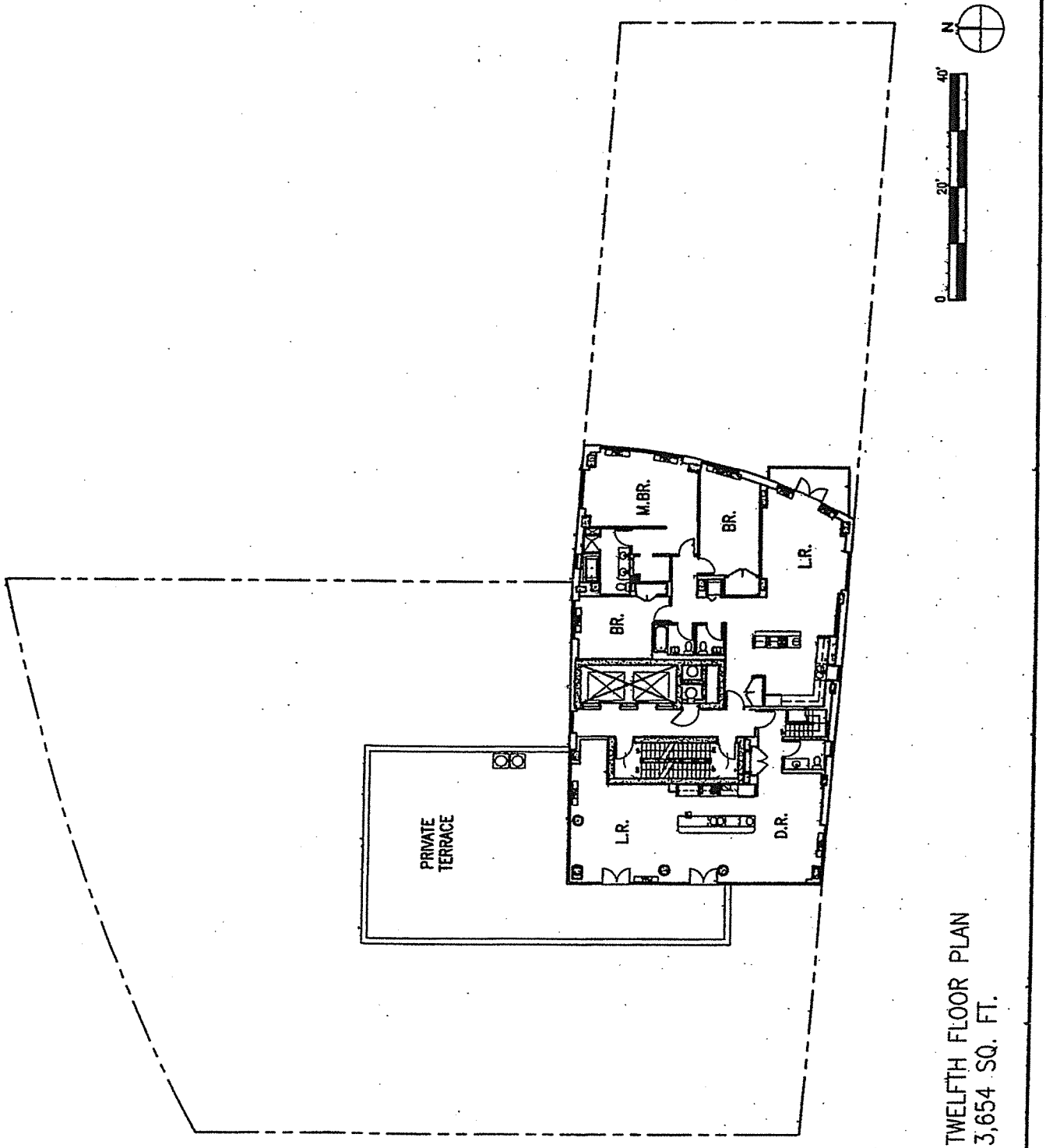
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TWELFTH FLOOR PLAN
3,654 SQ. FT.

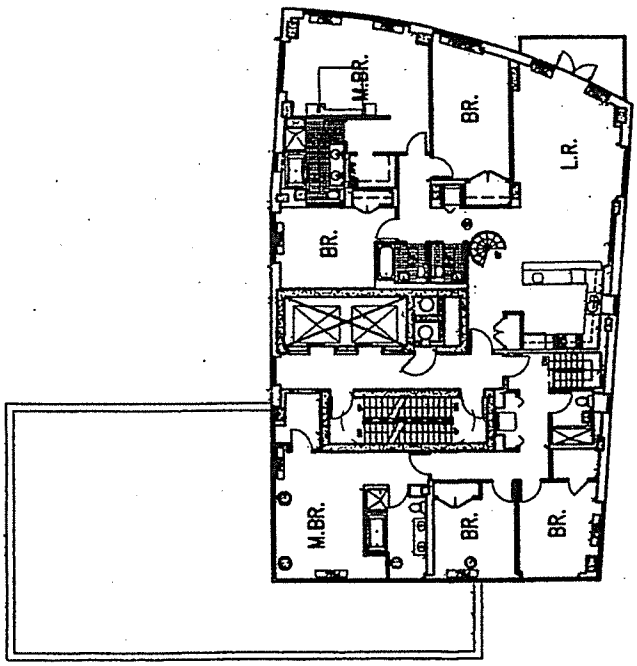
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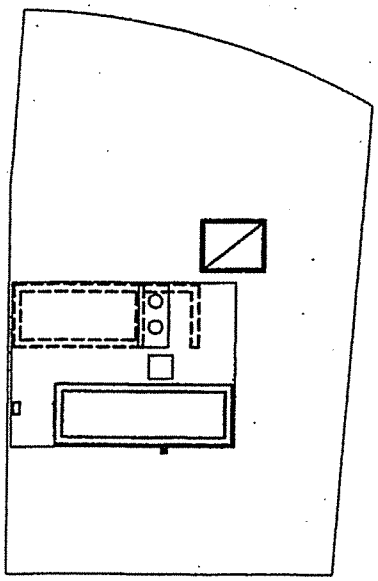
THIRTEENTH FLOOR PLAN
3,654 SQ. FT.

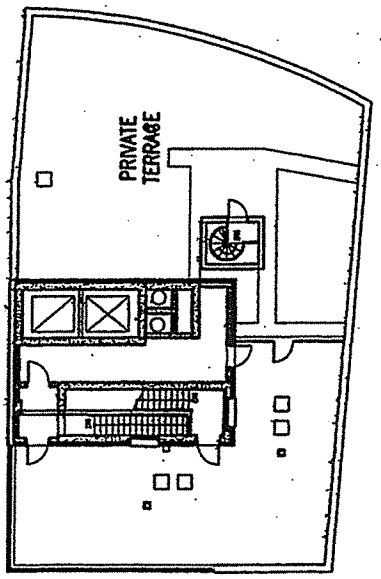
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ROOF PLANS

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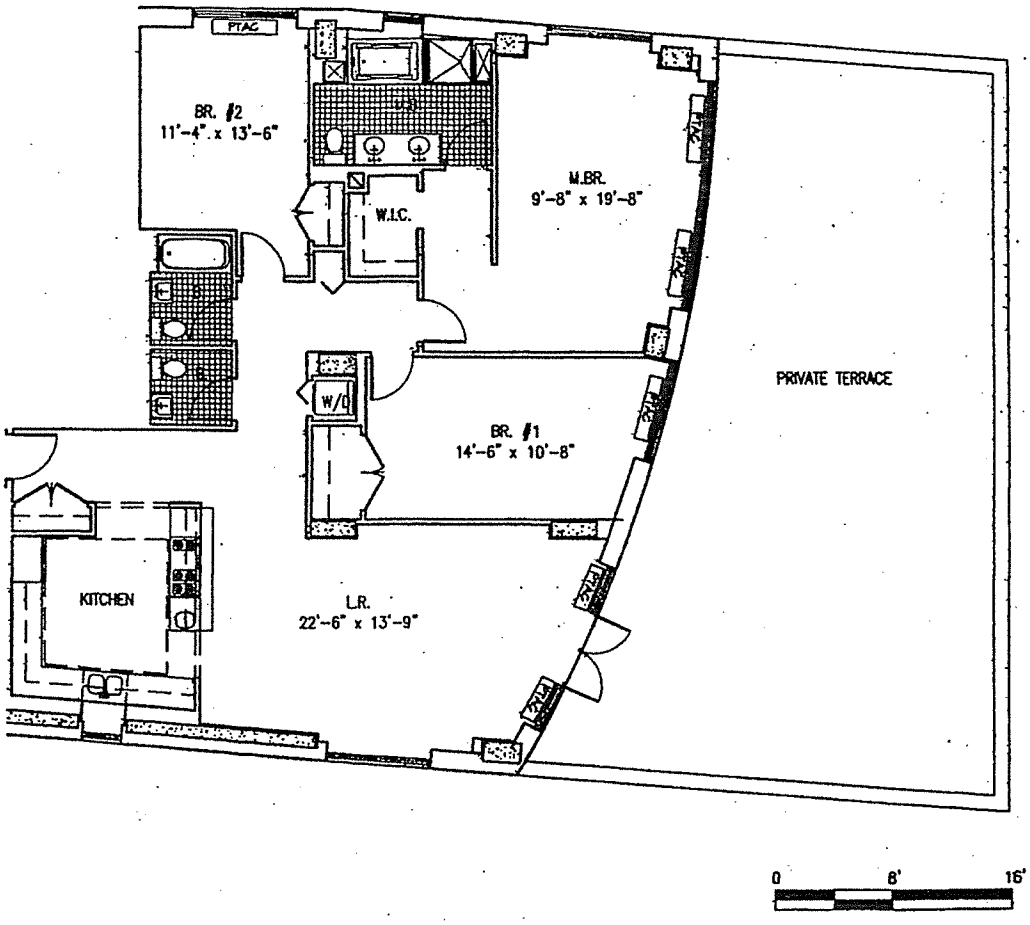
ARLINGTON SUITES

05/22/06

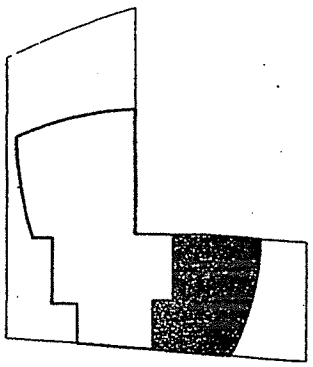
3220 ARLINGTON AVENUE BRONX, NY 10463

APT. 3A

3 BEDROOMS
2 1/2 BATHRMS
1,902 SF
TERRACE



Key Plan



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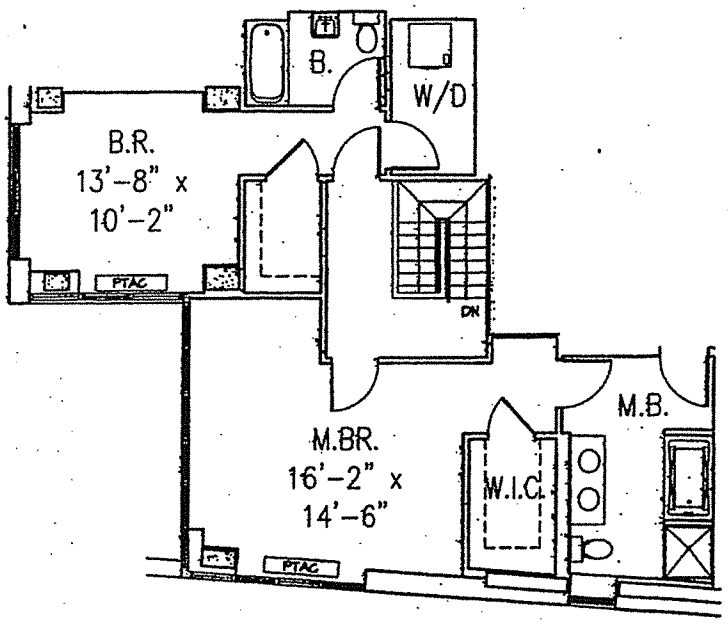
NORTH

3RD FLOOR
ARLINGTON SUITES

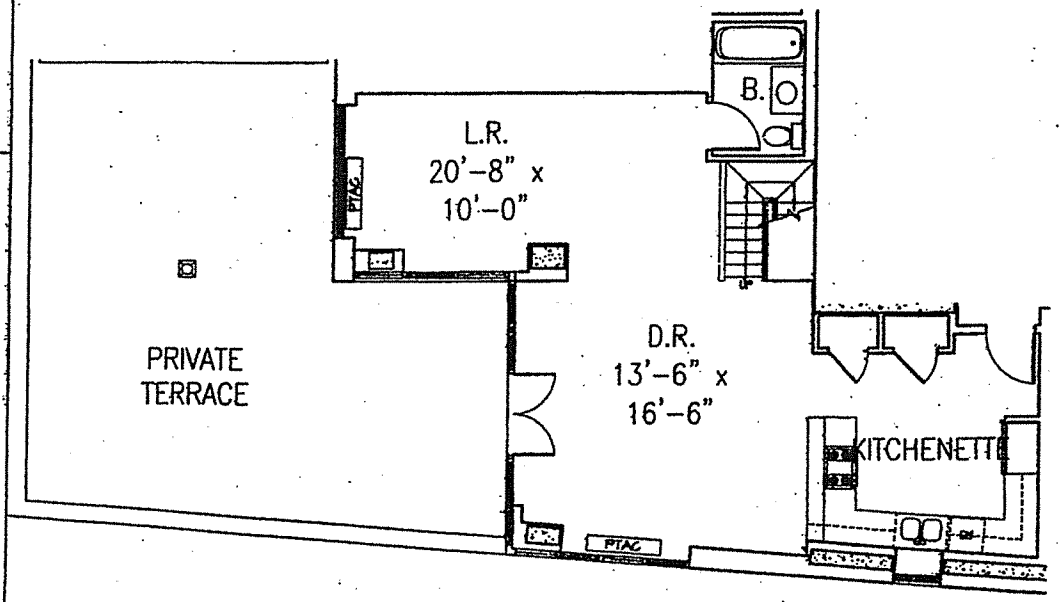
05/22/06
3220 ARLINGTON AVENUE BRONX, NY

APT. 3B

- 2 BEDROOMS
- 3 BATHRMS
- 1,875 SF
- TERRACE



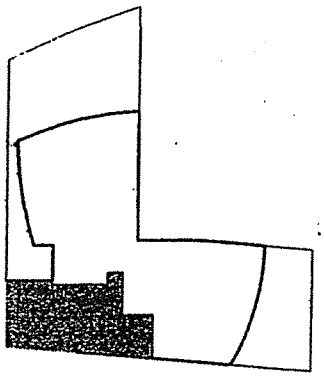
FOURTH FLOOR



THIRD FLOOR

0 8' 16'

Key Plan



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NORTH

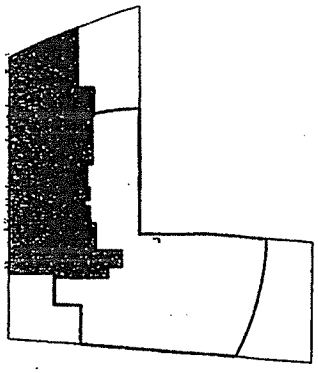
3RD & 4TH FLOORS
ARLINGTON SUITES

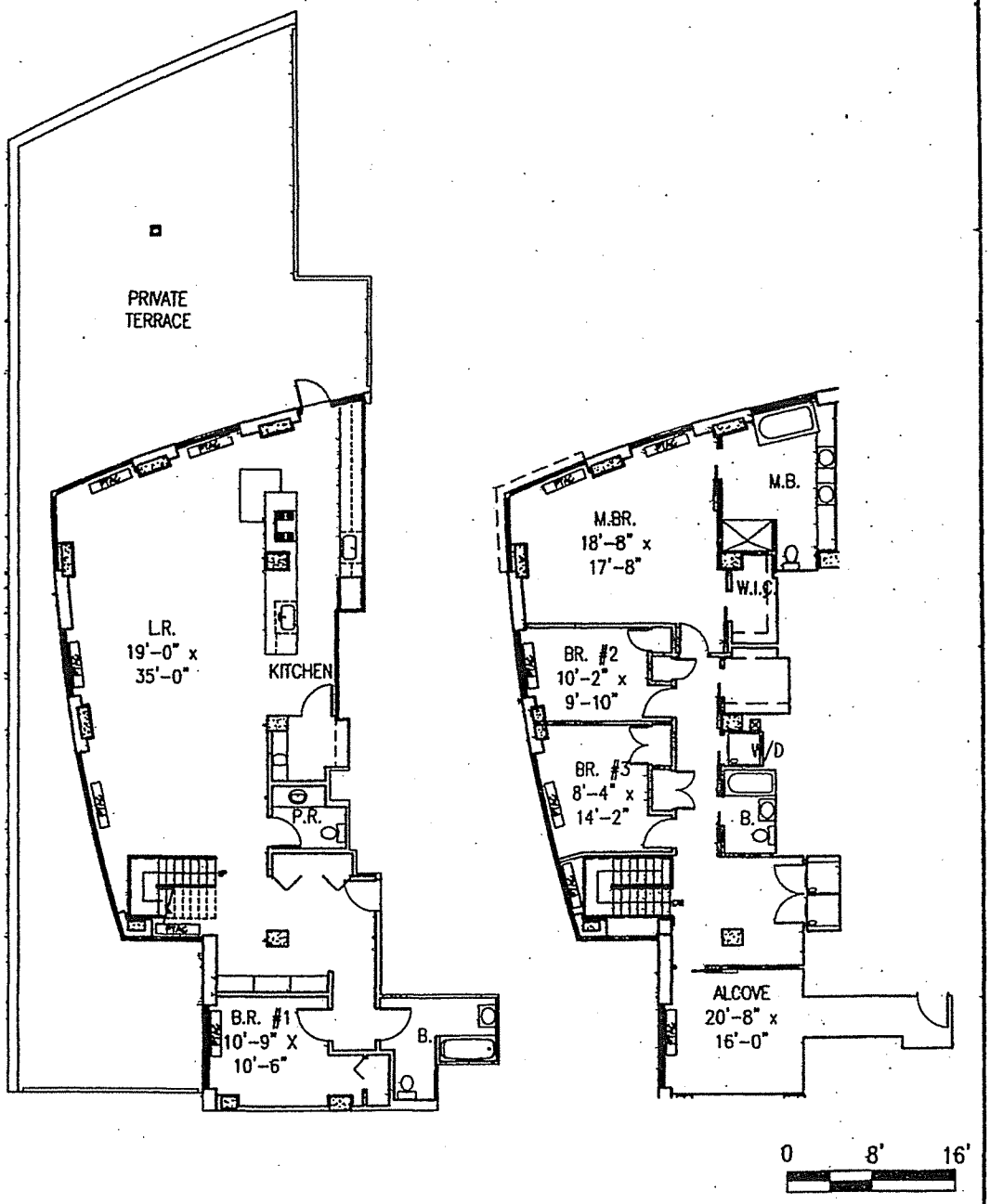
05/22/06
3220 ARLINGTON AVENUE BRONX, NY

APT. 3C

4 BEDROOMS
3 1/2 BATHRMS
3,333 SF
TERRACE

Key Plan





THIRD FLOOR

FOURTH FLOOR

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NORTH

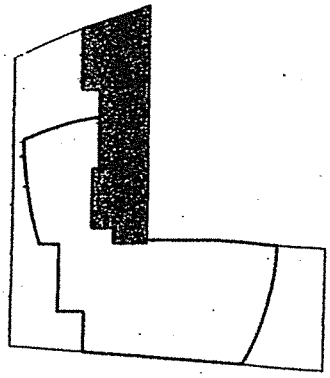
3RD & 4TH FLOORS
ARLINGTON SUITES

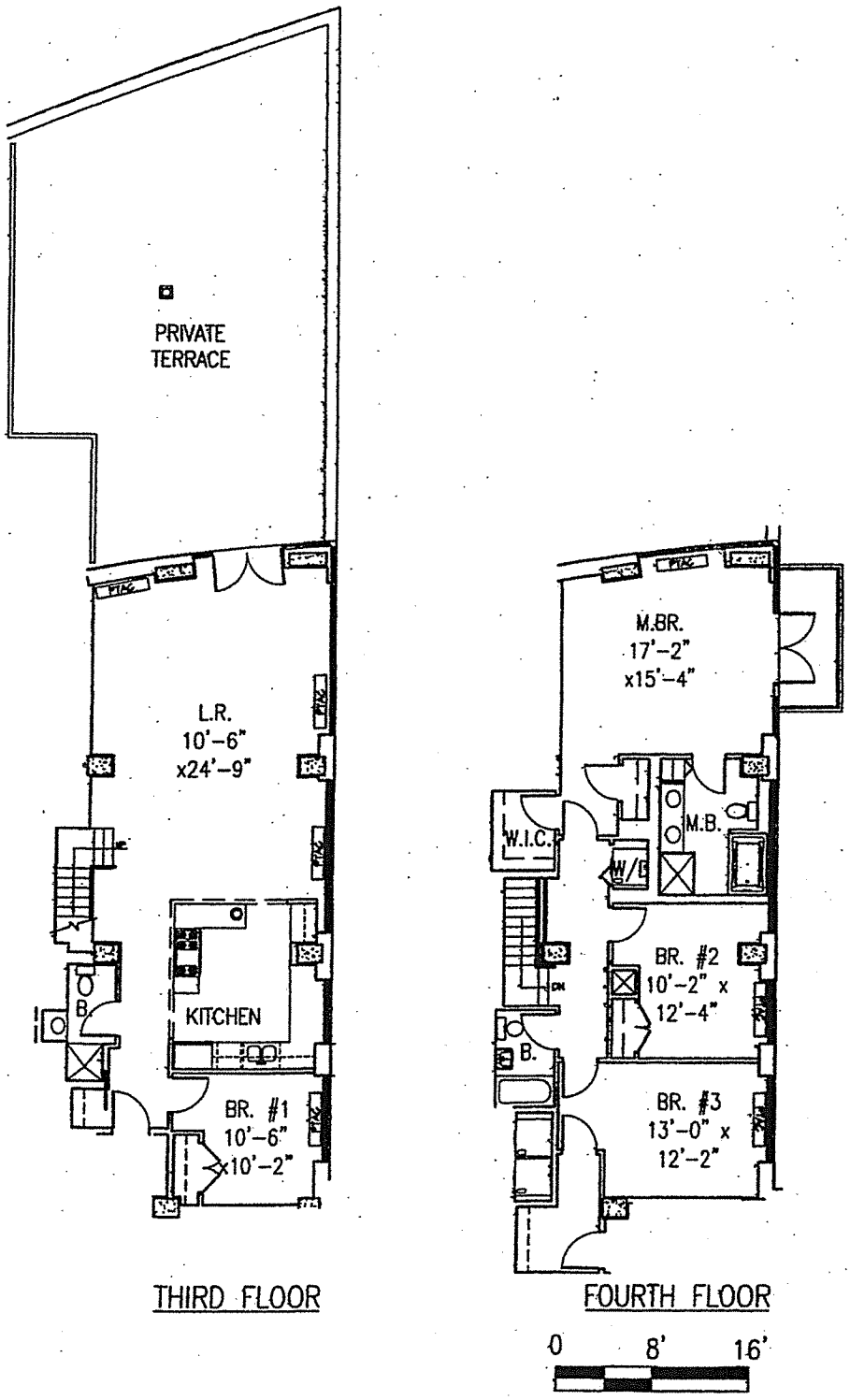
05/22/06
3220 ARLINGTON AVENUE BRONX, NY

APT. 3D

- 4 BEDRMS
- 3 BATHRMS
- 2,237SF
- BALCONY
- & TERRACE

Key Plan





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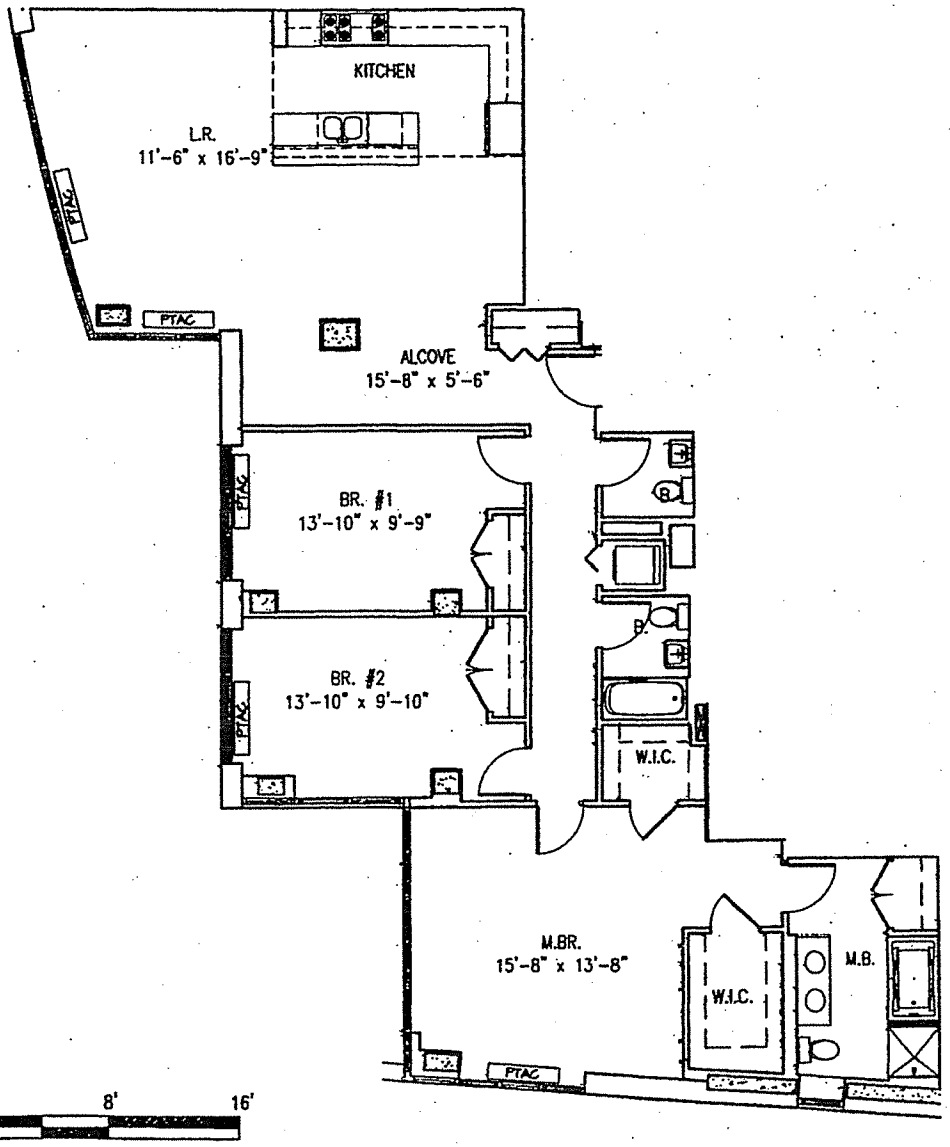
NORTH

3DR & 4TH FLOORS
ARLINGTON SUITES

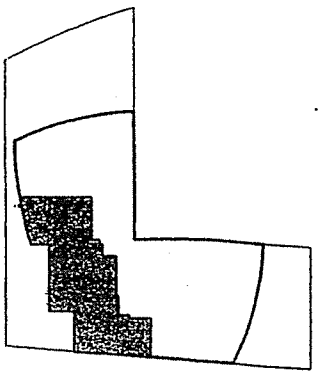
05/22/06
3220 ARLINGTON AVENUE BRONX, NY

APT. B

3 BEDROOMS
2 1/2 BATHRMS
1,886 SF



Key Plan



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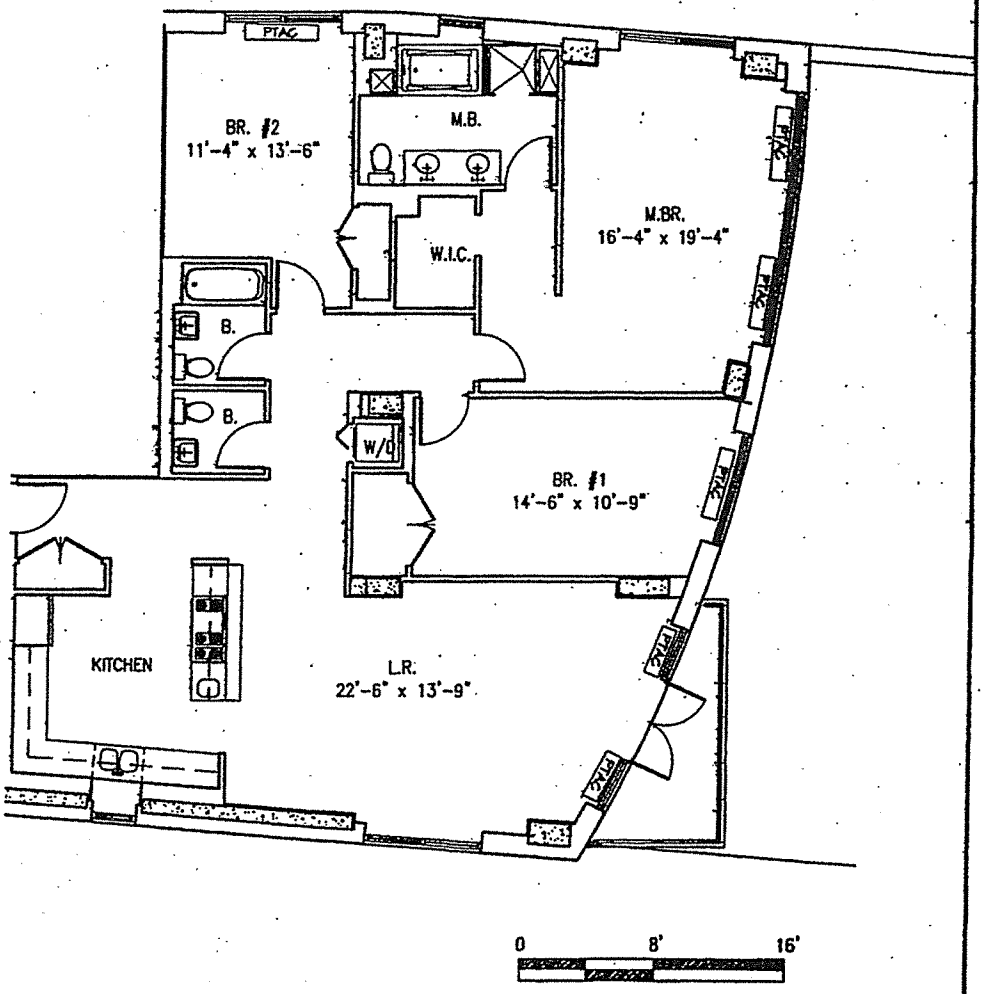
NORTH

5-8TH FLOORS
ARLINGTON SUITES

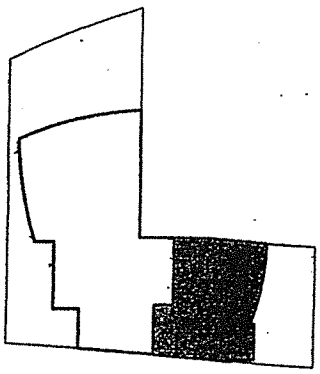
05/22/06
3220 ARLINGTON AVENUE BRONX, NY

APT. A

3 BEDROOMS
2 1/2BATHRMS
1,902 SF
BALCONY



Key Plan



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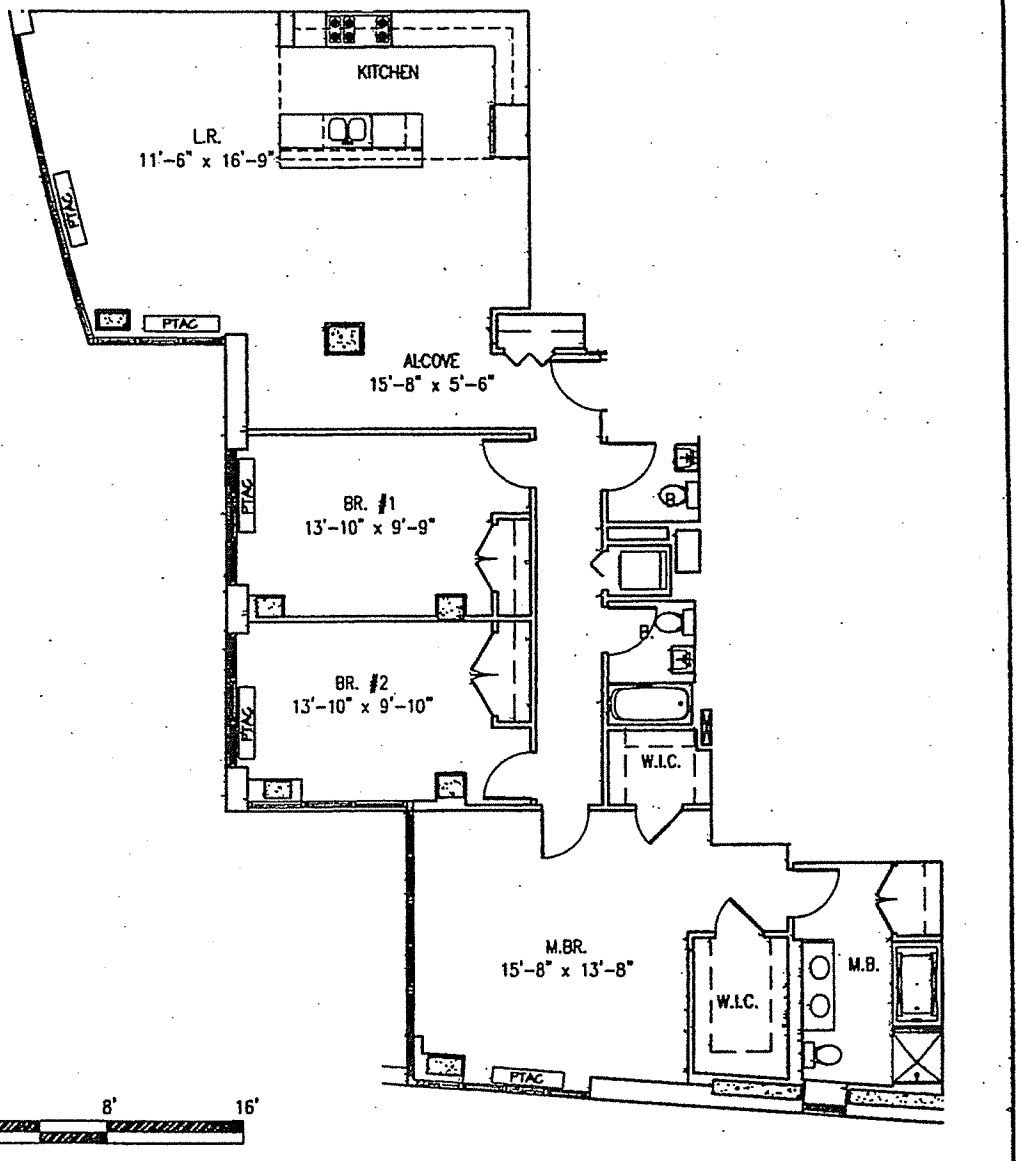
NORTH

4-8TH & 10-12TH FLOORS
ARLINGTON SUITES

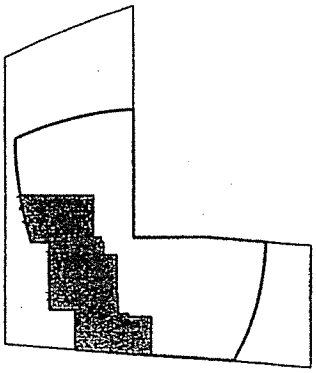
05/22/06
3220 ARLINGTON AVENUE BRONX, NY

APT. B

3 BEDROOMS
2 BATHRMS
1,886 SF



Key Plan



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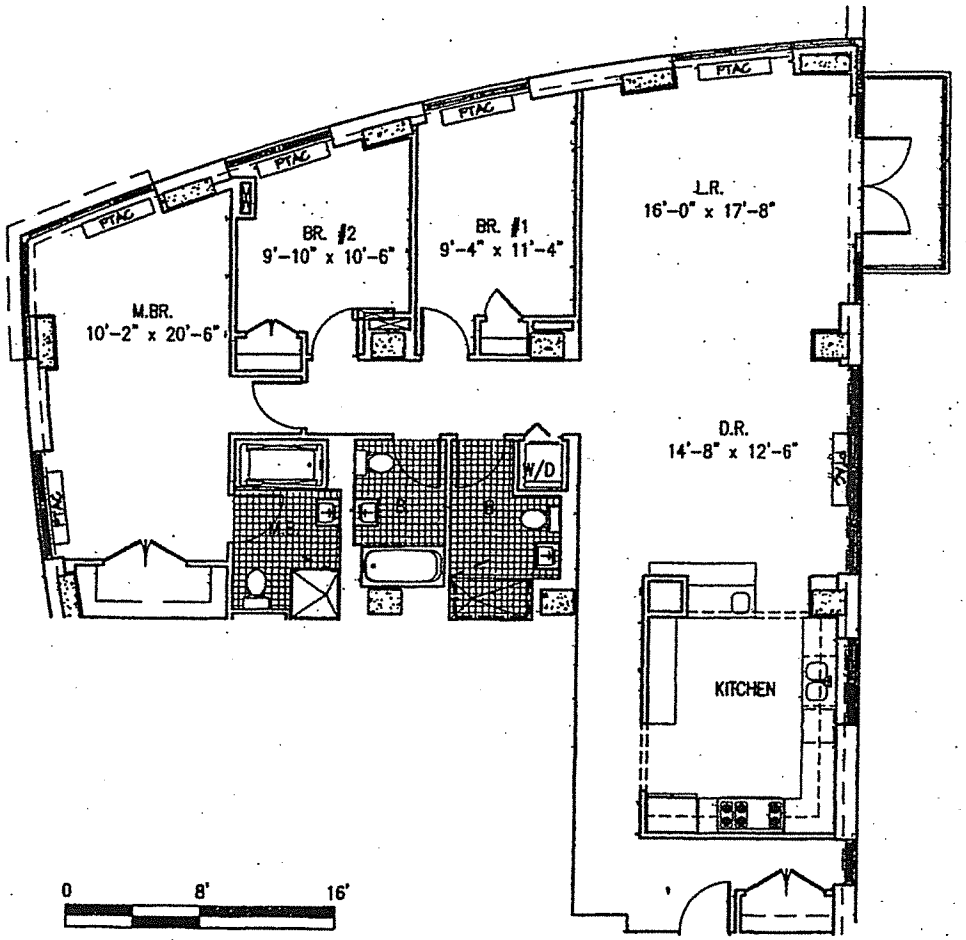
NORTH

5-8TH FLOORS
ARLINGTON SUITES

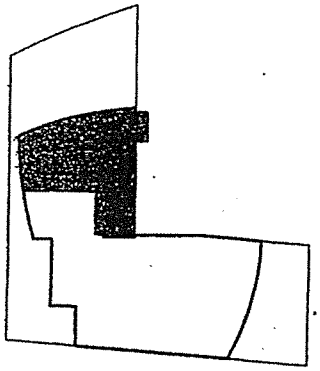
05/22/06
3220 ARLINGTON AVENUE BRONX, NY

APT. C

- 3 BEDROOMS
- 3 BATHRMS
- 1,872 SF
- BALCONY



Key Plan



ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE OFFERING PLAN. SEE SCEDULE "A" TO THE PLAN FOR METHOD OF MEASUREMENT

Meltzer/Mandl Architects, P.C.
215 Park Avenue South, New York, NY 10003
Phone: (646) 654-2800 Fax: (646) 654-2801

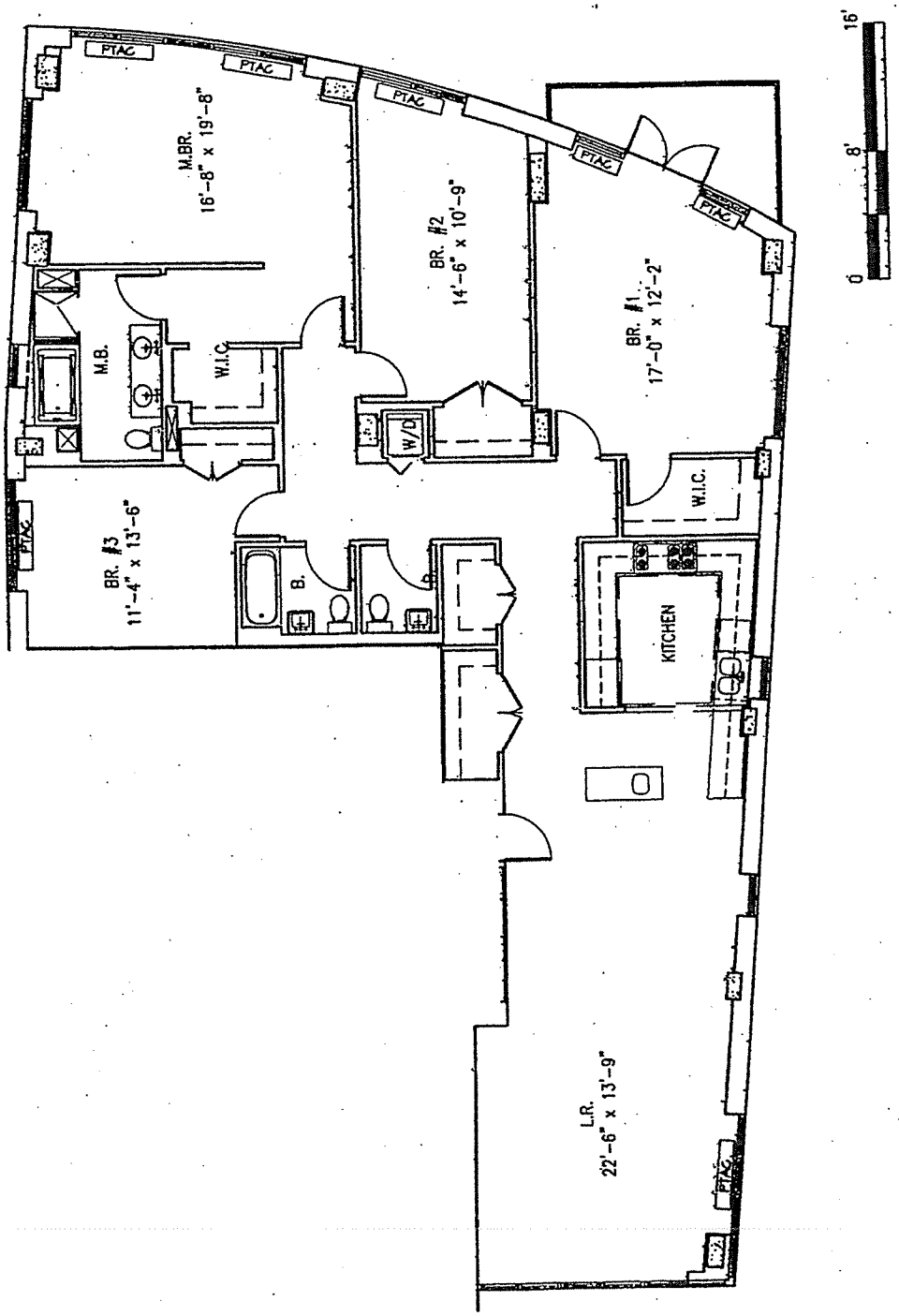
NORTH

5-8TH FLOORS
ARLINGTON SUITES

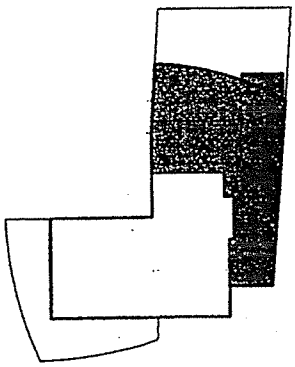
05/22/06
3220 ARLINGTON AVENUE BRONX, NY

APT. 9A

- 4 BEDROOMS
- 2 1/2 BATHRMS
- 2,445 SF
- BALCONY



Key Plan



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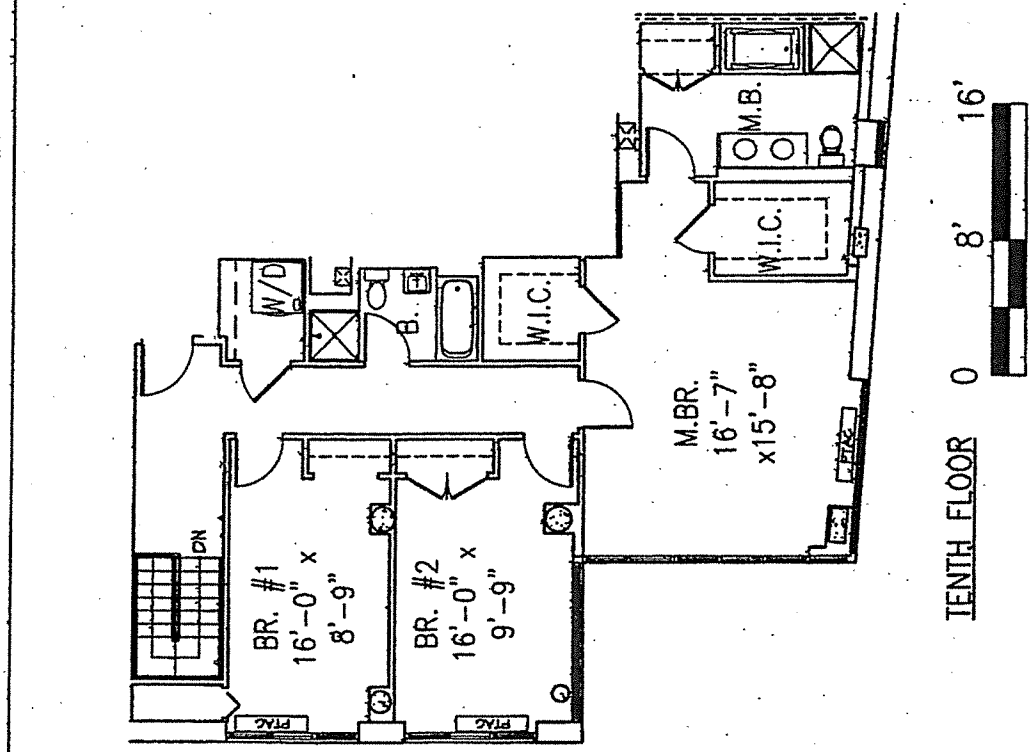
NORTH

9TH FLOOR
ARLINGTON SUITES

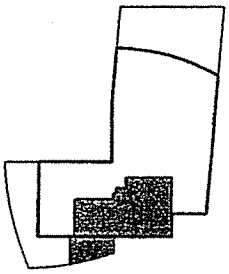
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3220 ARLINGTON AVENUE BRONX, NY

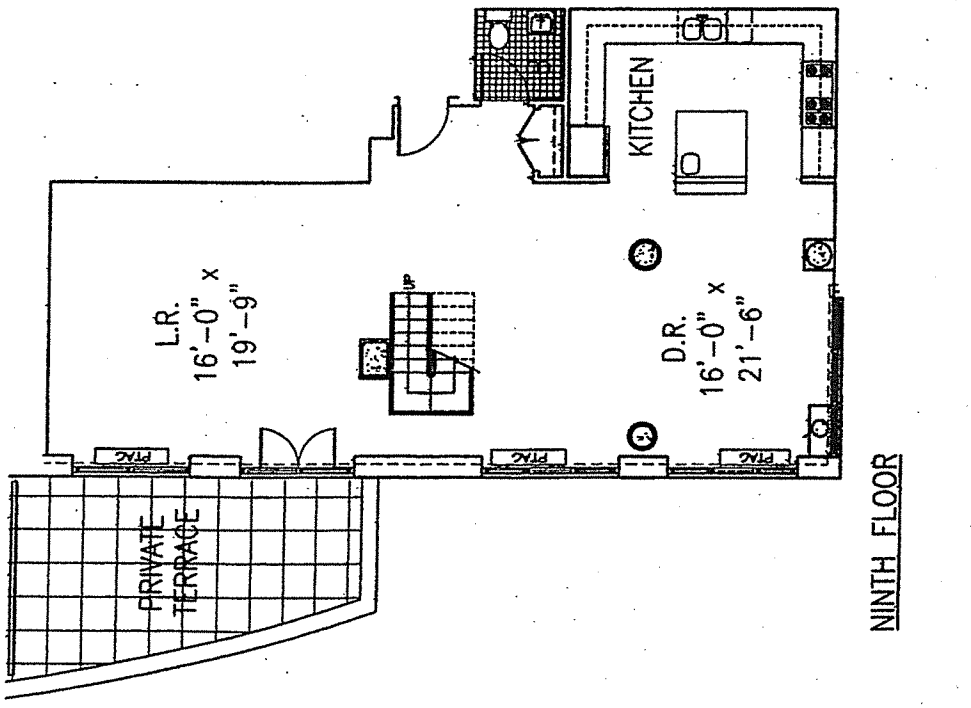
APT. 9B

3 BEDROOMS
2 1/2 BATHRMS
2,452 SF
TERRACE



Key Plan





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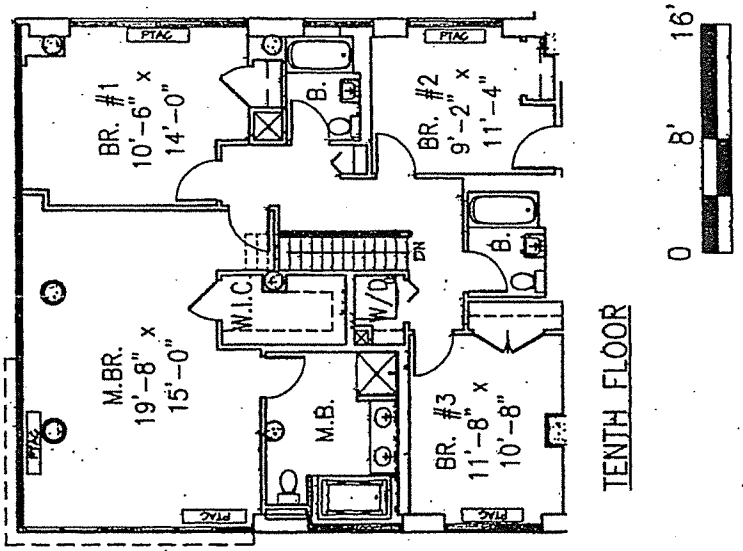
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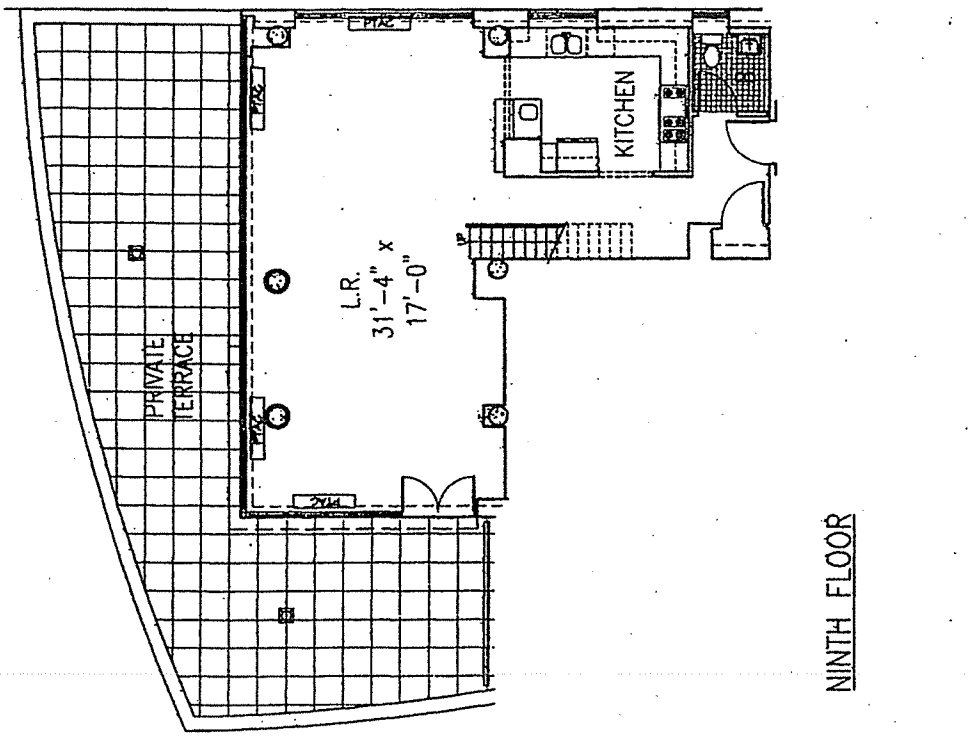
9 &10TH FLOORS
ARLINGTON SUITES

05/22/06
3220 ARLINGTON AVENUE BRONX, NY

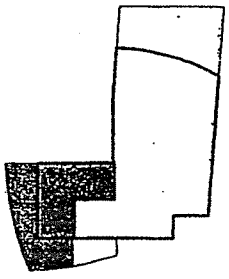
APT. 9C

4 BEDROOMS
3 1/2 BATHRMS
2,414 SF
TERRACE





Key Plan



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NORTH

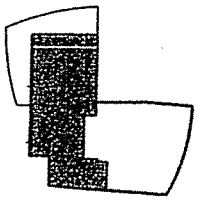
9TH & 10TH FLOOR
ARLINGTON SUITE

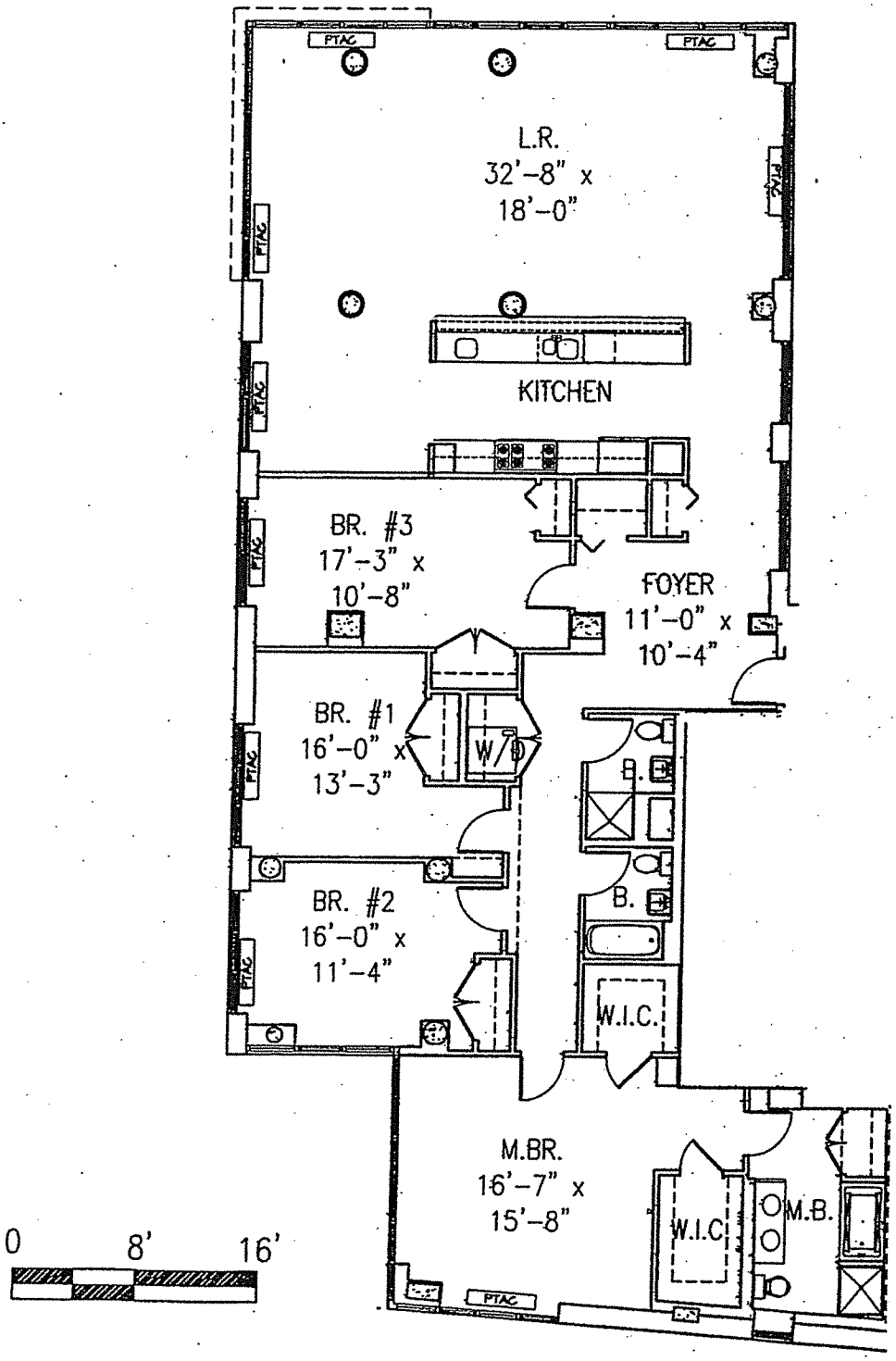
05/22/06
3220 ARLINGTON AVENUE BRONX, NY

APT. 11B

4 BEDROOMS
3 BATHRMS
2,769 SF

Key Plan





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NORTH

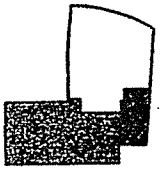
11TH FLOOR
ARLINGTON SUITES

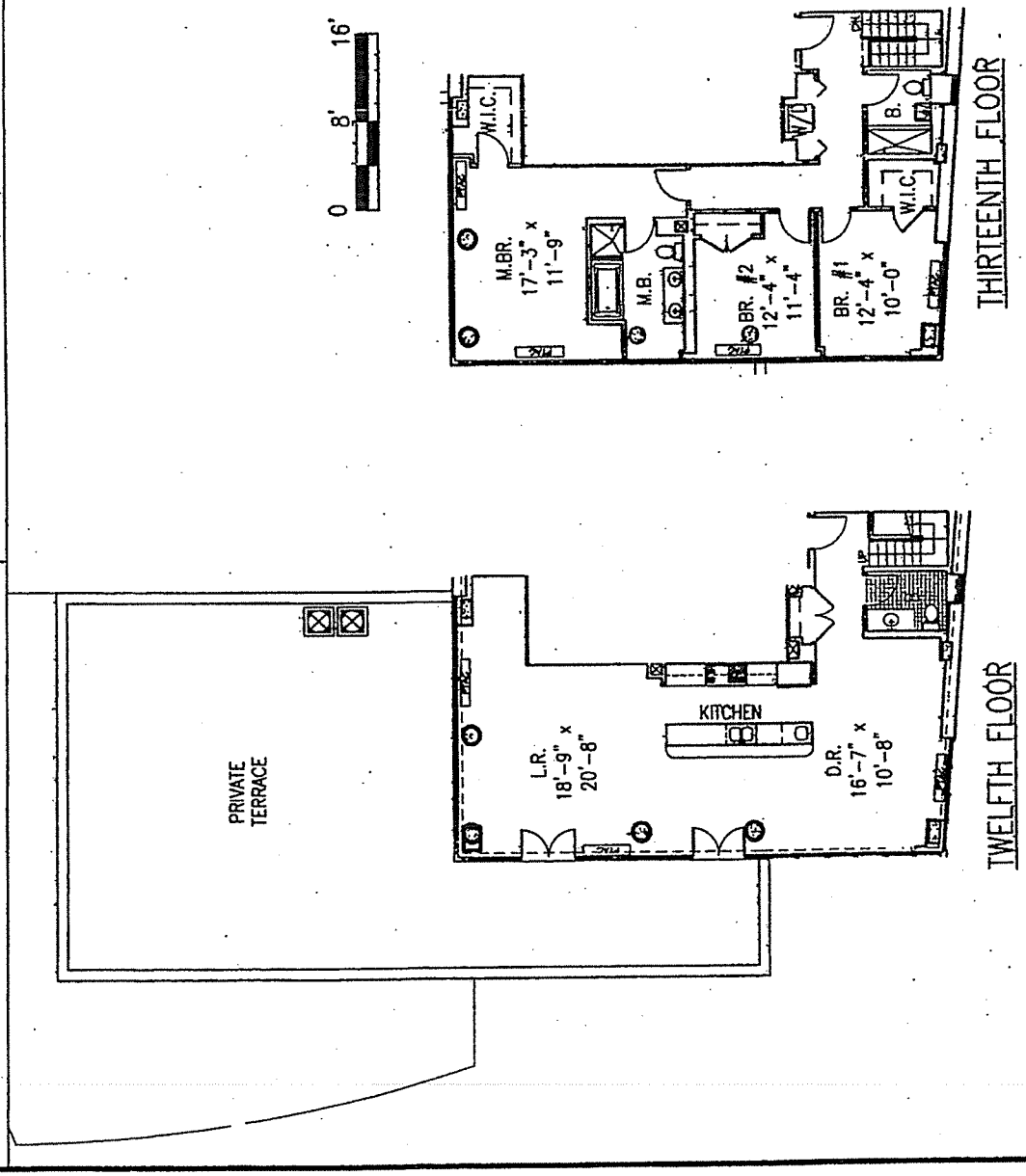
05/22/06
3220 ARLINGTON AVENUE BRONX, NY

APT. 12B

3 BEDROOMS
2 1/2 BATHRMS
2,262 SF
TERRACE

Key Plan





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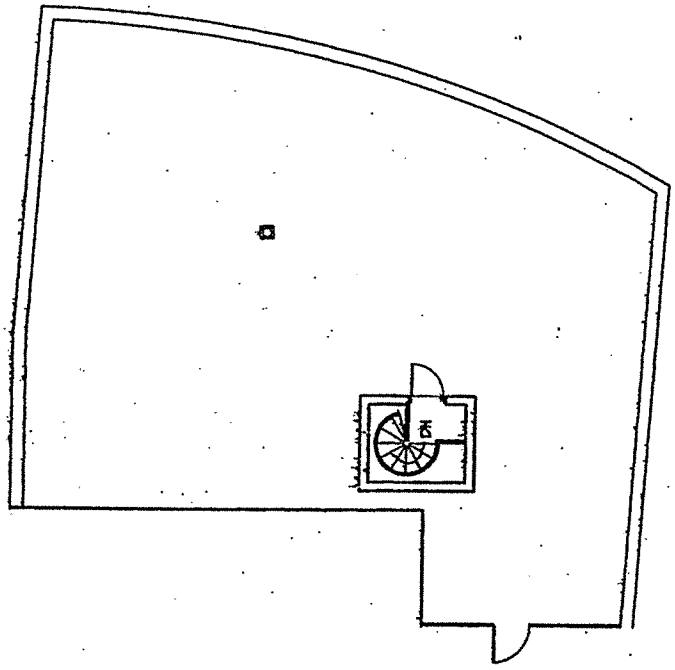
NORTH

12TH & 13TH FLOORS
ARLINGTON SUITES

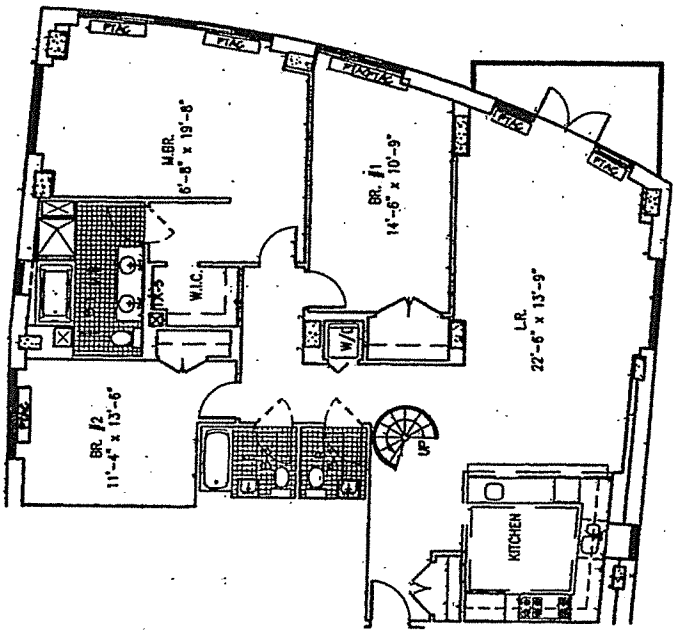
05/22/06
3220 ARLINGTON AVENUE BRONX, NY

APT. 13A

3 BEDROOMS
2 1/2 BATHRMS
1,967 SF
BALCONY
& TERRACE

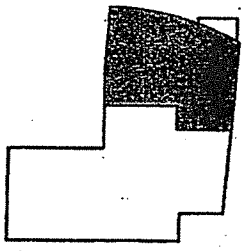


ROOF



THIRTEEN FLOOR

Key Plan



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NORTH

13TH & ROOF FLOORS
ARLINGTON SUITES

05/22/06
3220 ARLINGTON AVENUE BRONX, NY

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DECLARATION

OF

CONDOMINIUM

(Pursuant to Article 9-B of the Real Property
Law of the State of New York)

Arlington Suites, LLC, having an office located at 3220 Arlington Avenue, Bronx, New York ("Sponsor") does hereby declare as follows:

ARTICLE 1

SUBMISSION OF THE PROPERTY

1.1 Sponsor hereby submits the Land and Building, (each is hereinafter defined), to be erected thereon, all easements, rights and 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 "New York Condominium Act") and pursuant thereto does hereby establish a condominium to be known as Arlington Suites (the "Condominium").

1.2 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 (such "By-Laws" in this Declaration). All capitalized terms, which are not separately defined herein, shall have the meanings given to those terms in the By-Laws.

ARTICLE 2

THE LAND

2.1 Included in the Property described in Article 1 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in Bronx County, City and State of New York, and more particularly described in Exhibit A annexed hereto and made a part hereof. Sponsor owns the Land in fee simple absolute. The Land has a gross footprint of approximately 18,411 square feet.

ARTICLE 3

THE PROPERTY AND BUILDING

3.1 Included in the Property described in Article 1 is a building (the

"Building") having one sub-cellar ("sub-cellar"), one below grade level ("cellar"), a ground floor containing Community Facility space, the Swimming Pool, and the Building's lobby, a second floor containing Community Facility space, and eleven (11) additional above grade floors. When completed, the Building will contain twenty-six (26) Residential Units, at least three (3) Community Facility Units, fifty-eight (58) Parking Spaces, and thirty (30) Storage Units. An owner of a Residential Unit is sometimes referred to as a " Residential Unit Owner." An owner of a Community Facility Unit is sometimes referred to as a "Community Facility Unit Owner." An owner of the Parking Unit is sometimes referred to as the "Parking Unit Owner." An owner of the Storage Unit is sometimes referred to as the "Storage Unit Owner." The Residential Unit Owner, the Community Facility Unit Owner, the Parking Unit Owner, and the Storage Unit Owner are sometimes hereinafter referred to collectively as "Unit Owners." The Building will be classified as 1-C construction under the New York City Building Code and has masonry walls, steel beams, concrete floors and roof stabs.

ARTICLE 4

THE UNITS

4.1 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 and tax lot; approximate square foot area; number of bedrooms and bathrooms; the offering price; the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access; and the percentage interest in the Common Elements appurtenant to such Unit. The location of such Unit is shown on the floor plans of the Building (the "Floor Plans") certified by David Mandl, R.A., Meltzer/Mandl Architects P.C. Sponsor intends to file said Floor Plans in the Bronx County office of the Register of the City of New York (the "City Register's Office") simultaneously with the recording of this Declaration.

4.2 Also included, is data with respect to the Community Facility Units necessary for the proper identification thereof: Community Facility Unit designation and tax lot; approximate square foot area; the offering price; the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access; and the percentage interest in the Common Elements appurtenant to such Unit. The location of such Community Facility Unit is shown on the floor plans of the Building (the "Floor Plans") certified by David Mandl, R.A., Meltzer/Mandl Architects, P.C. Sponsor intended to file said Floor Plans in the Bronx County office of the Register of the City of New York (the "City Register's Office") simultaneously with the recording of this Declaration.

4.3 Also included, is data with respect to the Parking Unit necessary for the proper identification thereof: Parking Unit designation and tax lot; approximate square foot area; and the percentage interest in the Common Elements appurtenant to such Unit. The location of such Parking Unit is shown on the floor plans of the Building (the "Floor Plans") certified by David Mandl, R.A., Meltzer/Mandl Architects, P.C. Sponsor intended

to file said Floor Plans in the Bronx County office of the Register of the City of New York (the "City Register's Office") simultaneously with the recording of this Declaration.

4.4 Also included, is data with respect to the Storage Unit necessary for the proper identification thereof: Storage Unit designation and tax lot; approximate square foot area; and the percentage interest in the Common Elements appurtenant to such Unit. The location of such Storage Unit is shown on the floor plans of the Building (the "Floor Plans") certified by David Mandl, R.A., Meltzer/Mandl Architects, P.C. Sponsor intends to file said Floor Plans in the Bronx County office of the Register of the City of New York (the "City Register's Office") simultaneously with the recording of this Declaration.

ARTICLE 5

DIMENSION OF UNITS

5.1 Each Unit consists of the area measured horizontally from the exterior side of the exterior walls (perimeter concrete columns, perimeter mechanical pipes and elevator shafts are not deducted) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the exterior side of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. Each Unit consists of the area measured vertically from the top of the concrete floor to the underside of the concrete ceiling, except that the Common Elements within the Unit consisting of any piping, ductwork, wiring, etc., which may be concealed by any suspended ceiling, shall not be considered as part of such Unit.

5.2 Each Unit includes, and each Unit Owner shall be responsible for, all plumbing, gas and heating fixtures and equipment such as dishwashers, heating and air conditioning units, ranges and other appliances, as may be affixed, attached or appurtenant to such Unit. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes attached to the 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, but shall not include gas, water or other pipes, conduits, wiring or ductwork, within the walls, ceilings or floors unless they exclusively serve only such Unit Owner. Each Unit also includes all lighting and electrical fixtures or facilities affixed, attached or appurtenant to the Unit to the extent located within a Unit and serving or benefiting only that Unit.

ARTICLE 6

The Parking Spaces as Common Elements and Limited Common Elements

6.1 The Property will include fifty-eight (58) Parking Spaces ("Parking Spaces"). The Fifty-Eight (58) Parking Spaces are located on a portion of the ground level, on the below ground cellar and on sub-cellar of the Building. Two (2) Parking

Spaces will be allocated to the Condominium as handicap Parking Spaces. These two (2) handicap Parking Spaces will not been allocated to any particular Unit and will be Common Elements. The two (2) handicap Parking Spaces may be used for transient visitor parking, subject to such rules and in such manners as the Condominium Board may determine is necessary from time to time. Each Residential Unit in the Condominium will include one appurtenant Parking Space, which shall be deemed Limited Common Elements of the Condominium. Community Facility Unit #1 will include twelve (12) appurtenant Parking Spaces, which shall be deemed Limited Common Elements of the Condominium.

6.2 Purchasers are advised that based upon the status of construction of the Building, their Unit's appurtenant Parking Space may not be available for use at the time of the closing of title to the Unit. Notwithstanding any delay in completion of the Parking Space, Purchaser will still be required to close title to the Unit and pay the balance of the Unit Purchase Price on the originally scheduled closing date. Until the closing of title to a Unit, at which time the Purchaser obtains rights to a specific Parking Space, the Sponsor has the right to change the Parking Space numbers appurtenant to each Unit.

6.3 Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Parking Spaces. A Temporary Certificate of Occupancy will be good for two (2) years from issuance. If a Permanent Certificate of Occupancy has not been obtained within two (2) years of obtaining the Temporary Certificate of Occupancy, then, after an inspection, the Board of Managers may renew the Temporary Certificate of Occupancy for a longer period of time.

6.4 Certain of the Parking Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Parking Spaces will remain dry or will not experience any water infiltration and neither the Sponsor nor any Board will be responsible for any damage to vehicles placed in the Parking Spaces. Unit Owners who place their vehicles in the Parking Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such vehicles.

ARTICLE 7

The Parking Unit

7.1 The Parking Unit will be one Unit with its own separate tax lot and will include the eighteen (18) additional Parking Spaces ("Parking Unit"). The Sponsor will retain the rights to the Parking Unit. The Sponsor reserves the right to transfer title of the Parking Unit and assign the leases of the Parking Spaces to the Condominium. Each Purchaser of a Residential or Community Facility Unit shall have the opportunity to also purchase the rights to use a Parking Space in the Parking Unit on a first come first serve basis. The Unit Owner will pay the Parking Space Lease Purchase Price and will then

pay to the Sponsor, or the Owner of the Parking Unit, a monthly rental fee according to the terms of the Parking Space Lease.

7.2 A Purchaser who wants the rights to use a Parking Space in the Parking Unit must execute the Parking Space Lease and Parking Space Rider set forth in Part II of the Condominium Offering Plan. A default by a Purchaser under the Parking Space Rider shall constitute a default under the Purchase Agreement for the Unit. Similarly, a default by Purchaser under any of the other terms of the Purchase Agreement shall be a default under the Parking Space Rider. Purchasers are advised that based upon the status of construction of the Building, the Parking Spaces may not be available for use at the time of the closing of title to the Unit. Notwithstanding any delay in completion of the Parking Spaces, Purchaser will still be required to close title to the Unit and pay the balance of the Unit Purchase Price as well as the Parking Space Lease Purchase Price at the originally scheduled closing. However, if at the time of closing, the Parking Space acquired under the Parking Space Lease is not completed by the closing date, the Parking Space Lease Purchase Price will be placed in escrow and will be delivered to Sponsor, or the Owner of the Parking Unit, upon completion of said Parking Space. Until closing of title to a Unit, at which time the Purchaser obtains rights to a specific Parking Space in the Parking Unit, the Sponsor, or the Owner of the Parking Unit, has the right to change the designated Parking Space number allocated to the Purchaser in the Parking Space Lease. Purchaser and the Sponsor shall execute at Closing the Parking Space Lease.

7.3 Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Parking Unit Parking Spaces. A Temporary Certificate of Occupancy will be good for two (2) years from issuance. If a Permanent Certificate of Occupancy has not been obtained within two (2) years of obtaining the Temporary Certificate of Occupancy, then, after an inspection, the Board of Managers may renew the Temporary Certificate of Occupancy for a longer period of time.

7.4 Certain of the Parking Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Parking Spaces will remain dry or will not experience any water infiltration and the Sponsor, or the Owner of the Parking Unit, or any Board will not be responsible for any damage to vehicles placed in the Parking Spaces. Unit Owners who place their vehicles in the Parking Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such vehicles.

7.5 Parking Spaces may not be used by anyone other than a resident of the Property, guests of the residents of the Residential Units, employees or invitees of any Community Facility Unit, or the Sponsor or Sponsor's designees. The owner of the Parking Unit will be responsible for the payment of the Common Charges allocated to the Parking Unit, and the payment of real estate taxes allocated to such Parking Unit.

7.6 The Parking Space Lease may only be sold to a party simultaneously acquiring a Unit or a current Unit Owner. The Parking Space Lease may only be assigned by the Parking Space Lessee to a party simultaneously acquiring a Unit or to another Unit Owner. In addition, Unit Owners can only lease their respective Parking Space to other Unit Owners in the Building after obtaining the consent of the Sponsor or the Owner of the Parking Unit thereto. In the event a Parking Space Lessee elects to terminate a Parking Space Lease or sells its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Parking Space in question will devolve to the Sponsor, or the Owner of the Parking Unit, who shall have the right to issue a new Parking Space Lease to another Unit Owner in its sole discretion.

ARTICLE 8

The Storage Spaces as Limited Common Elements

8.1 The Property will include thirty (30) Storage Spaces ("Storage Spaces"). Each Storage Space will measure approximately 48 square feet. Community Facility Unit #1 will include four (4) appurtenant Storage Spaces, which shall be deemed Limited Common Elements of the Condominium.

8.2 Purchasers of Community Facility Unit #1 are advised that based upon the status of construction of the Building, the Unit's appurtenant Storage Spaces may not be available for use at the time of the closing of title to the Unit. Notwithstanding any delay in completion of the Storage Space, Purchaser will still be required to close title to the Unit and pay the balance of the Unit Purchase Price on the originally scheduled closing date. Until the closing of title to a Unit, at which time the Purchaser obtains rights to a specific Storage Space, the Sponsor has the right to change the Storage Space numbers appurtenant to the Unit.

8.3 Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Storage Spaces. A Temporary Certificate of Occupancy will be good for two (2) years from issuance. If a Permanent Certificate of Occupancy has not been obtained within two (2) years of obtaining the Temporary Certificate of Occupancy, then, after an inspection, the Board of Managers may renew the Temporary Certificate of Occupancy for a longer period of time.

8.4 Certain of the Storage Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Storage Spaces will remain dry or will not experience any water infiltration and neither the Sponsor nor any Board will be responsible for any damage to items placed in the Storage Spaces. Unit Owners who place their items in the Storage Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such items.

ARTICLE 9

The Storage Unit

9.1 The Storage Unit will be one Unit with its own separate tax lot and will consist of the remaining twenty-six (26) Storage Spaces ("Storage Unit"). The Sponsor will retain the rights to the Storage Unit. The Sponsor reserves the right to transfer title of the Storage Unit and assign the leases of the Storage Spaces to the Condominium. Each Purchaser of a Residential or Community Facility Unit shall have the opportunity to purchase the rights to use a Storage Space in the Storage Unit on a first come first serve basis. The Unit Owner will pay the Storage Space Lease Purchase Price and will then pay to the Sponsor, or the Owner of the Storage Unit, a monthly rental fee according to the terms of the Storage Space Lease.

9.2 The Storage Spaces shall be used for storage of Lessee's personal property and the property of occupants of the Unit and for no other purpose. Lessee shall not store any (i) animals or food, (ii) inflammable, combustible, explosive or other dangerous items, (iii) items which have an objectionable odor or which may spoil or decay or (iv) valuable items. Each Storage Space will be approximately five feet wide, nine feet three inches long, and nine feet high.

9.3 A Purchaser who wants the rights to use a Storage Space must execute the Storage Space Lease and Storage Space Rider set forth in Part II of the Plan. A default by a Purchaser under the Storage Space Rider shall constitute a default under the Agreement for the Unit. Similarly, a default by Purchaser under any of the other terms of the Agreement shall be a default under the Storage Space Rider. Purchasers are advised that based upon the status of construction of the Building, the Storage Spaces may not be available for use at the time of the closing of title to the Unit. Notwithstanding any delay in completion of the Storage Space, Purchaser will still be required to close title to the Unit and pay the balance of the Purchase Price as well as the Storage Space Lease Purchase Price on the originally scheduled closing date. However, if at the time of closing, the Storage Space acquired under the Storage Space Lease is not completed by the closing date, the Storage Space Lease Purchase Price will be placed in escrow and will be delivered to Sponsor, or the Owner of the Storage Unit, upon completion of said Storage Space. Until closing of title to a Unit, at which time the Purchaser obtains rights to a specific Storage Space in the Storage Unit, the Sponsor, or the Owner of the Storage Unit, has the right to change the designated Storage Space number allocated to the Purchaser in the Storage Space Lease. Purchaser and the Sponsor, or the Owner of the Storage Unit shall execute at Closing the Storage Space Lease and the Storage Space Rider.

9.4 Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Storage Spaces. A Temporary Certificate of Occupancy will be good for two (2) years from issuance. If a

Permanent Certificate of Occupancy has not been obtained within two (2) years of obtaining the Temporary Certificate of Occupancy, then, after an inspection, the Board of Managers may renew the Temporary Certificate of Occupancy for a longer period of time.

9.5 Certain of the Storage Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Storage Spaces will remain dry or will not experience any water infiltration and the Sponsor, or the Owner of the Storage Unit, or any Board will not be responsible for any damage to items placed in the Storage Spaces. Unit Owners who place items in the Storage Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such stored items.

9.6 The Storage Space Lease may only be assigned by the Storage Space Lessee to a party simultaneously acquiring a Unit or to another Unit Owner. In addition, Unit Owners can only lease their respective Storage Space to other Unit Owners in the Building after obtaining the consent of the Sponsor or the Owner of the Storage Unit thereto. In the event a Storage Space Lessee elects to terminate a Storage Space Lease or sells its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Storage Space in question will devolve to the Owner of the Storage Unit, which shall have the right to issue a new Storage Space Lease to another Unit Owner in its sole discretion.

ARTICLE 10

Swimming Pool

10.1 One Community Facility will include a Swimming Pool area. Adjacent to the Swimming Pool are locker room facilities, which includes a men's and a women's locker room, a changing area, full bathrooms, showers and saunas. The Swimming Pool will be approximately twelve feet wide and fifty feet long and will range in depth from approximately four feet to four feet three inches. The depth of the water in the Swimming Pool will range from approximately three feet six inches to three feet ten inches. The Swimming Pool will be provided with an independent pool water heating system. The Swimming Pool will be available for use by the Residential Unit Owners and the Owners of the two Community Facility Units without the Swimming Pool. The Condominium will pay a yearly charge to the Owner of the Community Facility Unit with the Swimming Pool. This fee will be paid as an expense out of the maintenance fees of the Residential Units and the two Community Facility Units without the Swimming Pool. The Swimming Pool will be available to members of the community under terms set forth by the Owner of the Community Facility with the Swimming Pool. The Condominium's membership covers use of the Swimming Pool areas only by the residents of the Residential Units, the Owners of Community Facility Unit Owners, and up to ten (10) staff members of each of the Community Facility Units, but not the guests of the Community Facility Units. The guests and extra employees must obtain passes or memberships to the Swimming Pool areas directly from the Owner of the Community

Facility Unit with the Swimming Pool, or his agent. Any limit on the number of memberships to the Swimming Pool and the terms of such memberships are yet to be determined. Hours for the pool and other facilities have not yet been set and are to be determined by the Owner of the Community Facility Unit with the Swimming Pool.

ARTICLE 11

COMMON ELEMENTS

11.1 The Common Elements of the Condominium (the Common Elements) consist of the entire Property, including the land and all parts of the Building and improvements thereon other than the Units. The Common Elements include the Limited Common Elements, which are described in Article 12 below. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all facilities therein for the common use of the Units and the Unit Owners, which are necessary or convenient for the existence, maintenance or safety of the Property.

11.1.1 The Common Elements shall remain undivided and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 19 hereof and the By-Laws.

11.2 The Common Elements include, without limitation, the following:

11.2.1 The Land;

11.2.2 All foundations, columns, girders, beams and supports;

11.2.3 All exterior walls and columns of the Building, not including the unfinished surface of sheetrock within a Unit, which abuts the metal stud, brickwork, or insulating material within the exterior walls of the Building; all walls and partitions separating one Unit from another Unit or from corridors, stairs, elevator shafts, and other mechanical equipment spaces, other than the Unit side of the unfinished surface of sheetrock abutting the metal stud, brickwork, or insulating material within the walls and partitions; and all concrete floors and concrete ceilings;

11.2.4 All roofs, halls, corridors, lobbies, stairs, stairways and elevator;

11.2.5 All basements, cellars (except to the extent that Units are located on such levels), sub-cellars, yards, and other areas used in connection therewith, all underground utility or other vaults, and all storage spaces not specifically included within a Unit;

11.2.6 All central and appurtenant installations for services such as power, light, telephone, television, gas, hot and cold water, including all pipes, ducts, chutes, wires, cables, and conduits used in connection therewith, whether located in common areas or in Units and all other mechanical equipment spaces;

11.2.7 All tanks, pumps, motors, fans compressors and control equipment;

11.2.8 All sewage and drainage pipes and facilities;

11.2.9 The two (2) Parking Spaces reserved for handicapped parking at the Condominium; and

11.2.10 All other parts of the Property and all apparatus, installations and facilities existing in the Building or on the Property for commons use or necessary or convenient to the existence, maintenance or safety of the Property.

ARTICLE 12

LIMITED COMMON ELEMENTS

12.1 The Limited Common Elements: The Limited Common Elements include, but are not limited to, the areas of the Building listed below, of which a particular Unit has exclusive use to the exclusion of all others. The Limited Common Elements shall include the following:

12.1.1 All of the mailboxes;

12.1.2 Terraces, balconies, and roof decks to which one or more Units have exclusive access to, as set forth in Exhibit B, and all other facilities exclusively serving one or more, but not all of the Units.

12.1.3 The twenty-six (26) Parking Spaces allocated to individual Residential Units and the twelve (12) Parking Spaces allocated to one of the Community Facility Units;

12.1.4 The four (4) Storage Spaces allocated to Community Facility Unit #1; and

12.1.5 The roof allocated to the thirteenth floor Units, which shall be for the exclusive use of the Unit (except insofar as the Community Facility Unit Owner shall be entitled to access thereto for the construction and maintenance of a ventilation flue or other mechanical equipment); and

12.1.6 Any space or area forming a part of the Common Elements hereafter incorporated in an Unsold Unit or the Community Facility Unit in accordance

with the right to do so reserved the Sponsor and its designee and the Community Facility Unit Owner which incorporated space or area shall be for the exclusive use of the owner of such Unsold Unit or Community Facility Unit (as the case may be).

ARTICLE 13

NAME OF CONDOMINIUM

13.1 The Condominium and the Building shall be designated as Arlington Suites. Only the Sponsor shall have the right to change the name of the Condominium until the Sponsor has sold all Residential and Community Facility Units.

ARTICLE 14

USE OF UNITS

14.1 The Community Facility Units may be used for any lawful Community Facility purpose except as set forth below. A Community Facility Unit Owner may use its Unit for any lawful purpose, at its sole discretion and without the requirement of consent of the Board of Managers or anyone else, provided that such use is consistent with 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. Notwithstanding the foregoing, no Community Facility Unit may be used, occupied or leased for use: (i) as on-premises dry cleaners; (ii) as a nightclub utilizing amplified music; (iii) for the sale, rental, distribution or exhibition of pornographic material or activities or as a so-called "adult entertainment" facility under the zoning laws; (iv) involving any noxious or immoral use; (v) for the dispensing of methadone; (vi) as a clinic, which (a) involves drug or alcohol treatment or rehabilitation, (b) involves psychiatric treatment, or (c) is primarily for the performance of abortions; (vii) offices of any government or governmental agency or authority; or (viii) a use which causes an increase in the cost of insurance carried by the Condominium unless such increase in premium is paid by the Unit Owner whose change in use causes the increases. The Community Facility Unit may be lawfully used for purposes that would entail congestion, odors, and other similar inconveniences to residents.

14.2 Residential Unit owned or leased by an individual corporation, partnership, fiduciary, or any other entity may only be occupied by said individual, or an officer, director, stockholder, or employee of such corporation, or a partner or employee of such partnership, or said fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries, or partners or employees of partnership fiduciaries) or the beneficiary of said fiduciary, or a principal or employee of such other entity, respectively, or members of the immediate family or guests of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such family members or guests); except that any Unit may be used as a professional office or for any other lawful purpose, provided such use is in compliance with applicable zoning and other governmental regulations does not violate the then

Certificate of Occupancy covering such Unit, and the prior written consent of the Sponsor or the Condominium Board is first given, which consent shall not be unreasonably withheld. Units can only be leased in accordance with the By-Laws and the Rules and Regulations.

14.3 The Residential Units may be used as a residence and for home occupation, but not more than one (1) natural person and his or her family members (spouse, parents, parents-in-law, grandparents, children, grandchildren, nieces, and nephews) or domestic partner may occupy a Residential Unit at one time. Upon obtaining the prior written consent of Sponsor or, when there are no longer any Unsold Units, the Condominium Board, any Residential Unit Owner may use his Residential Unit as a professional or business office, provided, however, that such use is permitted by law.

14.4 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Sponsor or its designee and their respective successors and assigns may, without the permission of the Condominium Board (i) use any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units, or for any other purpose, or (ii) grant permission for the use of any Unit 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 covering such Unit, and the user of such Unit complies with all applicable governmental regulations.

14.5 For so long as Sponsor or its designee owns the Community Facility Units, Sponsor or its designee, as the case may be, shall have the right to change the use thereof so long as the zoning for the Property and the then existing Certificate of Occupancy permits the proposed use, or Sponsor or designee obtains a zoning variance and/or a new or amended Certificate of Occupancy to permit the proposed use. Notwithstanding the foregoing, neither the Sponsor nor its designee may use the Community Facility Units for purposes prohibited by this Section.

14.6 Each Parking Space may only be used for the parking of one (1) automobile at a time. Only Unit Owners, Sponsor, or Sponsor's designees may own a Parking Unit. Similarly, a Parking Space may only be sold to a Purchaser/Owner of a Unit. Parking Spaces may not be used by anyone other than a resident of the Property, a guest of the residents of the Residential Units, employees or invitees of any Community Facility Unit or by Sponsor or Sponsor's designee.

ARTICLE 15

CHANGES IN THE CONDOMINIUM

15.1 Except to the extent prohibited by law, Sponsor or its designee and its respective successors and assigns shall have the right, without the vote or consent of the Condominium Board, other Unit Owners or the representatives of holders of mortgages on Units, if any, to: (a) make alterations, additions, or improvements, whether

structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Units owned by Sponsor or its designee ("Unsold Units"); (b) change the layout of, or number of rooms in any Unsold Units from time to time; (c) change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining several Unsold Units (including those resulting from such subdivision or otherwise) into one (1) or more Units, altering the boundary walls between any Unsold Units, or otherwise; (d) incorporate into any Unsold Unit any of the Common Elements (whereupon any such Common element shall be deemed to be a Limited Common Element, including, but not limited to, hallway space, provided only that access to any other Unit on the floor is not materially impaired; and (e) reapportion among the Unsold Units affected by such change in size or number, pursuant to preceding clause (d) their appurtenant interest in the Common Element, provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the Owners of such Units shall consent thereto and, provided, further, that Sponsor or its designee and its respective successors and assigns shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, and shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Article may not be added to, amended, modified or deleted without the prior written consent of Sponsor or its designee and its respective successors and assigns. After obtaining the Condominium Board's prior written permission, which shall not be unreasonably withheld, any other Unit Owner may be given the same rights, with respect to such owner's Unit, as are set forth in this Article with respect to Unsold Units, provided further that such rights do not adversely affect any other Unit.

ARTICLE 16

PERSON TO RECEIVE SERVICE

16.1 The Secretary of State of the State of New York is designated to receive service of process in any action, which may be brought against the Condominium in the manner provided by applicable law.

ARTICLE 17

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

17.1 The respective percentage interest of each Unit in the Common Elements (hereinafter called the "Common Interest") have been determined upon the basis of floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, including the uniqueness of the Unit, the availability of the Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

ARTICLE 18

ENCROACHMENTS

18.1 If (a) any portion of the Common Elements encroaches upon any Unit, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements, or (c) any encroachment shall thereafter occur as a result of (i) construction of the Building or settling or shifting of the Building, (ii) any alteration or repair to the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board, or made by Sponsor or its designee or its respective successors and assigns, or any Unit Owner, in accordance with this Declaration or the By-Laws, or (iii) any 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 19

FACILITIES AND ALL OTHER COMMON ELEMENTS

19.1 Each Unit shall have an easement in common with all other Units to use, maintain, repair, alter and replace all pipes, wires, ducts, vents, cable, conduits, public utility lines and other facilities and all other Common Elements located in any of the Units or elsewhere on the Property which serve such Unit. Each Unit shall be subject to an easement in favor of all Units to use, maintain, repair, alter and replace the pipes, wires, ducts, vents, cables, conduits, public utility lines and other facilities and all other Common Elements located in such Unit or elsewhere on the Property which serve other Units. The Condominium Board, superintendent and/or any person authorized by any of the foregoing, shall have the right of access to each Unit to inspect the same; to remove violations noted by any governmental authority against the Unit, the Common Elements, or any other part of the Property; to correct any conditions originating in the Unit and threatening another Unit or any other part of the Common Elements; to install, alter or repair the mechanical or electrical services or other portions of the Common Elements within the Unit or elsewhere in the Building; to read, maintain or replace utility meters or to correct any condition, which violates the provisions of any mortgage covering another Unit, provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for dwelling or other lawful purposes. Such entry shall be permitted on not less than one (1) day's notice, except that no notice will be necessary in the case of an emergency, which shall include, without limitation, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building.

19.2 Sponsor or its designee (for as long as either owns any Unit)

reserves for itself the right to grant such additional electric, gas, cable television, telephone, water, storm, drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor or its designee, the Community Facility Unit Owners, or the Board of Managers, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof including the Limited Common Elements or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agents, shall have a right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

19.2.1 Each Unit and the Common Elements shall have easements of support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

19.3 After obtaining Board approval of signs, which approval shall not be unreasonably withheld, the Owners of the Community Facility Units shall have an easement, to the extent permitted by Law, to erect, maintain, repair and replace, from time to time, one or more signs and/or canopies on, about, or adjacent to the Property (including on the exterior walls of the Building below the third floor) for the purpose of advertising the name of the tenant(s) or occupant(s) or the business(es) conducted in the Community Facility Unit and/or any portion thereof, provided that any such signs comply with all governmental rules and regulations relating to any such sign installation.

ARTICLE 20

POWER OF ATTORNEY TO THE CONDOMINIUM BOARD

20.1 Each Unit Owner shall grant to the persons who shall, from time to time, constitute the Condominium Board, an irrevocable power of attorney, coupled with an interest (in such form and content as the Condominium Board shall determine, together with a fee to cover recording of such power of attorney) (a) to take all action on behalf of the Condominium as authorized by this Declaration and by the By-Laws (b) to acquire title to, or lease, any Unit and its Appurtenant 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, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, (c) to convey, sell, lease, mortgage, or otherwise deal with (but not to vote the interest appurtenant to) any such Unit as acquired, or to sublease any Unit so leased, and (d) to execute, acknowledge and deliver (i) any declaration or other instrument affecting the Condominium, 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 Condominium, or (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, which the Condominium Board deems necessary or appropriate, and (iii) to retain counsel on behalf of any Unit Owner to review the assessed valuation of the unit, and to bring tax certiorari proceedings on behalf of any Unit Owner.

ARTICLE 21

ACQUISITION OF INTERESTS IN UNITS

21.1 If (a) any Unit Owner surrenders his Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units heretofore acquired by the Condominium Board or its designee, corporate or otherwise on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any, and (iii) the assets of the Condominium (such interest in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act; (b) the Condominium Board acquires or leases a Unit, together with its Appurtenant Interests, or purchases, at a foreclosure or other similar sale, a Unit, together with its Appurtenant Interests; or (c) the Condominium Board purchases from any Unit Owner, who has elected to sell the same, together with the Appurtenant Interests, pursuant to Article 8 of the By-Laws, then, in any such event, title to any such Unit, together with its 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.

ARTICLE 22

COVENANTS RUNNING WITH THE LAND

22.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations (true copies of which are annexed hereto and made a part hereof), including, without limitation, the provision of this Article, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and shall be binding upon, and inure to the benefit of, the Owner of all or any part thereof, or interest therein and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in, or for the benefit of, the general public. All present and future Owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they

may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having, at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

22.2 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 New York Condominium Act, such provisions 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 New York 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, with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provisions as a covenant running with the land. If any provision, which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act, is missing from the 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 New York Condominium Act.

ARTICLE 23

AMENDMENTS TO DECLARATION

23.1 Subject to the provisions contained herein or in the By-Laws, with respect to amendments, modifications, additions, or deletions affecting Sponsor or its designee and its respective successors and assigns or any Unsold Units, any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least sixty-six and two thirds (66-2/3%) percent in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved in writing by 66-2/3% in number and in Common Interest of all Unit Owners, provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners affected. No such amendment, modification, addition or deletion shall be effective until recorded in the New York City Register's Office. The holders of mortgages or Units may, at their election, designate a representative(s) (not to exceed three (3) in number) ("Mortgagee Representatives") to act upon any and all amendments to this Declaration and if such representative(s) is (are) designated and written notice thereof is given to the Condominium Board by certified mail addressed to the office of the Condominium, then any amendment to this Declaration shall require the written approval of said representative(s) (by a majority vote if more than one). Subject to the provisions contained herein or in the By-Laws, with respect to amendments, modifications, additions

or deletions affecting Sponsor or its designee and its respective successors and assigns or any Unsold Units, 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 the Unit Owners so to act as their attorney-in-fact.

23.2 If the number of rooms in an Unsold Unit is changed, or the size and/or number of Unsold Units is changed (whether as a result of a subdivision or combination of Unsold Units or alteration of boundary walls between Unsold Units, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, then the Sponsor or its designee and its respective successors and assigns shall have the right to execute, or (on its request) to require any other Unit Owner or the Condominium 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 deems appropriate to effectuate the same), reflecting such change in the number of rooms in an Unsold Unit or in the size and/or number of Unsold Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the Common Interests resulting therefrom, all without the approval of the Condominium Board, the Unit Owners or Mortgagee Representatives, if any.

23.3 Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no Amendment to the Condominium Documents shall be adopted which would:

23.3.1. interfere with the sale, lease or other disposition of an Unsold Unit;

23.3.2. abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, privilege or benefit reserved to Sponsor or its designee (as Owner of a Unit);

23.3.3. impose any discriminatory charge or fee against Sponsor or its designee, unless Sponsor or such designee shall consent thereto, by joining in the execution of such Amendment; or

23.3.4. change the permitted use of any Unit or such Unit's Common Interest, unless the Owner of such affected Unit shall consent thereto by joining in the execution of such Amendment

23.4. The provisions of this Article 23 may not be modified, amended, added to or deleted, in whole or in part, without the prior written consent of Sponsor or its designees and its respective successors and assigns (so long as the Sponsor or its designee and its respective successors and assigns owns any Units).

ARTICLE 24

TERMINATION OF CONDOMINIUM

24.1 The Condominium shall continue until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws, or (b) such time as withdrawal of the Property from provisions of the New York Condominium Act is authorized by a vote of at least eighty (80%) percent in number and Common Interest of all Unit Owners. Sponsor will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all Unit Owners so elect for such withdrawal, at which time Sponsor may choose to vote either in favor of or against withdrawal from Condominium ownership, as it sees fit. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for the partition by any Unit Owner or lienor as if owned as tenants 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 share of such net proceeds all liens on his Unit, in the order of priority of such liens.

ARTICLE 25

WAIVER

25.1 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 that may occur.

ARTICLE 26

CAPTIONS

26.1 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 nor the intent of any provision hereof.

ARTICLE 27

CERTAIN REFERENCES

27.1 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.

27.2 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.

27.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 28

SEVERABILITY

28.1 Subject to the provisions of 22.2, 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 enforceable to the fullest extent permitted by law.

ARTICLE 29

COVENANT OF FURTHER ASSURANCES

29.1 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, an officer of the Condominium, or otherwise, shall 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.

29.2 If any Unit Owner or any other party, which is subject to the terms of this Declaration, fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other party, and such document or action shall be binding on such Unit Owner or other party.

29.3 If any Unit Owner or the Condominium Board or any other party which is the subject to the terms of this Declaration, fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action, which the Condominium Board or Unit Owner or other party is required to execute, acknowledge or deliver or to take pursuant to this Declaration at the request of

Sponsor or its designee and its respective successors and assigns, then Sponsor or its designee and its respective successors and assigns is hereby authorized as attorney-in-fact for the Condominium Board or such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the name of the Condominium Board, such Unit Owner or other party, and such document or action shall be binding on the Condominium Board or such Unit Owner or other party, as the case may be.

ARTICLE 30

SUCCESSORS AND ASSIGNS

30.1 The rights and/or obligations of Sponsor or its designee as set forth herein shall inure to the benefit of, and be binding upon, any successor or assign or Sponsor or its designee or, with the consent of Sponsor or its designee, any transferee of all the then Unsold Units. Subject to the foregoing, Sponsor shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment or otherwise.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ___ day of _____, 2006.

ARLINGTON SUITES, LLC

By:_____

STATE OF)
) ss.:
COUNTY OF)

On the ____ day of _____ in the year 2006 before me, the undersigned, a Notary Public in and said State, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
NOTARY PUBLIC

EXHIBIT A

DESCRIPTION OF PROPERTY

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Bronx, Bronx County, City and State of New York, bounded and described as follows:

EXHIBIT B

THE DECLARATION OF THE ARLINGTON SUITES

DESCRIPTION OF THE UNITS

Bronx, New York

JUNE 1, 2007 TO MAY 31, 2008

Unit No.*	Block/Lot	Bds/ Baths	Terrace/ Balcony Area S/F	Square Footage (Approx.)	Common Interest	Residential Common Interest	Community Facility Common Interest	Common Elements to Which the Unit has Immediate Access
Residential Units:								
3A-t,p		3/2.5	1,210	1,902	2.97%	3.91%	N/A	Public Corridors, Stairwells, Elevators
3B-t,d,p		2/2.5	709	1,875	2.76%	3.65%	N/A	Public Corridors, Stairwells, Elevators
3C-t,d,p		5/3.5	1,637	3,333	5.06%	6.63%	N/A	Public Corridors, Stairwells, Elevators
3D-t,b,d,p		4/3	1,059	2,237	3.37%	4.43%	N/A	Public Corridors, Stairwells, Elevators
4A-b,p		3/2.5	71	1,902	2.58%	3.40%	N/A	Public Corridors, Stairwells, Elevators
5A-b,p		3/2.5	71	1,902	2.58%	3.40%	N/A	Public Corridors, Stairwells, Elevators
5B-p		3/2.5		1,886	2.53%	3.34%	N/A	Public Corridors, Stairwells, Elevators
5C-b,p		3/3	62	1,872	2.53%	3.35%	N/A	Public Corridors, Stairwells, Elevators
6A-b,p		3/2.5	71	1,902	2.58%	3.40%	N/A	Public Corridors, Stairwells, Elevators
6B-p		3/2.5		1,886	2.53%	3.34%	N/A	Public Corridors, Stairwells, Elevators
6C-b,p		3/3	62	1,872	2.53%	3.35%	N/A	Public Corridors, Stairwells, Elevators
7A-b,p		3/2.5	71	1,902	2.58%	3.40%	N/A	Public Corridors, Stairwells, Elevators
7B-p		3/2.5		1,886	2.53%	3.34%	N/A	Public Corridors, Stairwells, Elevators
7C-b,p		3/3	62	1,872	2.53%	3.35%	N/A	Public Corridors, Stairwells, Elevators
8A-b,p		3/2.5	71	1,902	2.58%	3.40%	N/A	Public Corridors, Stairwells, Elevators
8B-p		3/2.5		1,886	2.53%	3.34%	N/A	Public Corridors, Stairwells, Elevators
8C-b,p		3/3	62	1,872	2.53%	3.35%	N/A	Public Corridors, Stairwells, Elevators
9A-b,p		4/3	71	2,445	3.32%	4.36%	N/A	Public Corridors, Stairwells, Elevators
9B-t,d,p		3/2.5	239	2,452	3.38%	4.45%	N/A	Public Corridors, Stairwells, Elevators
9C-t,d,p		4/3.5	825	2,414	3.53%	4.64%	N/A	Public Corridors, Stairwells, Elevators
10A-b,p		3/2.5	71	1,902	2.58%	3.40%	N/A	Public Corridors, Stairwells, Elevators
11A-b,p		3/2.5	71	1,902	2.58%	3.40%	N/A	Public Corridors, Stairwells, Elevators
11B-p		4/3		2,769	3.73%	4.91%	N/A	Public Corridors, Stairwells, Elevators
12A-b,p		3/2.5	71	1,902	2.58%	3.40%	N/A	Public Corridors, Stairwells, Elevators
12B-t,d,p		3/2.5	1,652	2,262	3.60%	4.74%	N/A	Public Corridors, Stairwells, Elevators
13A-t,b,d,p		3/2.5	1,881	1,967	3.28%	4.32%	N/A	Public Corridors, Stairwells, Elevators
RESIDENTIAL TOTAL:			**10,099**	**53,904**	**75.88%**	**100.00%**	N/A	
Non-Residential Units:								
CM.1-12p,4s		N/A	N/A	11,200	15.27%	N/A	95.84%	Entrance Lobby and Hallways
CM.2		N/A	N/A	486	0.66%	N/A	4.16%	Entrance Lobby and Hallways
CMP		N/A	N/A	5,000	5.64%	N/A	N/A	Entrance Lobby and Hallways
CM TOTAL:				**16,686**	**21.57%**	N/A	**100.00%**	
PK		N/A	N/A	18 cars	1.80%	N/A	N/A	Entrance Lobby and Hallways
ST		N/A	N/A	26 storage	0.75%	N/A	N/A	Entrance Lobby and Hallways
OFFERING TOTAL:			**10,099**	**70,590**	**100.00%**	**100.00%**	**100.00%**	

***KEY:** t = terrace; b = balcony; d = duplex; s = storage space; p = parking space; CM.1 = Community Facility Unit #1; CM.2 = Community Facility Unit #2; CMP = 501C-3 COM. FACILITY UNIT WITH POOL; PK = Parking Unit; ST = Storage Unit

EXHIBIT C

DEFINITIONS APPLICABLE TO THE ARLINGTON SUITES

(1) "Board of Managers" shall mean the governing body of Arlington Suites, which was established pursuant to the terms of this Declaration and is to be governed pursuant to the terms of the By-Laws.

(2) "Building" shall mean the building situated on the Lands and known as 3220 Arlington Avenue, Bronx, New York.

(3) "By-Laws" shall mean the by-laws of the Condominium, which are annexed as Exhibit G to the Plan, as the same may be amended from time to time pursuant to the terms thereof.

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

(5) "Common Elements" shall mean all those parts of the Property and Facilities contained in such areas or elsewhere other than the Units and the Limited Common Elements, as more particularly described in Article 6 of this Declaration.

(6) "Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to this Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements and the Limited Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacements with respect to the Common Elements and/or Limited Common Elements or to make up any deficit in the Common Charges for any prior year(s); (iii) the purchase, lease, or sublease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Owner has elected to sell, lease, transfer, or convey the same, or that is to be sold at a foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium.

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

(8) "Community Facility" shall mean the non-residential Units offered under this Plan, which are currently permitted to be used only as Community Facilities, as defined pursuant to the Zoning Regulations of the New York City Department of City Planning and subject to compliance with all applicable zoning regulations of the City of New York. Community Facility Unit Owners shall have the right to change the use of the Community Facility Units if the zoning regulations change, as permitted by the New York City Department of City Planning

(9) "Community Facility Units" shall mean the Units located on the first and second floors of the Building together with their appurtenant Common Interests, which consist of Medical Offices and a swimming pool. The Community Facility Units also include an easement for the purpose of placing such signs on the exterior of the Building as a Community Facility Unit Owner deems appropriate and an easement to run stacks, vents and equipment to the roof of the Building (including the roof above the thirteenth story).

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

(9) "Condominium Documents" shall mean this Declaration and all exhibits thereto, including the By-Laws, the Rules and Regulations, the Floor Plans, the form of Unit Deed and the form of Unit Owners Power of Attorney.

(10) "Declarant" or "Sponsor" shall mean, Arlington Suites, LLC having an office at 3220 Arlington Avenue, Bronx, New York.

(11) "Declaration" shall mean this declaration as executed by Declarant for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the Condominium ownership thereof.

(12) "Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners, or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens,

strainers, traps, drains, catch basins, leaders, filters, incinerators, canopies, closets, risers, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, draperies, shades, window coverings, wallpaper, wall coverings, trees shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

(13) "Family Members" shall mean the spouse or one live-in companion, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit.

(14) "First Closing" shall mean the first date upon which title to a Unit is conveyed to a purchaser pursuant to the terms of the Plan.

(15) "Floor Plans" shall mean the floor plans of the Units certified by David Mandl, R.A., Meltzer/Mandl Architects, P.C., and filed in the Register's Office simultaneously with the recording of this Declaration, together with any supplemental floor plans thereto.

(16) "Initial Control Period" shall mean the period ending the earlier of: (i) the closing of title with purchasers under the Plan to Units having more than fifty (50%) percent of the aggregate Common Interest appertaining to all Units or (ii) two years after the First Closing.

(17) "Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, or mortgage trust, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

(18) "Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either the Declarant or its designee or an Institutional Lender.

(19) "Insurance Trustee" shall mean a bank or a trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of $100,000,000 or more, from time to time appointed to serve as such by the Board of Managers.

(20) "Land" shall mean all that certain tract, plot, piece and parcel of land situate, lying and being in Bronx County, State of New York, as more particularly described in Exhibit A to this Declaration.

(21) "Law" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over

the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

(22) "Limited Common Elements" shall mean those certain portions of the Land and the Building (other than the Units and the Common Elements) that are to be used by the Owners of one or more specified Units to the exclusion of all other Unit Owners, and more particularly described in Article 12 of this Declaration.

(23) "Managing Agent" shall mean a Person employed by the Board of Managers pursuant to the By-Laws, who shall undertake to perform the duties and services that the Board of Managers shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in the By-Laws.

(24) "Majority of Unit Owners" shall mean those Unit Owners having more than fifty (50%) percent of the total authorized votes of all Unit Owners (determined in accordance with the terms of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

(25) "Parking Spaces" shall mean any of the fifty-eight (58) automobile parking spaces located on the Property, including the twenty-six (26) that the Sponsor will include in the sale of each Residential Unit as a Limited Common Element, the thirty (30) that are included in the Parking Unit and will be available to Unit Owners for lease, and the additional two (2) spaces that will be reserved for the handicapped.

(25) "Parking Unit" shall mean the Unit that will include thirty (30) of the fifty-eight (58) Parking Spaces. Ownership to the Parking Unit will be retained by the Sponsor and the thirty (30) Parking Spaces will be available to Unit Owners for lease.

(26) "Purchase Price Percentage" shall mean the percentage of each Unit's Purchase Price to the total Offering Price for that type of Unit. Each Residential Purchase Price Percentage is calculated as a proportion of that Unit's Purchase Price to the total Residential Offering Price. Each Commercial Facility Unit Purchase Price Percentage is calculated as a proportion of that Unit's Purchase Price to the total Commercial Facility Offering Price.

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

(27) "Plan" shall mean that certain offering plan to convert the Property to a Condominium filed with the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.

(28) "Property" shall mean the Land, the Building, all other improvements erected or to be erected on the Land, all easements, rights and appurtenances

pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

(29) "Register's Office" shall mean the Bronx County office of the Register of the City of New York.

(30) "Rules and Regulations" shall mean the rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

(31) "Selling Agent" shall mean any Person employed by Declarant or its designee in connection with the sale, renting, management, operation, and/or promotion of the Unsold Units.

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

(33) "Storage Spaces" shall mean any of the thirty (30) Storage Spaces located in the Storage Unit and will be available for lease to the Unit Owners.

(34) "Storage Unit" shall mean the Unit that includes the thirty (30) Storage Spaces located in the sub-cellar. Ownership to the Storage Unit will be retained by the Sponsor and the Storage Spaces will be available to Unit Owners by lease.

(35) "Swimming Pool" shall mean the Swimming Pool area that is included in one of the Community Facility Units located on the first floor of the building. Adjacent to the Swimming Pool are locker room facilities, which includes a men's and a women's locker rooms, a changing area, full bathrooms, showers and saunas. The Swimming Pool will be provided with an independent pool water heating system.

(33) "Unit" shall have the same meaning as such term is defined in the Condominium Act.

(34) "Units" shall mean more than one (1) Unit.

(35) "Unit Owners" shall mean the Owners of all Units at the time in question.

(36) "Unsold Unit" shall mean any Unit owned by Declarant or its designee at the time in question.

(37) "Unsold Units" shall mean more than one (1) Unsold Unit.

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BY-LAWS

OF

ARLINGTON SUITES

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BY-LAWS

OF

ARLINGTON SUITES

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 Arlington Suites (the "Condominium") in accordance with Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and the Declaration referred to below. The Condominium covers the property (collectively the "Property") consisting of approximately 18,411 square feet of land (the "Land") consisting of Lots 78, 80, 84, and 117 which forms a part of Block 5788 on the Tax Map of the Borough of Bronx in the City and State of New York, the building and other improvements now or hereafter to be constructed thereon (hereinafter collectively called the "Building"), 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 the Condominium Act by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the Bronx County office of the Register of the City of New York (the "City Register's Office"), together with these By-Laws. All capitalized terms herein, 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 occupants of Units and employees and guest 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 of 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 the Condominium. The principal office of the Condominium shall be located within the Property or at such other place within the City of New York reasonably convenient thereto as may be designated from time to time by the Condominium Board (as hereinafter defined).

ARTICLE 2

CONDOMINIUM BOARD

2.1 Number, Term and Qualification.

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by the Board of Managers (the "Board" or "Condominium Board"), which from and after the first Unit Closing shall consist of three (3) persons. After the initial Control Period, as such term is defined in Section 2.2.4, the Board shall consist of five (5) persons, two (2) of whom may be appointed by Arlington Suites, LLC or their designee and respective successors and assigns (hereinafter collectively referred to as the "Sponsor"), none of whom need to be a Unit Owner. Managers of the Board shall serve for a term of one (1) year. At the expiration of the initial term of office of each manager, his or her successor shall be elected to serve for a term of one (1) year. The managers shall hold office for the term herein fixed and until their successors have been qualified and elected. There shall be no limit on the number of successive terms a manager may serve on the Board, if elected as herein provided.

2.1.2 The number of managers of the Board may not be more than five (5) without the consent of all the Unit Owners.

2.1.3 Except for managers elected by Sponsor, all other managers shall be Unit Owners or spouses of Unit Owners, or an individual Permitted Mortgagee (as hereinafter defined), or, in the case of partnership Unit Owners or Permitted Mortgagees, shall be managers or employees (or their spouses) of such partnerships, or in the case of corporate Unit Owners or Permitted Mortgagees, shall be directors, officers, stockholders or employees (or their spouses) of such corporation, or, in the case of fiduciary Unit Owners or Permitted Mortgagees, shall be the fiduciaries or their beneficiaries (or their spouses), or directors, officers, stockholders or employees (or their spouses) of a corporate fiduciary, or partners or employees (or their spouses) of a partnership fiduciary. Except for managers elected by Sponsor (unless all Units owned by Sponsor are sold), no manager shall continue to serve on the Board after he ceases to be a Unit Owner or an interested party in a Unit as specified in the preceding sentence. At such time as title to all Sponsor-Owned Units is conveyed, all managers elected by Sponsor or its designee, as a result of its ownership of said Sponsor-Owned Units, shall resign. As used herein, the term "Permitted Mortgagee" means the holder of any 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 shall be made by the Condominium Board.

2.2.2 Subject to the provisions of 2.2.1 and without limiting the generality thereof, the Condominium Board shall be entitled to make determination with respect to the following matters:

2.2.2.1 Operation, care, upkeep, maintenance, repair or replacement of the Common Elements.

2.2.2.2 Determination of Common Charges (as hereinafter defined).

2.2.2.3 Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.

2.2.2.4 Adoption of, and amendments and additions to, the Rules and Regulations (as hereinafter defined).

2.2.2.5 Designation of the signatories required for bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws).

2.2.2.6 Obtaining and reviewing insurance for the Property, pursuant to the provisions of 6.7.

2.2.2.7 Making repairs, restorations, additions and improvements to, or alterations of, the Common Elements.

2.2.2.8 Levying fines against Unit Owners for violations of the Rules and Regulations (any such fines shall constitute Common Charges payable by the Unit Owner against which they are levied).

2.2.2.9 Adjusting and settling insurance claims and executing and delivering releases in connection therewith, as set forth in 6.7.

2.2.2.10 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 Common Elements, provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of $50,000 in any one calendar 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 Common Elements without the consent of the Owner of such Unit. If any sum is borrowed by the Board pursuant to the authority contained in this subparagraph 2.2.2.10 is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the 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 credit has filed or has the right to file against a Unit Owner's Unit.

2.2.2.11 Collection of Common Charges from Unit Owners.

2.2.2.12 Enforcing obligations of Unit Owners.

2.2.2.13 Execution, acknowledgment and delivery of (i) any declaration or other instrument affecting the Property, which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property, which the Board deems necessary or appropriate.

2.2.2.14 Preparation, execution and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws whenever, in the Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions heretofore made to the Declaration and/or these By-Laws.

2.2.2.15 Accepting the surrender of any Unit in the name of the Board or its designee, on behalf of all Unit Owners.

2.2.2.16 Purchasing, leasing or otherwise acquiring in the name of the Board or its designee, on behalf of all Unit Owners, Units offered for sale or

lease by their owners.

2.2.2.17 Purchasing any Unit at foreclosure or other similar sale, in the name of the Board or its designee, on behalf of all Unit Owners, upon the consent or approval of not less than seventy-five (75%) percent in common interest of all Unit Owners, provided that such consent shall set forth a maximum price that the Board or its duly authorized agent may bid and pay for such Unit.

2.2.2.18 Organizing corporations or other entities to act as designees of the Board with respect to such matters as the Board may determine, including, without limitation, in connection with the acquisition of title to any Unit by the Board on behalf of all Unit Owners.

2.2.2.19 Selling, leasing, mortgaging or otherwise delaying (but not voting the interest appurtenant to) any Unit if acquired by the Board or its designee, on behalf of all Unit Owners.

2.2.2.20 Making repairs and restorations of the Common Elements or parts thereof, damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.21 Entering into any agreement or arrangement for the premises suitable for use as custodian apartments, upon such terms as the Board may approve.

2.2.2.22 Retaining counsel on behalf of Unit Owners for the purpose of reviewing and/or contesting the assessed valuation of any Unit; commencing tax certiorari proceedings and withdrawing or settling any such proceeding or commencing any other proceeding by or in the name of the Condominium or the Unit Owners. Notwithstanding the foregoing, the Board shall require the consent of not less than seventy-five (75%) percent in Common Interests of all of the Unit Owners prior to commencing any proceeding the cost of which will exceed fifty thousand ($50,000) in the aggregate to prosecute any such proceeding to its completion as reasonably estimated by the Board.

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, until the earlier of either (i) two (2) years after the closing of title to the first Unit, or (ii) the Unsold Units represent less than fifty 50% (percent) in Common Interest and number of all Units, (sometimes referred to as the "Initial Control Period"), the Board may not, without Sponsor's prior written consent (a) make any addition, alteration or improvement to the Common Elements (unless required by law); (b) assess any Common Charges for the creation of, addition to or replacement of, all or part of any reserve, contingency or surplus funds in excess of the balance thereof at the time of the first closing of title to a Unit, other than a twelve (12) month reserve for contingencies not exceeding five (5%) percent of the budgeted operating expenses for the ensuing twelve (12) months of condominium operation, (c) hire any employee in addition to the employees provided for in Schedule B entitled "Projected Budget for the First Year of Condominium Operation" set forth in the Offering Plan for Arlington Suites, Premises: 3220 Arlington Avenue, Bronx, New York, as the same has been and may, from time to time be amended (the "Offering Plan"); (d) enter into any service or maintenance contract for work not covered in said Schedule, or otherwise provide services in excess of those contemplated by such schedule of the Offering Plan, which cost more than $10,000 per year; (e) borrow money on behalf of the Condominium; (f) eliminate or reduce the insurance coverage or any services below contemplated by such Schedule; or (g) undertake any capital or major improvement or addition not mandated by the Offering Plan unless required by law or which is approved by a resolution of the Unit Owners and is necessary to avoid jeopardy to the continued existence of the premises, or which constitutes a danger to health or safety, or to avoid risk of severe deterioration, destruction or breakdown of a component part, fixture or element of the Building.

2.2.5 Any action of the Condominium Board, which exclusively benefits one or more Unit Owners, shall be taken at the sole expense of said affected Unit Owners. The Board of Managers may not, without the written consent of the Sponsor, take any action, which materially and adversely affects Sponsor's interest in any of the Unsold Units or impairs the Sponsor's ability to perform its obligations, if any, set forth in the Plan unless required to do so to avoid jeopardy to the continued existence of the premises, or which constitutes a danger to health or safety, or to avoid risk of severe deterioration, destruction or breakdown of a component part, fixture or element of the Building.

2.3 Managing Agent or Manager. The Board shall, with respect to matters, which it is entitled to determine, may (but is not required to) 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 including, but not limited to, the duties

listed in 2.2-(2.I), (2.3), (2.6), (2.7), (2.II) and (2.20). The Board may also delegate to such managing agent or manager other powers granted to it by these By-Laws, except the powers set forth in 2.2-(2.2), (2.4), (2.5), (2.8), (2.9), (2.I0) and (2.I9).

2.4 First Board. The first Board shall consist of three (3) persons designated by the Sponsor and they shall hold office and exercise all powers of the Board. Within seven (7) months after the conveyance of title to the first Unit (other than to Sponsor's designee or to a successor or assign of Sponsor or its designee), all managers of the Board shall resign as Board Managers (such resignations to be effective on the election of their successors) and shall cause the President of the Condominium to call for a special meeting of the Unit Owners to elect a new three (3) member Board. Notwithstanding the foregoing, any such election occurring after the expiration of the Initial Control Period will be held to elect a new five (5) member Board. The Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Units in which Sponsor is more than thirty (30) days in arrears of common charges while it is in control of the Board of Managers.

2.5 Removal. Subject to the provisions of these By-Laws, at any regular or special meeting of Unit Owners, any one or more of the managers of the Board may be removed with or without cause by a majority of the Unit Owners, and a successor may then and there or thereafter be elected to fill the vacancy thus created, except that managers elected by Sponsor or its designee may only be removed by Sponsor or said designee, respectively, and only such person shall have the right to designate a replacement for any manager removed by such person. Any manager of the Board whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

2.6 Vacancies. Any vacancy in the Board caused by any reason other than the removal of a manager thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining managers at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy, even though the managers present at such meeting may constitute less than a quorum, and each person so elected shall be a manager of the Board for the remainder of the term of the manager creating such vacancy and until a successor shall be elected at the next annual meeting of the Unit Owners. Notwithstanding the foregoing, vacancies of managers elected by the Sponsor or its designee shall be filled only by the Sponsor or said designee, respectively.

2.7 Organizational Meeting of Condominium Board. The first meeting of the Board following each annual meeting of Unit Owners shall be held within ten (10) days after such annual meeting at such time and place in the Borough of Bronx as

shall be fixed by a majority of the managers thereof, and no notice shall be necessary to the newly elected Board managers in order to legally constitute such meeting, provided that a majority of the managers of the Board shall be present thereat.

2.8 Regular Meetings of Condominium Board. Regular meetings of the Board may be held at such time and place in the Borough of Bronx as shall be determined from time to time by a majority of the managers thereof, provided that at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each manager thereof, by personal delivery, mail, at least five (5) business days prior to the day named for such meeting.

2.9 Special Meetings of Condominium Board. Special meetings of the Board may be called by the President or Vice President of the Condominium by giving five (5) business days prior notice to each manager of the Board, by personal delivery, mail or telegram, which notice shall state the time, place (in the Borough of Bronx) and purpose of the meeting. Special meetings of the Board shall be called by the President or Vice President of the Condominium in like manner and on like notice on the written request of at least two (2) managers of the Board.

2.10 Waiver of Notice. Any Board manager 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 manager of the Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.11 Determination by Condominium Board; Quorum

2.11.1 Except as otherwise set forth elsewhere herein, all determinations of the Board shall be made at a meeting of the Board at which a quorum thereof is present. At any such Board meeting, a majority of the managers thereof shall constitute a quorum and the votes of a majority of such members present shall constitute the action of the Board.

2.11.2 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.

2.11.3 Managers 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, an action permitting or required to be taken at a meeting of the Board may be taken without a meeting if all managers of the Board consent thereto in writing.

2.12 Compensation. No manager of the Board shall receive any compensation for acting as such.

2.13 Limitation of Liability of Condominium Board and Unit Owners; Indemnification.

2.13.1 To the extent permitted by law, no manager 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 superintendent in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Each contract made by the Board or by any managing agent or superintendent thereof shall state that it is made by such Board, managing agent or superintendent only as agent for all Unit Owners, that such Board of Managers or managing agent or superintendent shall have no personal liability thereon (except in their capacities as Unit Owners) and shall 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 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 and, unless expressly stated to the contrary in such contract (as determined by the Board in its sole and absolute discretion), to the extent permitted by applicable law, shall be limited to such Owner's interest in his Unit and his appurtenant interest in the Common Elements 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. Board managers shall have no liability to Unit Owners for errors of judgment, negligence or otherwise, except that a Board manager shall be liable for his own bad faith or willful misconduct. All Unit Owners, as the case may be, shall severally, to the extent of their respective interests in their Units and their appurtenant interest in the Common Elements, indemnify each Condominium Board manager against any liability or claim, except those arising out of his own bad faith or willful misconduct. Any Board may contract or effect any other transaction with any Board manager, any Unit Owner, Sponsor or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.13.2 To the extent that a manager of the Board or an officer of the Condominium has been successful on the merits, or otherwise in the defense of any action, suit or proceeding, or in defense of any claim, issue or matter therein, or has settled such action, suit or proceeding with the consent of the other managers of the Board, or if all Board managers are co-defendants with the consent of a majority in Common Interest of all Unit Owners, he shall be indemnified against any losses, liabilities or expenses (including legal fees) actually and reasonably incurred by him in connection therewith, consistent with the limitation expressed in 2.13.1.

2.13.3 Each Unit Owner shall indemnify and hold harmless the Condominium Board, the Managing Agent, and the other Unit Owners from and against all loss and damage resulting from any action or activity committed by him, the members of his family, his guests, invitees, permitted occupants or employees.

2.13.4 Expenses incurred in defending a civil action, suit or proceeding may be paid by the Condominium in advance of the final disposition of such action, suit or proceeding as authorized by the Board in the specific case upon receipt of an undertaking, by or on behalf of the person or entity seeking such indemnification or payment in advance, to prepay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Condominium as authorized in this Section 2.13.

2.14 Fidelity Insurance. The Board shall obtain fidelity insurance in an amount deemed appropriate by it, for all of its employees and the managing agent or manager, if any, employed by it, and the premiums on such insurance shall constitute Common Expenses.

2.15 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 three (3) or more managers of the Board.

2.16 Incorporation of Condominium Board of Unit Owners. The Board or the Unit Owners may be incorporated as permitted by the laws of the State of New York. In the event that the Board of Unit Owners so incorporate, they shall have, to the extent permitted by applicable law, the status conferred upon them under such laws in addition to the status conferred upon them under, or pursuant to, the provisions of the New York 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 thereof and the provisions of such certificate of incorporation.

2.17 Condominium Board as Agent of Unit Owners. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board may act as 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. Within approximately seven (7) months after title to the first Unit has been conveyed (other than to Sponsor's designee or a successor and assign of Sponsor or its designee), the first annual meeting of Unit Owners shall be held. At such meeting the incumbent Board shall resign and a new Board shall be elected by the Unit Owners as provided elsewhere herein. In no event shall Sponsor be obligated to transfer control of the Board to the Unit Owners prior to title closing as to Units representing fifty (50%) percent or more of the Common Interests. Thereafter, annual meetings shall be held in each succeeding year as determined by the Board. At such meetings, the Unit Owners shall elect members to fill vacancies in the Board or to succeed retiring members of the Board as provided in Article 3 of these By-Laws and shall also transact such other business of the Condominium as may properly come before the meeting. Notwithstanding the provisions of Section 3.9 or any other provision of these By-Laws to the contrary, at the first and subsequent annual meetings, Sponsor may, in lieu of voting, designate two (2) persons to the Board if Sponsor owns two (2) or more of the Units and so long as Sponsor owns at least one (1) or more Units it shall be entitled to designate one (1) member of the Board.

3.2 Place of Meetings. Meetings of Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough of Bronx, as may be designated by the Board.

3.3 Special Meetings. The President of the Condominium shall call a special meeting of Unit Owners if so directed by resolution of the Board or upon a petition signed and presented to the Secretary of the Condominium by not less than twenty five (25%) in Common Interests of Unit Owners or at the request of the Sponsor.

3.4 Notice of Meetings. Notice of each annual meeting shall be given by the Secretary of the Condominium 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, not less than ten (10) nor more than forty (40) days before 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 as any Unit Owner has designated by notice in writing to the Secretary, at least ten (10) days prior to the giving of notice of the applicable meeting.

3.5 Adjournment of Meetings. If any 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 meetings or Unit Owners shall be as follows:

(a) Roll call.

(b) Proof of notice of meeting.

(c) Reading of minutes of preceding meeting.

(d) Reports of officers.

(e) Reports of managers of the Board.

(f) Reports of committees.

(g) Election of inspectors of election (when so required).

(h) Election of managers of the Board (when so required).

(i) Unfinished business.

(j) New business.

3.7 Title to Units. Title to Units may be taken by an individual, corporation, partnership, association trust or other entity, or any two (2) or more of such Owners as joint tenants, tenants-in-common or tenants by the entirety, as may be appropriate.

3.8 Voting.

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act by proxy on his behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit, at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the Condominium and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designated. 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 any interest appurtenant to any Unit owned by the Board or its designee, and the Common Interest of such Unit shall be excluded from the total of Common Interests when computing the total Common Interest of all Unit Owners for voting purposes.

3.8.2 Except as set forth in Section 3.9, at all meetings of Unit Owners each Unit Owner (or his proxy) entitled to vote thereat (including Sponsor with respect to Units owned by Sponsor) shall be entitled to cast one (1) vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to his Unit.

3.9 Election of Condominium Board.

3.9.1 Subject to the provisions of Section 3.1, all elections of Board managers shall be determined by plurality vote.

3.9.2 Form of Ballot. When voting for managers of the Board, the voting shall be by ballot and shall state the name of the Unit Owner voting, the number of such Unit Owner's Unit 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. Nothing contained in these By-Laws shall be determined to permit cumulative voting.

3.10 Majority of Unit Owners. Except as may otherwise be provided by law, as used in these By-Laws, the term "Majority of Unit Owners" means those Unit Owners having more than one-half of the total authorized votes of all Unit Owners 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 one-half (1/2) of the Common Interests of all 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.

3.13 Sponsor Voting

3.13.1 Sponsor shall have the right to vote all of the Common

Interest attributable to the Unsold Units, except that, when voting for members of the Board of Managers, Sponsor will, in no event, cast its votes in favor of more than two (2) Sponsor designees to be elected to the three (3) member Board of Managers. Further, at all elections held after the expiration of the Initial Control Period, at which time the number of the members of the Board of Directors shall increase to five (5), not more than two (2) of the members of the Board of Managers may be designees of the Sponsor or the then Owner of the Unsold Units. Accordingly, from and after the expansion of the Board to five (5) Managers at least three (3) of the members of the Board of Managers shall be unrelated to the Sponsor. A meeting will be held to elect the requisite number of new board members unrelated to the Sponsor within thirty (30) days of the expiration of the control period.

3.13.2 After the Initial Control Period, when the number of members of the Board of Directors has increased to five (5), Sponsor or its designee, as Owner of Unsold Units, shall have the right to designate a minimum number of members to the Board of Managers of either: (i) Two (2) members, for so long as the percentage of Common Interest attributable to the Unsold Units equals twenty (20%) percent or more or (ii) One (1) member, for so long as Sponsor or its designee owns at least one (1) Unsold Unit.

3.14 Sponsor's Veto Power

3.14.1 Sponsor may not exercise veto power over expenses provided for in Schedule B entitled "Projected Budget for the First Year of Condominium Operation" set forth in the Offering Plan for Arlington Suites, or over expenses required to (i) comply with applicable laws or regulations, (ii) remedy any notice of violation, or (iii) remedy any work order by an insurer.

3.14.2 Sponsor may exercise veto power over expenses other than those described above, for a period ending not more than five (5) years after the Closing of the first Unit or whenever the Unsold Units constitute less than twenty (20%) percent of the Common Interest, whichever is sooner.

ARTICLE 4

OFFICERS

4.1 Designation. The principal officers of the Condominium shall

be a President, Vice President and Secretary-Treasurer thereof, all of whom shall be elected by the Board. None of the officers of the Condominium need be Unit Owners nor have any interest therein nor be Board managers until the first organizational meeting of the Board after the first annual meeting of Unit Owners. Thereafter, the President of the Condominium must be a manager of the Board. Any two (2) or more offices, except the offices of President and Secretary-Treasurer may be held by the same person and spouses may be officers.

4.2 Election of the Officers. The officers of the Condominium shall be elected annually by the Board at the organization meeting thereof, except that the initial officers of the Condominium shall be elected by the initial Board and shall hold office at the pleasure of such Board and until their successors are elected.

4.3 Removal of Officers. Upon the affirmative vote of a majority of the managers of the Board, any officer may be removed, either with or without cause, and his successor may be elected, at any regular meeting of the Board or at any special meeting of the Board called for such purposes.

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 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 may in his discretion decide are appropriate to assist in the conduct of the affairs of the Condominium.

4.5 Vice President. The Vice President of the Condominium shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Board shall appoint some other manager of the Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed upon him by the Board or by the President.

4.6 Secretary-Treasurer. The Secretary-Treasurer of the Condominium shall keep the minutes of all meetings of Unit Owners and of the Board. The Secretary-Treasurer 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. The Secretary-Treasurer of the Condominium shall have the care and custody of the fund 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 Secretary-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 the Board, and shall in general perform all of the duties incident to the office of the treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 Execution of Documents. All agreements, contracts, deeds, leases; checks and other instruments of the Condominium shall be executed by any two (2) officers thereof or by such other person or persons as may be designated by the Board.

4.8 Compensation of Officers. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such.

4.9 Indemnification of Officers. Each officer shall be indemnified as set forth in Section 2.13.

ARTICLE 5

NOTICES

5.1 Notices. All notices required or desired to be given hereunder to the Condominium or to the Board shall be 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 Permitted Mortgagees, 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 sent by personal delivery or 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 Board. All notices to Permitted Mortgagees shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing to the Board. All notices shall be deemed to have been given when 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 any notice is required to be given by law or the Declaration of 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 The Board shall, from time to time, but at least annually, prepare a budget to meet the expenses of the Condominium, determine the amount of the charges payable by each Unit Owner and allocate and assess such common charges and expenses among the Unit Owners, pro-rata in accordance with their respective Common Interest or such different method of allocation as is set forth in the "Projected Budget for First Year of Condominium Operation, Schedule B to the Plan, or as is determined by the Board of Managers to reflect the exclusive use or availability or control of particular Common Elements or services provided by the Condominium. In addition, until the Units are separately assessed for real estate tax purposes, the Board will pay or cause to be paid all taxes with respect to the Property and allocate the cost thereof among all Units in proportion to each Unit's percentage of Common Interest as shown on Schedule A of the Offering Plan, and each Unit Owner will pay to the Board for his proportionate share thereof. Such payment shall be allocated as if it were a Common Charge.

6.1.2 Copies of the estimated annual budget for each fiscal year shall be furnished by the Board to each Unit Owner not later than thirty (30) days prior to its adoption by the Board, and in no event later than thirty (30) days prior to the beginning of each fiscal year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly Common Charge, one-twelfth (1/12) of his proportionate share of the Common Expenses for such year as shown by the annual budget. In the event that the Board shall not approve an estimated annual budget or fail to determine new monthly Common Charges for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly Common Charges as last determined. Each Unit Owner shall pay his monthly Common Charge on or before the first day of each month to the managing agent, or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his Common Charge by abandoning or not using his Unit or the Common Elements.

6.1.3 For the first fiscal year, the annual budget shall be approved by the First Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly Common Charge for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget.

Commencing with the date of occupancy of his or her Unit, each Unit Owner shall pay his Common Charge for the following month or fraction of a month, which shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which Common Charge shall be as computed by the Board.

6.1.4 Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, but in any event within one hundred twenty (120) days, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, prepared by an independent public accountant, showing an itemized accounting of the Common Expenses for the preceding year actually incurred and paid, together with a tabulation of the amounts collected pursuant to the budget or Common Charges and showing the net excess or deficit of income over expenditures plus reserves, and such other information as the Board shall deem desirable.

6.1.5 In the event that during the course of any year, it shall appear to the Board that the monthly Common Charges, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated Common Expenses for the remainder of such year, or if there shall be any non-recurring Common Expenses or any Common Expenses not set forth in the annual budget as adopted, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental Common Charge shall be made to each Unit Owner for his proportionate share of such supplement budget, subject, nevertheless, to the following rules: Any nonrecurring Common Expense, any Common Expense not set forth in the budget as adopted, and any increase over the amount in the annual budget shall be separately charged against all Unit Owners.

6.1.6 The excess of all rents, profits and revenues derived from the rental or use of any space forming part of, or included in, any Common Element remaining after the deduction of the expenses in connection therewith shall constitute income of the Unit Owners, and be collected on behalf of the Unit Owners by the Board. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue 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.

6.2 Liability for Common Charges; Liens.

6.2.1 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit together with its appurtenant interest in the Common Elements. Any Unit Owner may convey such Unit together with its appurtenant interest in the Common Elements to the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and in such event be exempt from Common Charges thereafter accruing, 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. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Board and thereby exempt itself from Common Charges attributable to such Unit thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit, except that, to the extent permitted by law, a purchaser of a Unit at a foreclosure sale of a Permitted Mortgage (as hereinafter defined) shall not be liable 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 Board, on behalf of all Unit Owners, shall have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit.

6.2.2 All liens provided for in 6.2.1, to the extent permitted by applicable law, shall be subordinate to a lien for real estate taxes on the Unit.

6.3 Collection of Common Charges. The Board shall take prompt action to collect any Common Charges due to the Board, including, but not limited to, the institution of such actions for the recovery of interest and expenses as provided in this Article 6.

6.4 Default in Payment of Common Charges. If any Unit Owner fails to make payment of all or any part of Common Charges on or before ten (l0) days from their due date, such Unit Owner shall be obligated to pay a "late charge" of fifty ($50.00) Dollars per month for each Common Charge payment, or any part thereof, that remains unpaid (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), together with all expenses, including without limitation, attorney's fees paid or incurred by the Board or by its managing agent in any proceeding

brought to collect such unpaid Common Charges, or in an 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" and expenses shall be added to, and shall constitute, Common Charges payable by such Unit Owner.

6.5 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 Board, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit (but not to vote the interest appurtenant to such Unit). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. If the net proceeds received on such foreclosure (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.

6.6 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 such Unit Owner. The Board may establish a reasonable charge for issuance of such statement.

6.7 Insurance.

6.7.1 The Board may be required to obtain and maintain, to the extent obtainable, the following insurance: (a) Multi-Peril coverage including fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (other than the space defined by the dimensions of the Units and any fixtures, furnishings or other personal property contained therein) together with all service machinery contained therein, and covering the interests of the Condominium, the Condominium Board and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount not less than an amount sufficient to avoid any defense based on co-insurance or other insurance or any invalidity arising from any acts of the insured and of pro-rata reduction of liability, but in no event greater than the full insurable replacement value of the Building (exclusive of foundation and footings), without deduction for depreciation. Each of said policies shall contain a New York standard mortgage clause in favor or each Permitted Mortgagee,

which shall provide that the loss thereunder, if any, shall be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions hereinafter set forth; (b) workmen's compensation and New York State disability insurance; (c) boiler and machinery insurance; (d) umbrella insurance; (e) directors and officers liability insurance; (f) fidelity insurance covering all employees of the Condominium and of the managing agents who handle funds of the Condominium; (g) rent insurance; and (h) plate glass insurance, if any. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a Common Expense and shall be borne by the Unit Owners in proportion to their respective Common Interests.

6.7.2 All such policies shall provide that adjustment of loss shall be made by the Board. Insurance proceeds with respect to any loss shall be payable to the Board, except that, if the Board elects to designate an Insurance Trustee, the proceeds of all policies of physical damage insurance, if in excess of $100,000, shall be payable to the New York City bank or trust company designated by the Board as Insurance Trustee pursuant to the provisions of 12.6.

6.7.3 The amount of fire insurance to be maintained until the first Board meeting following the first annual meeting of Unit Owners shall be in at least the sum of $15,000,000.00 representing the estimated replacement cost of the Building.

6.7.4 All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or other insured; or of invalidity arising from any acts of the insured and of pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all Permitted Mortgagees.

6.7.5 The Board shall also be required to obtain and maintain comprehensive general liability insurance in such limits as the Board may from time to time determine, covering (i) the Board, the managing agent thereof, each Board manager and each officer and employees of the Condominium, and (ii) each Unit Owner, and covering all claims for personal injury or property damage arising out of any occurrence on the Property, except that such policy will not cover liability of a Unit Owner arising from occurrences within his or her own Unit or within the Common Elements, if any, exclusive to his or her Unit. Such insurance shall also cover cross-liability claims of one insured against another. The Board shall review such limits once each year. Until the first meeting of the Board following the first annual meeting of Unit Owners, such liability insurance shall be in a single limit for $1,000,000 covering all claims for personal injury or property damage arising out of one occurrence, with "umbrella" covering of up to $100,000,000.

6.7.6 Any insurance maintained by the Board may provide for such deductible amounts as the Board determines.

6.7.7 Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reasons of any such additional insurance carried by any Unit Owner. The Board shall have the right, in its sole and absolute discretion, to require Unit Owners to maintain insurance on their personalty in such minimum amounts as the Board deems appropriate.

6.7.8 The Board shall be required to give written notice to each Unit Owner of insurance maintained by the Board against loss or damage by fire and such other hazards as may be required, and of any change therein or termination thereof.

6.8 Repair or Reconstruction after Fire or Other Casualty.

6.8.1 Except as otherwise provided in 6.8.2, if the Building or any part thereof is damaged or destroyed by fire or other casualty, the Board will arrange for the prompt repair and restoration thereof (other than the space defined by the dimensions of the Units and any fixtures, furniture, furnishings or other personal property contained therein) 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 by appropriate progress payments. If 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 shared entirely by all Unit Owners in proportion to their respective Common Interests. Any surplus payable to any Unit Owner pursuant to this Subsection 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 of priority of such liens.

6.8.2 If three-fourths (3/4) or more of the Building is destroyed or substantially damaged and if a majority or more in Common Interest of all Unit Owners present in person or by proxy at a meeting duly called and held upon not less than sixty (60) days prior written notice resolve to proceed with the repair or restoration thereof, the Property will be repaired and if it is so resolved not to repair, 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 considered as one (1) fund and shall be divided among all Unit Owners in

proportion to their respective Common Interest, 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 reduce all unpaid liens on his Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

6.8.3 Any dispute between Unit Owners or between any Unit Owner and the Board arising under this Section 6.8 shall be determined by arbitration.

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 non-structural, ordinary or extraordinary, (a) in or to any Unit and the entrance doors thereto (subject to the control of the Board) shall be made by the Owner of such Unit at such Unit Owner's sole cost and expense, and (b) in or to the Common Elements by the Board or (c) in or to the Limited Common Elements by the Board but the cost and expenses thereof shall be charged to the Unit Owners for whose benefit the repair or maintenance has been performed. Notwithstanding the foregoing, ordinary repairs, maintenance, painting and/or decorations or the repair of any traffic surface required to maintain the Limited Common Elements shall be made by the Unit Owner or Owners entitled to the exclusive use of any such Limited Common Elements.

6.9.2 Notwithstanding the provisions of 6.9.1:

6.9.2.1 If any painting, decorating, maintenance, repairs or replacements of the Property or any part thereof is necessitated by the negligence, misuse or neglect of any Unit Owner, then the entire cost thereof shall be borne by such Unit Owner; if by the Board, then the entire cost thereof shall be charged to all Unit Owners as a 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.

6.9.3 Each Unit and all portions of the Common Elements shall be kept in first-class condition by the Unit Owner or the Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacement necessary in connection therewith. The public areas of the Building and those other areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by the Board, with respect to such parts of the Building required to be maintained by it, and by each Unit Owner, with respect to such parts of the Building required to be

maintained by it, and by each Unit Owner, with respect to the windows, shades, venetian or other blinds, drapes, curtains or other window decoration in or appurtenant to his Unit.

6.10 Violations of Maintenance Obligations. If any Unit Owner, after receipt of written notice from the Board, fails or neglects in any way to perform any obligations of his or her with respect to the painting, decorating, maintenance, repair or replacement of his or her Unit as provided in this Article, or of any Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Board may perform or cause to be performed such painting, decorating, maintenance, repairs or replacements unless such Unit Owner, within five (5) days after receiving notice of such default by the Board, cures such default, or in the case of default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repairs or replacement in such Unit Owner's Unit shall be immediately payable by such Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

6.11 Structural Alteration, Additions, Improvements and Repairs of Units and Appurtenant Limited Common Elements.

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 Unit or appurtenant Limited Common Elements without the prior written approval of the Board. Under no circumstances, shall any alteration to or penetration of ceilings in a Unit be made without the prior written approval by the Board of Managers and if such approval is granted, under no circumstances shall the integrity of the fire rated 2 hour ceiling be impaired. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural alteration, addition or improvement in or to such Unit Owner's Unit or appurtenant Limited Common Elements within sixty (60) 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 or improvement. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition or improvement in or to a Unit or appurtenant Limited Common Elements, the Board 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 or improvement may be made, including, without limitation, the days and hours during which any work may be done.

6.11.2 All structural alterations, additions and improvements 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 or improvement shall agree, and shall be deemed to have agreed, to hold the Board and all other Unit Owners harmless from any 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 or improvement in or to any Unit or appurtenant Limited Common Elements so approved by the Board shall be executed by the Board, provided that the Board shall not incur any liability, cost or expense in connection with such application to any contractor, subcontractor, materialman, architect or engineer on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

6.11.4 The foregoing restrictions of this Section 6.11 shall not apply to Sponsor-Owned Units or its appurtenant Limited Common Elements. If not prohibited by the New York Condominium Act, the Sponsor or its designee shall have the right, without the consent or approval of the Board, other Unit Owners or the Permitted Mortgagee to (a) make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to, and upon any Unit or its appurtenant Limited Common Elements owned by it (including, without limitation, the removal of walls, floors, ceilings and other structural portions of the Building), (b) subdivide any Unit and its appurtenant Limited Common Elements owned by it into separate Units along with separate appurtenant Limited Common Elements and combine Units and its appurtenant Limited Common Elements (including those resulting from such subdivision or otherwise) into one or more Units along with its combined appurtenant Limited Common Elements, (c) incorporating into any Unsold Unit any of the Common Elements (whereupon any such Common element shall be deemed to be a Limited Common Element, including, but not limited to, hallway space, provided only that access to any other Unit on the floor is not materially impaired; and (d) alter the boundary walls between Units and its appurtenant Limited Common Elements, provided, however, that in each instance, the Sponsor or its designee (as the case may be) shall comply with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof, and agrees, and shall be deemed to have agreed, to hold the Board and all other Unit Owners harmless from any liability arising therefrom. Sponsor or its designee shall not be required to enter into the agreement with the Board referred to in the last sentence of Section 6.11.1 in connection with any said alteration, addition or improvement. Some of Sponsor's alterations, additions or improvements permitted hereunder may result in the interruption of certain building wide services for a period of time. Sponsor shall have the right to perform such work at such

times and hours as shall be determined by the Sponsor. If the Board fails to promptly execute any such documents, the Sponsor may execute such documents on behalf of the Board.

6.11.5 At the request of Sponsor, the Board will execute any application or other document required to be filed with the City of New York or any other governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by the Sponsor to any Unit, provided, however, that the Board and the Unit Owners shall incur no liability, cost or expense in connection with such application or document or to any contractor, subcontractor, materialman, architect or engineer on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

6.12 Alterations, Additions or Improvements to Common Elements.

6.12.1 Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions or improvements in or to any Common Elements shall be made by the Board and the cost and expense thereof shall be charged either to all Unit Owners as a Common Expense or to the Unit Owner responsible therefor, as the case may be. Whenever in the judgment of the Board, the cost to the Board of any such alteration, addition or improvement would exceed $50,000 in the aggregate in any calendar year, then such proposed alteration, addition or improvement shall not be made unless first approved by a majority of the Unit Owners who shall be required to bear the cost and expense thereof as aforesaid, if any. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions or improvements costing in the aggregate $50,000 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners.

6.13 Expansion of Certain Common Elements.

6.13.1 If, 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 (collectively sometime referred to in this Section 6.13 as an "Expansions"), proposed to be made by Sponsor or the Board (collectively sometimes referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by Sponsor or the Board (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 Expansion. If the Opposing Party does not give notice of any objection to

the Proponent within thirty (30) days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Expansion. 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 thirty (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 held consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent may make the proposed Expansion. 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 for the costs and expenses of the Expansion to be paid by it, and stipulates that no costs and expenses for maintaining and repairing such Expansion after its completion will be charged to the Opposing Party; (b) the proposed Expansion would not unreasonably or unnecessarily interfere with the use and enjoyment of the Owners, tenants and occupants of those Units affected by the Expansion; (c) the proposed Expansion would not materially weaken the structure of the Building; and (d) the proposed expansion does not violate any governmental or other restrictions.

6.13.2 Nothing contained in 6.13.1 shall in any way be deemed to limit either (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as the Proponent believes will meet the objections of the Opposing Party or any arbitrator, or (b) any other party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, or make any Expansion 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, the use of the Property shall be restricted to, and shall be in accordance with, the following provisions:

6.14.1.1 Each Residential Unit shall be used as a residence and for any home occupation permitted by law, except as otherwise herein expressly provided. A Residential Unit may be owned by an individual, corporation, partnership, fiduciary or any other entity, and may only be occupied by (i) the individual Unit Owner (or members of his family or guests), (ii) an officer, director, stockholder or employee of such corporation (or members of his family or guests), (iii) a partner or employee of such partnership (or members of his family or guests), or (iv) the fiduciary or beneficiary of such fiduciary (or members of his family or guests), or (v) a principal or employee or such other entity (or members of his family or guests), as the case may be.

Unless otherwise consented to by the Board or Sponsor, occupants of a leased Residential Unit must be (i) an individual lessee (or members of his family or guests), (ii) an officer, director, stockholder or employee or a corporate lessee (or members of his family or guests), (iii) a partner or employee of a partnership lessee (or members of his family or guests), (iv) a fiduciary or beneficiary of a fiduciary lessee (or members of his family or guests). "Members of his family" or words of similar import, whenever used herein, shall be deemed to mean spouse, parents, parents-in-law, brothers, sisters, children, grandchildren, nieces and nephews, and nothing contained herein shall be deemed to prohibit the exclusive occupancy of any Unit by such family members or guests. Notwithstanding the foregoing, the Board may consent to occupancy of a Unit by persons other than those set forth above. If permitted by applicable laws and governmental regulations, and not in violation of the then existing Certificate of Occupancy covering a Unit, and with the prior written consent of Sponsor or the Board, which consent shall be in writing and be personal to such Unit Owner, a Unit Owner may use the Unit for professional offices (e.g., accounting or legal practice), real estate brokerage, for a fine arts studio, for the business or private teaching of not more than four (4) persons, provided, however, that if musical instruction is to be given, only one (1) student may be taught at any time, and for any other lawful purpose. In addition, the number of permitted employees is restricted to one (1) secretary or assistant.

6.14.1.2 No portion of a Residential Unit (other than the entire Unit) may be sold, conveyed, leased or subleased and Units may not be rented on a transient basis.

6.14.1.3 No portion of a Residential Unit (other than the entire Unit) may be sold, conveyed, leased or subleased and Units may not be rented on a transient basis.

6.14.1.4 The Storage Units may only be used for lawful storage purposes and may not be used as a living space. Upon the prior written consent of Sponsor or the Condominium Board, when there are no longer any Unsold Units, any Residential Unit or Storage Unit may be used as a professional or business office, provided, however, that such use is permitted by law.

6.14.1.5 The Parking Units may only be owned by the Building Unit Owners or the Sponsor or its designees, and may only be used for the parking of one (1) automobile per Parking Unit.

6.14.1.6 Each Parking Space may only be used for the parking of one (1) automobile at a time. Only Unit Owners, Sponsor, or Sponsor's

designees may own a Parking Unit. Similarly, a Parking Unit may only be sold to a Purchaser/Owner of a Unit. Parking Spaces may not be used by anyone other than a resident of the Property, or employees or invitees of any Community Facility Unit or by Sponsor or Sponsor's designee.

6.14.1.7 The Community Facility may be used for any lawful purpose permitted by law, except that it may not be used as a Nightclub, Settlement House, a Government Operated Health Center or a Welfare Center.

6.14.2 Notwithstanding the provisions of 6.14.1, Sponsor may, without the permission of the Board, use any Unsold Unit as models and sales and/or promotion offices in connection with the sale or rental of the Units, as a professional office or for any other purpose, subject only to compliance with applicable governmental laws and regulations.

6.15 Use of Common Elements

6.15.1 Subject to the provisions of 6.15.4, 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 as provided in the Rules and Regulations of the Condominium.

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 part of the Common Elements other than the areas designated as storage areas without the prior consent of the Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 The provisions of Subsections 6.15.1 and 6.15.2 shall not apply to Sponsor so long as there are any Unsold Units, provided, however, that no such party shall use such Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes.

6.16 Other Provisions as to Use. No nuisance shall be allowed on the Property nor shall any use or practice be allowed that is a source of annoyance to its residents or occupants or that interferes with the peaceful possession or proper use of the Property by its residents or any portion thereof and 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.

6.17 Right of Access.

6.17.1 Each Unit Owner shall grant a right of access to his Unit to the Board, the managing agent, manager, superintendent 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 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 Unit and threatening another Unit or all or any part of the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the Common Elements within his Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the Common Elements, his Unit or any other Unit in the Building or to correct any condition that 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 use of the Units for their permitted purposes. In case of an emergency (i.e., a condition requiring repairs or replacements 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), such right to 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 Unit, and the Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees, for the purposes of fulfilling Sponsor's obligations as set forth in the Offering Plan, provided that access thereto shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit for its permitted purposes. To the extent that the Board or any Unit Owner fails to permit the Sponsor and its agents, employees, servants and contractors access to any Unit or the Common Elements then Sponsor shall no longer have any obligation to complete any work in and to any Unit or the Common Elements, as the case may be. In addition, if the Sponsor elects to enforce any rights it may have pursuant to the terms of these By-Laws, the Declaration or under the Plan then, Sponsor shall be entitled to recover the costs incurred by it (including legal fees) in enforcing Sponsor's rights from the Unit Owner or the Condominium whose conduct gave rise to the proceeding.

6.18 Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations ("Rules and Regulations") concerning the use

of the Units and Common Elements. The Board may from time to time modify, amend or add to such Rules and Regulations except that a Majority of Unit Owners may overrule the Board with respect to any such modification, amendment or addition. Copies of any modifications, amendments or additions to the Rules and Regulations shall be furnished by the Board to each Unit Owner not less than 30 days prior to the effective date thereof.

6.19 Real Estate Taxes, Water Charges and Sewer Rents. Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City Collector, the Board shall promptly pay such taxes, charges and rents as a Common Expense, and the Unit Owners shall be required to pay the Board, as a Common Charge, for their proportionate share of such taxes, charges and rents. In the event of a proposed sale of any Unit, the Board (so long as the Board is still required to pay such real estate taxes, water charges and sewer rents), on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents, which are a lien and payable, affecting such owner's Unit to the date of the closing of title to such Unit.

6.20 Gas. The cost of the gas service for space heating, domestic hot water is included in the Common Charges, the cost of which will be born by all the Unit Owners. The cost of the gas service for cooking is included in the Common Charges, the cost of which will be born solely by the Residential Unit Owners. Gas for space heating, domestic hot water, and residential cooking shall be provided in accordance with New York City Building Code.

6.21 Electricity. Electricity for each Residential Unit and the Community Facility Unit shall be supplied through a separate electric meter for each Unit. However, the Board at its sole discretion shall have the right to require that electricity be supplied to the Condominium through one or more electrical meters and that the cost thereof be borne by each Unit Owner based upon lawful 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 directly to the utility company, except that if the Board has elected to sub-meter electricity to each Unit, then each Unit Owner shall be required to pay bills for electricity consumed or used in his Unit either to the Condominium or to the utility company as directed by the Condominium.

6.22 Utilities Serving the Common Elements. The cost and expense of water, electricity and gas service benefiting any Common Element or Limited Common Element shall be (a) deemed part of the expense of maintaining such Element, (b) determined by the Board; and (c) charged to the Unit Owners as a Common Expense or to

the Units or Units benefiting from such service.

6.23 Abatement and Enjoinment of Violations by Unit Owners.

6.23.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to such other rights set forth in these By-Laws, (a) to enter any Unit or 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, the Board not thereby to be deemed guilty or liable in any matter of trespass, and (b) to enjoin, abate or remedy by appropriate legal proceedings either at law or in equity, the continuance of any such violation or breach.

6.23.2 The violation or breach of any of the provisions of these By-Laws; any of the Rules and Regulations, or the Declaration with respect to any rights, easements, privileges, or licenses granted to Sponsor shall give to Sponsor 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 of Condominium Board. A Unit Owner who mortgages his Unit or the holder of such mortgage shall notify the Board of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Board. A Permitted Mortgage is a mortgage complying with the provisions of Article 8 hereof of which the Board has received written notice. A Permitted Mortgagee is the holder of a Permitted Mortgage. A Unit Owner who satisfies a mortgage covering his 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 Board shall promptly report to such Permitted Mortgagee any 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 Board shall accept payment of any sum or performance of any act by any Permitted Mortgagee of a Unit Owner 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 at reasonable times, on business days, but not more than once a month.

7.5 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 the determination or act of the Board of any 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 Sponsor or its designees may sell or lease his or her Unit without complying with the following provisions.

8.1.1 Any Residential Unit Owner who receives a bona fide offer to (a) purchase his Unit together with its Appurtenant Interests in the Common Elements or (b) lease his Unit (such offer to purchase or lease a Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called "Outside Offeror" and the Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which he intends to accept, shall give notice, together with a copy of a signed agreement between the Outside Offeror and the Offeree Unit Owner, by certified or registered mail to the Board or by personal delivery upon any person so designated by the Board, of the receipt of such Outside Offer. Said notice shall also state the name and address of the Outside Offeror, the terms of the proposed transaction and such other information as the Board may reasonably require. The giving of such notice of the Board shall constitute an offer by such Unit Owner to sell his Unit together with its appurtenant interest in the Common Elements or to lease his Unit to the Board, or its designee, corporate or otherwise, on behalf of all other Unit Owners, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation

and warranty by the Unit Owner who has received such Outside Offer, to the Board on behalf of all Unit Owners, that such 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 the Board may reasonably request. Not later than thirty days after receipt of such notice together with such further information as may have been requested, the Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said thirty-day period, by certified or registered mail, to purchase such Unit together with its Appurtenant Interest in the Common Elements or to lease such Unit, as the 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, 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 If the Board shall timely elect to purchase such Unit together with its Appurtenant Interests in the Common Elements or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Board, in accordance with the terms of the Outside Offer, within forty-five days after the giving of notice by the Board of its election to accept such offer. If, pursuant to such Outside Offer to purchase said Unit, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board may purchase the Unit and assume or take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit together with its Appurtenant Interests in the Common Elements is to be sold, shall convey the same to the Board, or to its designee, on behalf of all other 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 Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents whether or not 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. If such Unit is to be leased, the Offeree Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, shall execute a lease covering such Unit for the rental and term contained in such Outside Offer.

8.1.3 If the Board or its designee shall fail to accept such offer within thirty days after receipt of notice, as aforesaid, the Board shall be deemed to a have waived its right of first refusal, but such waiver shall only be effective if Common Charges through and including the date of closing of title to such Unit have been paid, and such Offeree Unit Owner may consummate the sale or lease to the Outside Offeror. In the event that the Offeree Unit Owner does not, within ninety days following the expiration of

said thirty-day period consummate the sale or lease of such Unit to the Outside Offeror, then, should such Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interest in the Common Elements or to lease such 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.

8.1.4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an affirmative acceptance and 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 Unit shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the 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 the Board and that the Board 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 his 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 or as may be approved by Sponsor, the form of any such lease executed by the Board or an Outside Offeror shall be the then current form of apartment lease recommended by Julius Blumberg Inc. and shall contain such modifications as shall be approved in writing by the Board or Sponsor. Any lease executed by the Board as tenant shall provide that the Board may enter into a sublease of the premises without the consent of the landlord. No Unit Owner shall lease his Unit on a transient basis. In addition, any such lease shall provide that the tenant under the lease shall, at the request of the Board, pay to the Board any amounts due under the lease on account of any sums that the Board claims are due and owing to the Condominium. No lease shall be for a period of which is less than six (6) months in order to avoid transient tenancies.

8.1.7 Any purported sale or lease of a Residential Unit in violation of this Section 8.I shall be voidable at the election of the Board, and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Unit Owner as the purported landlord. Such Unit Owner shall reimburse the Board for all expenses (including attorneys' fees and

disbursements) incurred in connection with such proceedings.

8.1.8 The foregoing restrictions of this Section 8.1 shall not apply to Unsold Units. Sponsor and its designees shall have the right freely to sell such Units or freely to lease all or any part thereof without first having to offer the same for sale or lease to the Board.

8.1.9 The foregoing restrictions of this Section 8.1 shall not apply to the Community Facility Unit. The owners of these units shall have the right to freely sell such Units or freely lease all or any part thereof without first having to offer the same for sale or lease to the Board.

8.2 Consent of Unit Owners to Purchase or Lease of Units by Condominium Board. If the Board elects to purchase any Unit on behalf of the Unit Owners rather than to transfer its rights to a designee, the Board shall neither exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a Majority of Unit Owners. Any such approval will not be required for the Board of Managers' designee.

8.3 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein its Appurtenant Interests in the Common Elements, 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 Appurtenant Interests in the Common Elements of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance or other disposition of such part of the Appurtenant Interests in the Common Elements of all Units.

8.4 Release by Condominium Board of Right of First Refusal. The right of first refusal contained in Section 8.1 may be released or waived by the Board only in the manner provided in 8.1.3 and 8.5. In the event the Board shall release or waive its right of first refusal as to any Unit, such Unit together with its Appurtenant Interests in the Common Elements may be sold, conveyed or leased, free and clear of the provisions of 8.I, except that such release or waiver shall only be effective if Common Charges through and including the date of closing of title to such Unit have been paid.

8.5 Certificate of Termination of Right of First Refusal. A certificate

executed and acknowledged by the Secretary or Assistant Secretary of the Condominium stating either that the provisions of 8.1 have been met by a Unit Owner or that the right of first refusal contained therein has been duly released or waived by the Board subject to the provisions of Section 8.4, and that as a result thereof the rights of the Board thereunder have terminated, shall be conclusive upon the Board and the Unit Owners in favor of all persons who rely on such certificate in good faith. The Board shall furnish such certificate upon request to any Unit Owner in respect to whom the provisions of 8.l have, in fact, terminated. The Board may establish a reasonable fee for such certificate from time to time.

8.6 Financing of Purchase of Units by Condominium Board. The purchase of any Unit by the Board of its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit Owner, in proportion to his respective Common Interest, as a Common Charge, and/or the 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 Appurtenant Interests in the Common Elements.

8.7 Exceptions. The provisions of 8.1 shall not apply with respect to any lease, sale or conveyance of any Unit together with its Appurtenant Interests in the Common Elements by (a) the Unit Owner thereof to his spouse, adult children, parents, parents-in-law, adult siblings or to any one or more of them or to any related or controlled entity of the Unit Owner thereof, (b) Sponsor, (c) the Board, (d) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, or (e) a Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the provisions of this Article 8.

8.8 Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift, or may devise his Unit by will or have his Unit pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to, the provisions of this Article 8.

8.9 Waiver of Right of Partition With Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. If any Unit shall be acquired by the Board or its designee, 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 and the entire Property as herein provided.

8.10 Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease his Unit unless and until he shall have paid in full to the Board all unpaid Common Charges heretofore assessed against such Unit and until such Unit Owner shall have satisfied all unpaid liens against his Unit, other than Permitted Mortgages.

8.11 Mortgage of Units. Subject to Article 7 and 8.10, each Unit Owner shall have the right to mortgage his Unit without restriction, provided that any such mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional or non-institutional lender to make the mortgage loan.

8.12 Restriction on Sale. Notwithstanding the foregoing provisions, Unit Owners are hereby advised that they are not permitted to resell any Unit, for a price lower than that offered for a comparable Unit by the Sponsor, for one (1) year after the closing of title, without the prior written consent of Sponsor, if and only if, Sponsor still owns any Units in the Building.

8.13 The Parking Unit and Parking Space Leases. Each Purchaser of a Residential or Community Facility Unit shall have the opportunity to also purchase the rights to use a Parking Space in the Parking Unit on a first come first serve basis. The Unit Owner will pay the Parking Space Lease Purchase Price and will then pay to the Sponsor, or the Owner of the Parking Unit, a monthly rental fee according to the terms of the Parking Space Lease. The monthly Parking Space rental fee is subject to change and will never be less than one-eighteenth (1/18) of the Parking Unit's total monthly Carrying Charges.

8.13.1 A Purchaser who wants the rights to use a Parking Space in the Parking Unit must execute the Parking Space Lease and Parking Space Rider set forth in Part II of the Condominium Offering Plan.

8.13.2 Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Parking Unit Parking Spaces. Certain of the Parking Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Parking Spaces will remain dry or will not experience any water infiltration and the Sponsor, or the Owner of the

Parking Unit, or any Board will not be responsible for any damage to vehicles placed in the Parking Spaces. Unit Owners who place their vehicles in the Parking Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such vehicles.

8.13.3 The Parking Space Lease may only be assigned by the Parking Space Lessee to a party simultaneously acquiring a Unit or to another Unit Owner. In addition, Unit Owners can only lease their respective Parking Space to other Unit Owners in the Building after obtaining the consent of the Sponsor or the Owner of the Parking Unit thereto. In the event a Parking Space Lessee elects to terminate a Parking Space Lease or sells its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Parking Space in question will devolve to the Sponsor, or the Owner of the Parking Unit, who shall have the right to issue a new Parking Space Lease to another Unit Owner in its sole discretion. When Parking Space Leases are assigned or re-issued, the Sponsor or the Owner of the Parking Unit must inform the Board of Managers of such change.

8.14 The Storage Unit and Storage Space Leases. Each Purchaser of a Residential or Community Facility Unit shall have the opportunity to also purchase the rights to use a Storage Space in the Storage Unit on a first come first serve basis. Each Storage Space will be approximately five feet wide, nine feet three inches long, and nine feet high. The Unit Owner will pay the Storage Space Lease Purchase Price and will then pay to the Sponsor, or the Owner of the Storage Unit, a monthly rental fee according to the terms of the Storage Space Lease. The monthly Storage Space rental fee is subject to change and will never be less than one-twenty-sixth (1/26) of the Storage Unit's total monthly Carrying Charges.

8.14.1 A Purchaser who wants the rights to use a Storage Space in the Storage Unit must execute the Storage Space Lease and Storage Space Rider set forth in Part II of the Condominium Offering Plan.

8.14.2 Sponsor will obtain whatever Certificate of Occupancy or Temporary Certificate of Occupancy is necessary to permit the utilization of the Storage Unit Storage Spaces. Certain of the Storage Spaces are located on below grade levels of the Building and Sponsor cannot make any representation that the Storage Spaces will remain dry or will not experience any water infiltration and the Sponsor, or the Owner of the Storage Unit, or any Board will not be responsible for any damage to vehicles placed in the Storage Spaces. Unit Owners who place their items in the Storage Spaces do so at their own risk and Purchasers are advised to consult with their insurance brokers regarding appropriate coverage for such vehicles.

8.14.3 The Storage Space Lease may only be assigned by the Storage Space Lessee to a party simultaneously acquiring a Unit or to another Unit Owner. In addition, Unit Owners can only lease their respective Storage Space to other Unit Owners in the Building after obtaining the consent of the Sponsor or the Owner of the Storage Unit thereto. In the event a Storage Space Lessee elects to terminate a Storage Space Lease or sells its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Storage Space in question will devolve to the Sponsor, or the Owner of the Storage Unit, who shall have the right to issue a new Storage Space Lease to another Unit Owner in its sole discretion. When Storage Space Leases are assigned or re-issued, the Sponsor or the Owner of the Storage Unit must inform the Board of Managers of such change.

ARTICLE 9

CONDEMNATION

9.1 In the event of the taking by condemnation or eminent domain for all or any part of the Common Elements, the Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by the Board. The award made for any such taking shall be payable to the Board, provided, however, that if any such award exceeds $100,000, such award shall be payable to the Insurance Trustee, if any, and shall be disbursed to the contractors engaged in such repair and restoration, if any, in progress payments deemed appropriate in the sole discretion of the Board. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed, the cost of any repairs and restoration, the deficit or surplus, as the case may be, will be borne and shared by all Unit Owners with respect to any taking of the Common Elements pro-rata in accordance with their Common Interests. Notwithstanding any provisions contained herein to the contrary, if seventy five (75%) percent or more in Common Elements, are taken, such repairs or restorations shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages that 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.

ARTICLE 10

RECORDS AND AUDITS

10.1 Records. The Board or the managing agent thereof shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Unit Owners and financial records and books of account with respect to the activities of the Board, including a listing of all receipts of expenditures. In addition, the Board shall keep a separate account for each Unit, which, among other things, shall contain the amount of each assessment paid thereon and the balance, if any, remaining unpaid.

10.2 Audits. Within four (4) months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent public accountant shall be submitted by the Board to all Unit Owners and, if so requested, to any Permitted Mortgagee. The cost of such report submitted by the Board shall be paid by the Unit Owners as a 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 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 decisions rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. Notwithstanding the foregoing, any arbitration held pursuant to the Declaration or these By-Laws with respect to a dispute which arose prior to the first annual meeting of Unit Owners shall be non-binding. If the American Arbitration Association shall not then be 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 Bronx County. The decision of one arbitrator so chosen shall be given within 10 days after his appointment. All expenses of arbitration hereunder, including the fees and expenses of counsel and experts, shall be Common Expenses. 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 Bronx and has it least five members.

11.2 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 another 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 Interested Board Managers. No contract or other transaction between the Condominium and one or more of its Board managers or between the Condominium and any corporation, firm or association in which one or more of the Board managers of the Condominium are directors or managers, or are financially interested, is void or voidable because such Board manager is or managers are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Board manager or managers; or

(b) the contract or transaction is just and reasonable as to the Condominium at the time it is authorized or approved.

Interested Board managers may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof, which authorizes, approves or ratifies a contract or transaction.

12.2 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.

12.3 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provisions hereof.

12.4 Certain References.

12.4.1 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.

12.4.2 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.

12.4.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.5 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. If 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.

12.6 Insurance Trustee. If the Board shall appoint an Insurance Trustee, the Insurance Trustee shall be a bank or trust company in the City of New York designated by the Board and having a capital surplus and undivided profits of $100,000,000 or more. If the Insurance Trustee resigns or is replaced by the Board, the Board shall appoint a new Insurance Trustee which shall be a bank or trust company having an office located in the City of New York and having a capital surplus and undivided profits of $100,000,000 or more. The Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense.

12.7 Successors and Assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or, with the consent of Sponsor, upon any transferee or designee of all then Unsold Units.

12.8 Covenants of Further Assurances

12.8.1 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 manager or officer of the Board, or otherwise, shall, 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 any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.8.2 If any Unit Owner or other party subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within l0 days after request therefor, to take any action which such Unit Owner or other party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Board is hereby authorized, as attorney-in-fact of such Unit Owner 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 or other party, and such document or action shall be binding on such Unit Owner or other party.

12.8.3 If the Board, any Unit Owner or other party which is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which the Board, such Unit Owner or other party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of the Sponsor, then Sponsor is hereby authorized, as attorney-in-fact for the Board, such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board, such Unit Owner or other party, and such document or action shall be binding on the Board, such Unit Owner or other party.

ARTICLE 13

AMENDMENTS TO BY-LAWS

13.1 Amendments by Unit Owners. Subject to the provisions contained herein or in the Declaration with respect to amendments affecting Sponsor or any Unsold Unit, any provision of these By-Laws affecting the Common Elements, the Condominium or all Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in Common Interest of all Unit Owners, 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 affected thereby. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor or any Unsold Units, any such amendment, modification, addition or deletion shall be executed by the Board, as attorney-in-fact for the Unit Owners, coupled with an interest, for the purpose of approving

and executing any instrument effecting such amendment, modification, addition or deletion. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Sponsor or any Unsold Units, the provisions of 6.14 may not be amended, modified, added to or deleted unless 80% 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 Sponsor or Unsold Units. 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 against either (a) Sponsor or the Holder of any Unsold Units, unless Sponsor has given its prior written consent thereto, or (b) the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto.

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 6.2.1, 6.7 or 8.7(d) or (e) shall be effective as against the holder of any Permitted Mortgage heretofore made unless such holder has given its prior written consent thereto.

SCHEDULE A

RULES AND REGULATIONS OF
ARLINGTON SUITES

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any other purpose than ingress to and egress from the Units.

2. No article (including, but not limited, to, garbage cans, bottles or mats) shall be placed in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows, roofs or patios or placed upon the windowsills of the Building.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, or stairways of the Building.

4. Except as otherwise provided in the By-Laws, no public hall, or public elevator, vestibule of the Building shall be decorated or furnished by any Unit Owner in any manner.

5. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or form the doors or windows thereof, any dirt or other substances.

6. No window guards or other window decorations shall be used in or about any Unit except such as shall have been approved in writing by the Board or the managing agent thereof, which approval shall not be unreasonably withheld or delayed. Each Unit Owner shall 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.

7. No radio or television aerial shall be attached to or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any window or other part of the Building except such as are permitted pursuant to the Declaration or the By-Laws or as set forth in the Offering Plan for Arlington Suites or shall have been approved in writing by the Board or the managing agent thereof; nor shall anything be projected from any window of a Unit without similar approval.

8. No ventilator or air-conditioning device shall be installed in any Unit without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit Owner's Unit.

10. No Unit Owner shall make or permit any disturbing noises or activity in the Building, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners or tenants. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph, radio, television set, loudspeaker, or other sound amplification device in such Unit Owner's Unit between midnight and the following 7:00 a.m., if the same shall disturb or annoy other occupants of the Building, and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of l0:00 p.m. and the following 9:00 a.m. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 a.m. and 5:00 p.m., unless such construction or repair work is necessitated by an emergency.

11. No bird, reptile or animal shall be permitted, kept or harbored in the Building unless the same in each instance shall have been expressly permitted in writing by the Board or the managing agent of the Building and such consent, if given, shall be revocable by the Board or such managing agent in their sole discretion, at any time. In no event shall any bird, reptile or animal be permitted in any public elevator in the Building, other than the elevator designated by the Board or the managing agent of the Building for that purpose, or in any of the public portions of the Building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the windowsills, terraces or other public portions of the Building or on the sidewalk or street adjacent to the Building.

12. No refuse from the Units shall be sent to the compactor room in the cellar of the Building except at such times and in such a manner as the Board or the managing agent thereof may direct.

13. Water closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designated, 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 Unit shall be repaired and paid for by the owner of such Unit.

14. No occupant of the Building shall send any employee of the Condominium or of the managing agent out of the Building on any private business.

15. The agents of the Board or the managing agent thereof, and any contractor or workman authorized by the Board or the managing agent thereof, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and examination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

16. No cooking shall be permitted in any Unit not especially constructed and equipped therefor.

17. Corridor doors shall be kept closed at all times except when in actual use of ingress or egress to and from public corridors.

18. The Board or the managing agent thereof should retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board or the managing agent shall be provided with a key thereto immediately upon such alteration or installation. If the 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 the Board or the managing agent thereof, then the Board or such managing agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the managing agent) may forcibly enter such Unit with liability for damages or trespass by reason thereof (if during such entry reasonable care is given to such Unit Owner's property).

19. No vehicle belonging to a Unit Owner or to a member of the family or guest, tenant or employee of a Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building.

20. The Board or the managing agent thereof may from time to time curtail or relocate any portion of the Common Elements devoted to storage or service purposes in the Building.

21. Complaints regarding the service of the Condominium shall be made in writing to the Board or to the managing agent thereof.

22. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board.

23. Except for the Unit Owner with access to the penthouse of the Building, Unit Owners, their families, guests, servants, employees, agents, visitor or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

24. Unit Owners shall not cause or permit any unusual or objectionable noises or odors to be produced upon or to emanate from their Units or any terrace or patio appurtenant thereto.

25. No Unit Owner or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substances, except as shall be necessary and appropriate for the permitted uses of such Unit.

26. If any key or keys are entrusted by a Unit Owner or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Condominium or of the managing agent thereof, 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 Board nor the managing agent thereof shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

27. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board. No Unit Owner or occupant shall permit anything to be done or kept in his Unit or in the 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 Common Elements.

28. No group or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit without the consent of the Board or its managing agent.

29. No Unit Owner shall install any plantings on any terrace, balcony, garden or

roof without the prior written approval of the Board, except plantings on the terraces, roof terraces and gardens adjacent to such Unit. Plantings shall be contained in boxes of wood lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace, balcony, patio or roof surface, and if adjoining a wall at least three inches from such wall. Suitable seep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable seep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace, balcony, patio or roof but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and seep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary or damage caused by such plantings.

30. In the event that any Unit is used for home occupation purposes, which are permitted by law, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

31. Unless expressly authorized by the Board in each case, 80% of the floor area of each Unit (excepting only kitchens, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise reducing material.

32. The following rules shall be observed with respect to the use of compactor equipment (if such equipment is installed and in use of the Building):

(i) Throwing carpet sweepings containing napthalene, camphor balls or flakes, floor scrapings, oil-soaked rags, empty paint cans or any other inflammable, explosive type of highly combustible substances into the charging chute is unlawful and the offender is subject to a penalty.

(ii) All garbage should be well drained, wrapped in a compact package that will not drip or burst while being transported to and deposited into the refuse room. It also should be so wrapped that it will not come apart in its descent into the compacting and carting equipment.

(iii) Vacuum cleaner bags should not be emptied directly into the hopper; such dirt or powdered waste should be securely wrapped or bagged before disposal.

(iv) Cartons, boxes, wood crates, sticks, boards or other solid matter

should be placed in the refuse room for pick-up. Any unusual amount should be called to the attention of the superintendent for special immediate attention.

33. Parking Units may only be used for the parking of one (1) automobile per Parking Unit. No one is permitted to park in any Parking Units, which they do not own, unless they are guests and/or visitors of the Parking Unit Owner and have permission to park in the Parking Unit.

34. Storage Units may only be used for lawful storage purposes and may not be used as living space.

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FORM FOR REQUESTING DISPUTE RESOLUTION BY ATTORNEY GENERAL CONCERNING DOWNPAYMENTS

Re:

File No.

Application is made to the Attorney General to consider and determine the disposition of downpayments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant:

2. Address of Applicant:

3. Name, Address and Telephone Number of Applicant's attorney (if any):

4. This is an application for:

[ ] return of downpayment
[ ] forfeiture of downpayment
[ ] other:_____

5. The project is [ ] a conversion of occupied premises
[ ] newly constructed or rehabilitated
[ ] vacant (as is)

6. The project is structured as:

[ ] a cooperative
[X] a condominium
[ ] a homeowners association

7. Name and Address of Sponsor:

Arlington Suites, LLC
3220 Arlington Avenue
Bronx, New York 10463

8. Name and Address of Escrow Agent:

Ganfer & Shore, LLP
360 Lexington Avenue, 14th Floor
New York, New York 10017

9. If downpayments are maintained in an escrow account:

(a) name of account:

(b) name and address of bank:

(c) account number (if known):

(d) initial interest rate (if known):

10. If downpayments have been secured by bonds:

(a) name and address of bond issuer or surety:

(b) copy of bond included int his application (**do not send original bond**). If not included, explain:

11. If downpayments have been secured by a letter of credit:

(a) name and address of bank which issued a 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 not been declared effective. Approximate date:

(c) If effective, the plan

[ ] has closed or the first unit has closed Approximate date:

[ ] has not closed

[ ] don't know

(d) Downpayments are secured by:

[X] escrow account
[ ] bonds
[ ] letter of credit

13. Contract information:

(a) Copy of contract and all riders or modification letters are attached. (**Do not send originals**)

(b) Date on which subscription or purchase agreement was signed:

(c) Date(s) of downpayment(s):

(d) Total amount of downpayment(s):

(e) Names and addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature:_____ Dated:_____

Name (printed):_____

Telephone (Home):_____ Business:_____

Mailing Address:

_____

_____

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ESCROW AGREEMENT

ATTORNEY GENERAL
OF THE STATE OF NEW YORK
MODEL FORM

AGREEMENT made this ____ day of , 2007 between ARLINGTON SUITES, LLC ("SPONSOR") as sponsor of the offering plan for the conversion of premises 3220 Arlington Avenue, Bronx, New York to condominium ownership and Ganfer & Shore, LLP, 360 Lexington Avenue, New York, New York 10017 ("ESCROW AGENT") as escrow agent.

WHEREAS, SPONSOR is the sponsor of an offering plan to convert to condominium ownership the premises located at 3220 Arlington Avenue, Bronx, New York, which premises are to be known as Arlington Suites; 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 pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable considerations, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with Citibank, N.A. at its branch located at 120 Broadway, New York, New York 10271.

The account number is

1.2 The name of the account is "Arlington Suites Escrow Account."

1.3 Members of ESCROW AGENT are the sole signatories on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan.

1.5 The escrow account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of Ganfer & Shore, LLP, as Escrow Agent. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after the Purchase Agreement is signed by all necessary parties, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser is not sent notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. RELEASE OF FUNDS.

3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

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

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

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

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled, by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL 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:

By: _____
Ganfer & Shore, LLP

Sponsor:

ARLINGTON SUITES, LLC

By: _____
Shmuel Jonas, Member

JD0088

Real Estate Tax Projection

for

3220 Arlington Avenue

Riverdale, New York

Prepared for:
Mr. Shmuel Jonas
c/o Ben Rottenstein & Associates, Inc.
56 Willoughby Street
Brooklyn, N.Y. 11201

November 2, 2006

The Mazursky Group, Inc.
42 Broadway, Suite 1744, New York, NY 10004 (212) 344-2788
386 Park Avenue So., Suite 600, New York, NY 10016 (212) 696-2005

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The Mazursky Group, inc.
Real Estate Tax Consultants and Appraisers

November 2, 2006

Mr. Shmuel Jonas
c/o Ben Rottenstein & Associates, Inc.
56 Willoughby Street
Brooklyn, N.Y. 11201

Re: 3220 Arlington Avenue
Riverdale, New York

I, JEROME MAZURSKY, CERTIFY:

THAT I am a real estate appraiser and have many years of experience in the assessment of real estate for tax purposes both as an Assessor in the Borough of Manhattan and as the Department of Finance's Assistant Commissioner of the Real Property Assessment Division;

THAT I have been retained by the sponsor to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation of the above-captioned property after completion of construction of a new 13-story condominium;

THAT in estimating the assessed valuation of the property, I am aware of the construction costs, rental values and offering prices of the units;

THAT I have consulted with personnel in the Property Division of the Department of Finance regarding the current practice in assessing newly constructed residential condominium buildings. Specifically, discussions centered around appropriate land and building factors and income projections for properties similar to the subject in type and location.

42 Broadway, Suite 1744, New York, NY 10004 (212) 344-2788
386 Park Avenue So., Suite 600, New York, NY 10016 (212) 696-2005

I have discovered the following:

1) The subject property is located at 3220 Arlington Avenue in the Riverdale section of the borough of the Bronx. The sponsor is in the process of constructing a new 13-story elevator apartment house on the site. After completion of construction and the establishment of a condominium, it will contain twenty-six residential units, three community facility units, one garage unit containing 18 parking spaces and one storage unit containing 26 spaces. Prior to construction, four small residential buildings were demolished.

The site has 59.04' frontage on the easterly side of Arlington Avenue and extends 200.56' in depth to the westerly side of Netherland Avenue. It is irregularly-shaped and contains approximately 18,385 square feet of ground area. It is identified on the city's tax records as Block 5788 Lot 78.

2) After completion of construction, the building will contain the following approximate square foot areas and uses:

FLOORS	AREA	USE
Sub-Cellar	13,582	Parking Spaces, Mechanical Rooms, Storage Spaces
Cellar	18,399	Parking Spaces, Boiler, Mechanical and Meter Rooms.
1	16,376	3-Community Facility Units, Parking Spaces, Mechanical Rooms, Residential Lobby
2	10,939	Part of Community Facility Units, Community Space and Pool, Mechanical Room
3-4	12,748	1-2BR Duplex, 1-4BR Duplex, 1-5BR Duplex 2-3BR Apartments
5-8	25,496	12-3BR Apartments
9-11	15,912	1-4BR Duplex, 1-3BR Duplex, 2-4BR, 2-3BR Apts.
12-13	7,308	1-3BR Duplex, 2-3BR Apartments

The Mazursky Group, Inc.
42 Broadway, Suite 1744, New York, NY 10004 (212) 344-2788
386 Park Avenue So., Suite 600, New York, NY 10016 (212) 696-2005

3) The property is currently assessed in Tax Class 2. After completion of construction and conversion to condominium status, the residential units will continue to be assessed in Tax Class 2, whereas the commercial units, the garage unit and the storage unit will be assessed in Tax Class 4 under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums).

Tax Class 2 is comprised of primarily residential rental, cooperatives and condominiums containing more than ten units. Tax Class 4 includes most properties which have uses other than residential. The City's assessment ratio policy for properties in Tax Classes 2 and 4 is to assess at 45% of market value based upon value as an income-producing property. Increases to value are unlimited, but except for increases due to physical changes, are required to be phased-in over a five-year period. The taxable value is the lower of the actual or transitional values.

The Class 4 tax rate for 2006/07 is $11.3060 per $100. The Class 2 rate is $12.396 per $100. Over the past few years, the City Council has adjusted the rates in December. I estimate the tax rates for 2006/07, 2007/08 and 2008/09 at $11.45 per $100 for Class 4 and $12.50 per $100 for Class 2.

4) The recent history of assessed valuation of 3220 Arlington Avenue is as follows:

2002/03	Land	Total
Actual:	$ 30,000	$ 113,928
Transitional:	$ 30,000	$ 113,928

2003/04	Land	Total
Actual:	$ 30,000	$ 116,243
Transitional:	$ 30,000	$ 116,243

2004/05	Land	Total
Actual:	$ 29,680	$ 117,488
Transitional:	$ 29,680	$ 117,488

2005/06	Land	Total
Actual:	$ 247,500	$ 247,500
Transitional:	$ 73,243	$ 73,243

2006/07	Land	Total
Actual:	$ 248,400	$ 3,386,700
Transitional:	$ 116,988	$ 3,255,288

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5) It is my judgment that after construction is completed, the property will be assessed as follows:

2007/08	Land	Total
Actual:	$ 500,000	$ 7,000,000
Transitional:	$ 211,000	$ 6,711,000

2008/09	Land	Total
Actual:	$ 500,000	$ 7,000,000
Transitional:	$ 305,000	$ 6,805,000

6) Using relative values as a rental building as the criterion, I have estimated that the residential units will be assessed at 75.5%, the community facility units at 21%, the garage unit at 2.5% and the storage unit at 1% of the total assessed value. The tax liability during the first year of operation, is estimated at $470,284 for the residential units, $ 123,409 for the community facility units, $14,691 for the garage unit and $5,877 for the storage unit. During the second year, the tax liability is estimated at $ 637,786 for the residential units, $162,496 for the community facility units, $19,345 for the garage unit and $7,738 for the storage unit. The calculations are as follows:

First Year of Operation

Residential Units

1/1/07 - 6/30/07

$ 3,255,288 [1] x .755 [2] x .125 [3] x .5 [4] = $153,609

7/1/07 - 12/31/07

$ 6,711,000 [5] x .755 [2] x .125 [3] x .5 [4] = 316,675

Total: $ 470,284

Community Facility Units

1/1/07 - 6/30/07

$ 3,255,288 [1] x .21 [2] x .125 [3] x .5 [4] = $ 42,726

7/1/07 - 12/31/07

$ 6,711,000 [5] x .21 [2] x .1145 [6] x .5 [4] = 80,683

Total: $ 123,409

1. 2006/07 Taxable Assessed Value
2. Percentage of value for this type of space
3. Estimated 2006/07, 2007/08 and 2008/09 Class 2 Tax Rates
4. Half-year
5. Estimated 2007/08 Taxable Assessed Value
6. Estimated 2007/08 and 2008/09 Class 4 Tax Rate

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6) cont'd.

Garage Unit

1/1/07 - 6/30/07

$3,255,288[1] x .025[2] x .125[3] x .5[4] = $5,086

7/1/07 - 12/31/07

$6,711,000[5] x .025[2] x .1145[6] x .5[4] = 9,605

Total: $14,691

Storage Unit

1/1/07 - 6/30/07

$3,255,288[1] x .01[2] x .125[3] x .5[4] = $ 2,035

7/1/07 - 12/31/07

$6,711,000[5] x .01[2] x .1145[6] x .5[4] = 3,842

Total: $5,877

Second Year of Operation

Residential Units

1/1/08 - 6/30/08

$6,711,000[5] x .755[2] x .125[3] x .5[4] = $316,675

7/1/08 - 12/31/08

$6,805,000[7] x .755[2] x .125[3] x .5[4] = 321,111

Total: $637,786

Community Facility Units

1/1/08 - 6/30/08

$6,711,000[5] x .21[2] x .1145[6] x .5[4] = $80,683

7/1/08 - 12/31/08

$6,805,000[7] x .21[2] x .1145[6] x .5[4] = 81,813

Total: $162,496

Garage Unit

1/1/08 - 6/30/08

$6,711,000[5] x .025[2] x .1145[6] x .5[4] = $9,605

7/1/08 - 12/31/08

$6,805,000[7] x .025[2] x .1145[6] x .5[4] = 9,740

Total: $19,345

Storage Unit

1/1/08 - 6/30/08

$6,711,000[5] x .01[2] x .1145[6] x .5[4] = $3,842

7/1/08 - 12/31/08

$6,805,000[7] x .01[2] x .1145[6] x .5[4] = 3,896

Total: $7,738

7. Estimated 2008/09 Taxable Assessed Value

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6) cont'd.

Each unit will be given a separate tax lot number. Individual tax liability for each unit may be estimated by apportioning the total tax among the unit owners in proportion to the relative value of their space as indicated by the Offering Plan prices.

7) It is my understanding that the sponsor is seeking 421-a real estate tax exemption benefits. If granted, the benefits provide a varied exemption of increases in assessed value over the 2002/03 base tax year. There may be up to a 100% exemption of building value during the construction period (not to exceed three years)and the first eleven years of operation. In the twelfth year, the exemption decreases to 80%, in the thirteenth year it is reduced to 60% and to 40% in the fourteenth and fifteenth years the exemption is further reduced to 20%, after which, the property will be fully taxed.

The 421a exemption generally applies to the entire taxable assessed value, over and above the "mini-tax."[8] However, if the amount of commercial space exceeds 12% of the building's aggregate floor area, the percentage of the property's assessed value that qualifies for the 421a exemption is reduced by the same percentage by which the amount of non-residential space exceeds the 12% cap. The architect calculated the commercial space at 18.87% of the total gross area of the building. The excess commercial space above the 12% permitted by 421a rules is therefore 6.87%. The current practice is to penalize the commercial units for the additional taxes created by the excess commercial space. I have estimated the tax, with 421a exemption benefits in the first year of operation, at $10,752 for the residential units, $38,826 for the community facility units, $4,523 for the garage unit and $1,809 for the storage unit. The calculations are as follows:

Penalty Due to Excess Commercial Space - First Year

1/1/07 - 6/30/07

(3,255,288 [1] - $ 113,928 [9]) x 6.87% [10] x .125 [3] x .5 [4] = $13,488

7/1/07 - 12/31/07

($ 6,711,000 [5] - $ 113,928 [9]) x 6.87% [10] x .125 [3] x .5 [4] = 28,326

Total: $ 41,814

8. The mini-tax is the minimum tax paid each year that the property receives 421a benefits. It is based upon the taxable assessed value in the tax year preceding the tax year in which construction started.
9. 2002/03 Base Year Taxable Assessed Value used to calculate the 421a mini-tax.
10. Excess commercial space over the 12% limit.

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7) cont'd.

First Year of Operation with 421a

Residential Units
1/01/07 - 12/31/07
$ 113,928[9] x .755[2] x .125[3] = **$ 10,752**

Community Facility Units
1/01/07 - 12/31/07
$ 113,928[9] x .21[2] x .1198[11] + [$41,814[12] x .86[13]) = **$38,826**

Garage Unit
1/01/07 - 12/31/07
$ 113,928[9] x .025[2] x .1198[11] + [$41,814[12] x .10[13]) = **$ 4,523**

Storage Unit
1/01/07 - 12/31/07
$ 113,928[9] x .01[2] x .1198[11] + [$41,814[12] x .04[13]) = **$ 1,809**

8) The co-op/condominium real estate tax abatement law, that over the past few years has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners, was recently extended by the State Legislature. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co- op and condominium unit owners. If the abatement to this condominium is granted, the law will allow up to a 17.5% abatement of the real estate tax bill of a unit owner who will own fewer than four units on the city's taxable status date of January 5, 2007. Excluded from receiving the abatement benefits are co-ops and condominiums that receive tax exemption benefits.

11. Average estimated Class 2 and 4 Tax Rates
12. Penalty due to excess commercial space over the 12%.
13. Percentage of distribution of penalty

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9) This estimate of the assessed valuation has been prepared for inclusion in the Offering Plan, and I consent to its use for this purpose.

Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on our interpretation of the administrative code and the applicable rules and regulations of the City of New York. Although I believe my opinions are well-founded, they are not intended, and should not be construed as warranties as to future assessed valuations of the property under discussion.

In no event will this firm, the Sponsor, the Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that estimated above, or if the administrative code and the applicable rules and regulations of the City of New York are changed in the future, or if the facts as represented prove to be untrue.

Jerome Mazursky

Jerome Mazursky, MAI, CAE

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The Mazursky Group, inc.
Real Estate Tax Consultants and Appraisers

JEROME MAZURSKY, MAI, CAE
President

NYS Certified General R.E. Appraisers
46000001594

QUALIFICATIONS

EDUCATION

N.Y.U. School of Commerce - B.S.
Real Estate Courses

Appraising I, II	CUNY
Advanced Assessing	Cornell University
Appraising Problems	University of Connecticut
Computerized Mass Assessing	I.A.A.O.
Various Appraisal Courses	Appraisal Institute

PROFESSIONAL DESIGNATIONS EARNED

MAI	(Member of the Appraisal Institute)
CAE	(Certified Assessment Evaluator, IAAO)
IAO	(Institute of Assessing Officers, NYSAA)

EMPLOYMENT

1973-1980	Assessor - Manhattan
1978	Interim Acting Tax Commissioner for Staten Island
1981-1982	Assistant Commissioner (in charge of the Real Property Assessment Division of the Department of Finance)
1983- Present	Real Estate Tax Consultant/Fee Appraiser

MEMBERSHIPS HELD IN PROFESSIONAL ORGANIZATIONS

International Association of Assessing Officers
N.Y.S. Association of Assessors
Appraisal Institute
American Arbitration Association

ARTICLES PUBLISHED

"The Future of Assessed Valuations in New York City"
Assessment Digest, July 1979
The Valuer's Line, May 1980

Book Review of "You Can Get Your Real Estate Reduced"
Real Estate Review, Spring 1980

"Reflections of an Acting Tax Commissioner"
Real Values, September 1978

"Real Estate Taxes and the Review Process"
C.P.A. Journal, July 1981

"The New Real Estate Tax in New York City"
C.P.A. Journal, July 1982

"Battling Taxes From a Different Vantage Point"
Real Estate Weekly, December 28, 1988

"Forecast of Real Estate Taxes in NYC"
Real Estate Weekly, January 1990

"Real Estate Tax Burden Shifting in New York"
REW - Review & Forecast, July 25, 1990

SCOPE OF APPRAISAL EXPERIENCE

Over a period of twenty-five years, I have valued thousands of properties of almost every conceivable type in New York City. Some of the more notable properties for which I have performed tax projections for offering plans are:

The Plaza Hotel Condominium
500 West End Avenue
350 West 42nd Street
The Corinthian Condominium
Trump Parc Condominium
The Stanhope Condominium
330 East 72nd Street
823 Park Avenue
123 West 44th Street

DiBari Engineering, P.C.
99 Main St
DobbsFerry, NY 10522
914-479-9705

October 30, 2006

Mr. David Mandl, R.A.
Meltzer/Mandl Architects, P.C.
215 Park Avenue South
New York, N.Y.

RE: Arlington Ave. Apartments

Dear Mr. David Mandl:

As per your request, this office has prepared estimated utilities consumption for the base building. The operating costs of each system were estimated in accordance with the standards set forth by the ASHRAE guide, ASPE and fuel costs as per Utility company standard rate sheets and are as follows:

Domestic Hot Water, incl. Pool Gas Consumption :	20,919 Therms $31,378.50 at $1.50 per therm
Space Heating, all areas Gas Consumption :	41,007 Therms $61,600.50 at $1.50 per therm
Cooking:	395.42 Therms monthly based on average use of 50 Cubic ft. per day $7,117.50 per year
General Light & Power:	360,430.20 K.W.H. as per enclosed schedule $66,830.00 per year
Water & Sewer: Based on 150GPD/Occupant Pool and showers	8,427 ccf/year $35,983.29 per year

The building has been designed with a central domestic hot water system and Central Hot water boiler plant for space heating. Separate Gas meters have been provided for the Heating system and the domestic water system. The commercial spaces and the swimming pool facility are separately metered electric and do not impact the bas building electric costs. The central space heating boiler plant supplies heat to the Commercial area and the Pool facility. The Pool facility has a separate pool water heating system. The gas for the Pool heater is connected the base building gas meter. The Pool area has a limited operating schedule of 20 hours per week as directed by the sponsor. The energy for heating the pool water and the make-up water supply to the pool are based on this schedule. Domestic hot water is for the entire residential section of the building. The calculations are representative of a "typical" building with all systems operating

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properly and as described by the ASHRAE guide. The operating hours and demand times selected for use in the calculations comes from similar facilities utility bills. Actual operating cost will vary according to how well the building is constructed, (i.e. air leakage), how the occupancy conforms to the ASHRAE standard for apartment domestic hot water and how vigilant the staff is in shutting off lighting systems in unoccupied rooms. The fuel adjustment charge is not included as it varies greatly every month and not published by the utility company.

Dwelling Unit Operating Cost Analysis

23-Oct-06

Apartment Individual Electric Costs

A. Light and Power:
Assume 1 watt per square foot for 40 hours per week, average cost from utility assumed to be averave cost of $0.185 per KWH

For Apartments up to 1900 feet, 1,900 watts is assumed to be minimium load.
Apartments 3A to 8A, 3B, 4A, 5B to 8B, 5C to 8C, 10A to 13A

Apt up to 1900 sq. ft in Area	KWH/YR	Cost/Yr
1900	3952	**$ 731.12**

For Apartments up to 2500 feet, 2,500 watts is assumed to be minimium load.
Apartments 3D, 9A, 9B, 9C, 12B

Apt up to 2500 sq. ft in Area	KWH/YR	Cost/Yr
2500	5200	**$ 962.00**

For Apartments up to 2800 feet, 2,800 watts is assumed to be minimium load.
Apartment 11B

Apt up to 2800 sq. ft in Area	KWH/YR	Cost/Yr
2800	5824	**$1,077.44**

For Apartments up to 3300 feet, 3,300 watts is assumed to be minimium load.
Apartment 3C

Apt up to 3300 sq. ft in Area	KWH/YR	Cost/Yr
3300	6864	**$1,269.84**

ITEM	Connected LOAD	HOURS WEEK	KWH/YR	COST/YR

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Microwave	1500	7	546	$	101.01
Refrigerator	1200	40	2496	$	461.76
Toaster	1000	1	52	$	9.62
Dishwasher	1200	8	499.2	$	92.35
Clothes Dryer	5000	8	2080	$	384.80
Clothes Wash	1000	8	416	$	76.96
TOTAL FOR APPLIANCES:			6089.2		**$1,126.50**

AIR CONDITIONING COST BY UNIT TYPE

Total Res Electrica; Cost/unit

apt. 3b

A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
5.346	800	4276.8	$ 791.21	**$2,648.83**

APT 3C

A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
16.786	800	13428.8	$2,484.33	**$4,572.83**

APT 3D

A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
9.942	800	7953.6	$1,471.42	**$3,559.92**

APT 3A TO 8A

A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
9.776	800	7820.8	$1,446.85	**$3,304.47**

APT 5B TO 8B

A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
8.798	800	7038.4	$1,302.10	**$3,159.73**

APT 5C TO 8C

A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
8.215	800	6572	$1,215.82	**$3,073.44**

APT 9A

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A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
10.692	800	8553.6	$1,582.42	**$3,670.92**

APT 9B

A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
11.731	800	9384.8	$1,736.19	**$3,824.69**

APT 9C

A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
19.427	800	15541.6	$2,875.20	**$4,963.70**

APT 10A TO 13A

A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
9.776	800	7820.8	$1,446.85	**$3,304.47**

APT 11B

A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
20.01	800	16008	$2,961.48	**$5,165.42**

APT 12B

A/C Unit Load in KW	Cooling FL Hours	KWH/YR	COST/YR	
22.18	800	17744	$3,282.64	**$5,371.14**

DiBari Engineering, P.C.
99 Main St
DobbsFerry, NY 10522
914-479-9705

The rates for electric and power should be as follows: Gas service classification No. 3, "Residential and Religious - Heating firm sales service". Electrical power costs for common areas of building are calculated at Electric service classification No. 9, "General - Large". Water and sewer costs based on current NYC DEP rate of $4.27 per CCF.

If you have any questions or I can clarify any of the above information, please do not hesitate to contact me.

Sincerely,
Di Bari Engineering, P.C.
Consulting Engineers

John A. Di Bari, P.E.

M412 ag-1/rev1



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CERTIFICATION OF SPONSOR AND SPONSOR'S
PRINCIPALS PURSUANT TO PART 20
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A,
AS AMENDED

October 16th, 2006

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

Attn: Real Estate Financing Bureau

Re: Arlington Suites
3220 Arlington Avenue
Bronx, New York

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the New York Condominium Act, 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 making this certification. We jointly and severally certify that the offering plan does, and that the 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:

ARLINGTON SUITES, LLC

By: _____
Shmuel Jonas, Member

SPONSOR'S PRINCIPALS:

_____
Shmuel Jonas

_____
Howard Jonas

Sworn to before me this
16th day of October, 2006

_____
Notary Public

ELLEN M. CLARK
Notary Public, State of New York
No. 01CL6085837
Qualified in Bronx
My Commission Expires Jan. 6, 2007



Meltzer/Mandl Architects, P.C.

CERTIFICATION BY SPONSOR'S
ENGINEER/ARCHITECT PURSUANT TO
SECTION 20 OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED

October 12, 2006

Department of Law Of the State of New York
120 Broadway, 23rd Floor
New York, New York 10271
Attn: Real Estate Finance Bureau

215 Park Avenue So.
New York, NY 10003
646.654.2800
FX: 646.654.2801
www.meltzermandl.com

Re: Arlington Suites
3220 Arlington Avenue
Bronx, New York

To Whom It May Concern:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). I visually inspected existing portions of the property on 3220 Arlington Avenue, NY and I examined the building plans and specifications that have been prepared by Meltzer/Mandl Architects, P.C., License #014623, dated May 25, 2004 and prepared the report dated July 18, 2006, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the report.

I am a licensed engineer/registered architect in the State in which the property is located. I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the report:

i. Sets forth in narrative form, the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that the construction is in accordance with the plans and specifications 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 will exist upon completion of construction, provided that construction is in accordance with the plans and specification 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 statement made.

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

Very truly yours,

David Mandl, R.A

REGISTERED ARCHITECTS
MELTZER/MANDL ARCHITECTS, P.C.
MARVIN MELTZER #010523
DAVID MANDL #014623
STATE OF NEW YORK

AUDREY QUIMBY
Notary Public, State of New York
No. 01QU6061765
Qualified in Queens County
Commission Expires July 23, 2009

Affirmed before me this
17 day of October, 2006.

Audrey Quimby
Notary Public

CERTIFICATION OF ADEQUACY OF BUDGET PURSUANT TO 13 NYCRR 20.4 (d)

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

RE: ARLINGTON SUITES, LLC

The sponsor of the condominium offering plan for the captioned property retained me/our firm to review and prepare Schedule B ("Schedule") containing projections of income and expenses for the first year of condominium operation. My/our experience in this field includes:

Josh Koppel, Certified Property Manager, has been a Building Manager for approximately 9 years. HSC Management has been operating for 28 years. They manage 75 buildings totaling approximately 4,000 units.

I/we understand that I/we am/are responsible for complying with article 23-A of the General Business law and the regulations promulgated by the Office of the Attorney General in part 20 insofar as they are applicable to the Schedule.

I/we have reviewed 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. 1/we also have relied on my/our experience in managing residential buildings.

I/we certify that projections in the Schedule 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.

I/we certify that the Schedule

(i) set forth in detail the projected income and expenses for the first year of condominium operation;
(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
(iii) does not omit any material fact;
(iv) does not contain any untrue statement of a material fact;
(v) does not contain any fraud, deception, concealment, or suppression;
(vi) does not contain any promise or representation as to the future which is beyond reasonable exception or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false; where I/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.

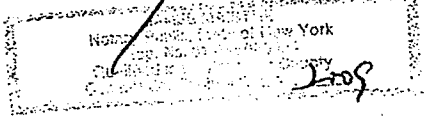
I/we further certify that I am/we are not owned or controlled by the sponsor. I/We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I/we understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

HSC Management Corp.
Signature of Individual or Name of Firm

Sworn to me on 1/8/01



By: _____ V.P.
Signature of the individual if prepared by firm.

CERTIFICATION OF ADEQUACY OF COMMON CHARGES PAYABLE BY NON-RESIDENTIAL UNIT OWNERS PURSUANT TO 13 NYRCC 20.4(e)

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

Re: Arlington Suites LLC
3220 Arlington Avenue
Bronx, New York 10463

The sponsor of the condominium offering plan for the captioned property retained me/our firm to review or prepare Schedule B which includes projections of common charges payable by the owners of the Non-Residential Unit/Community Facility Units. My/or our experience in this field includes:

Josh Koppel, Certified Property Manager, has been a Building Manager for approximately 9 years. HSC Management Corp. has been operating for 28 years. They manage 75 buildings totaling approximately 4,000 units.

I/we understand that I/we am/are responsible for complying with article 23-A of the General Business Law and the regulations promulgated by The Office of the Attorney General in part 20 insofar as they are applicable to the Non-Residential Unit listed in Schedule B.

I/we have reviewed Schedule B as it impacts upon the Non-residential Unit and investigated the facts underlying it with due diligence in order to form a basis for this Certification. I/we also have relied on our experience in managing residential buildings.

I/we certify that the projections in Schedule B for common charges payable by the owner of the Non-Residential Unit appears reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such Non-Residential Units for the projected first year of condominium operation, and that the allocations of common charges attributable to the Non-Residential Units also reflects special or exclusive use or availability or exclusive control of particular common areas.

I/we certify that the estimates in Schedule B for the common charges payable by the owners of the Non-residential Unit:

(i) set forth in detail the projected common charges for the Non-residential Units for the first year of condominium operation.

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

(iii) do not omit any material fact;

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

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

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

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

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

I/we further certify that I am/we are not owned or controlled by the sponsor. I/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 Non-Residential 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.

I/we understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,
HSC Management Corp.

By: _____

Vice President
Title of Position

LARRY KIEL
NOTARY PUBLIC, STATE OF NEW YORK
ID No. 01KI6132150
QUALIFIED IN KINGS COUNTY
MY COMMISSION EXPIRES 08/22/2009

Sworn to before me this
17 day of Aug 2006

Larry Kiel

AFFIDAVIT RE: CONTRACTS OR AGREEMENTS
PRIOR TO SUBMISSION OF THE OFFERING PLAN

State of New York)
) SS.:
County of New York)

Howard Jonas, being duly sworn, deposes and says that:

1. I am a principal of Arlington Suites, LLC, the Sponsor (the "Sponsor") of the proposed condominium offering plan for the Condominium called Arlington Suites with premises at 3220 Arlington Avenue, in the County of Bronx, State of New York.

2. No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the units offered in the plan and no deposits or advances of funds have been taken by or on behalf of sponsor in connection with the reservation, sale or transfer of such units, prior to submission of the plan to the Department of Law.

Howard Jonas, Member

Sworn to before me this
3rd day of January 2007.

Notary Public

ELLEN M. CLARK
Notary Public, State of New York
No. 01CL6085837
Qualified in Bronx
My Commission Expires Jan. 6, 2007

AFFIDAVIT RE: CONTRACTS OR AGREEMENTS
PRIOR TO SUBMISSION OF THE OFFERING PLAN

State of New York)
) SS.:
County of New York)

Shmuel Jonas, being duly sworn, deposes and says that:

1. I am a principal of Arlington Suites, LLC, the Sponsor (the "Sponsor") of the proposed condominium offering plan for the Condominium called Arlington Suites with premises at 3220 Arlington Avenue, in the County of Bronx, State of New York.

2. No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the units offered in the plan and no deposits or advances of funds have been taken by or on behalf of sponsor in connection with the reservation, sale or transfer of such units, prior to submission of the plan to the Department of Law.

Shmuel Jonas, Member

Sworn to before me this
3rd day of January 2007.

Notary Public

ELLEN M. CLARK
Notary Public, State of New York
No. 01CL6085837
Qualified in Bronx
My Commission Expires Jan. 6, 2007

AFFIDAVIT RE: CONTRACTS OR AGREEMENTS
PRIOR TO SUBMISSION OF THE OFFERING PLAN

State of New York)
) SS.:
County of New York)

Shmuel Jonas, being duly sworn, deposes and says that:

1. I am a principal of Arlington Suites, LLC, the Sponsor (the "Sponsor") of the proposed condominium offering plan for the Condominium called Arlington Suites with premises at 3220 Arlington Avenue, in the County of Bronx, State of New York.

2. No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the units offered in the plan and no deposits or advances of funds have been taken by or on behalf of sponsor in connection with the reservation, sale or transfer of such units, prior to submission of the plan to the Department of Law.

ARLINGTON SUITES, LLC

By: _____
Shmuel Jonas, Member

Sworn to before me this
3rd day of January 2007.

_____
Notary Public

ELLEN M. CLARK
Notary Public, State of New York
No. 01CL6085837
Qualified in Bronx
My Commission Expires Jan. 6, 2007

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PARKING SPACE RIDER TO AGREEMENT

RE: _____ ("Purchaser")
Parking Space No. ___
Arlington Suites, Unit No. ___
3220 Arlington Avenue
Bronx, New York 10463

THIS RIDER TO AGREEMENT made as of the ____ day of _____, 20__ by and between Arlington Suites, LLC, a New York limited liability company, having an office at 3220 Arlington Avenue, Bronx, New York 10463 ("Sponsor") and _____, having an address at _____ ("Purchaser").

W I T N E S S E T H:

1. This rider ("Rider") amends and modifies that certain purchase agreement ("Agreement") by and between Arlington Suites, LLC and Purchaser with respect to the above referenced Unit ("Unit") in the condominium known as Arlington Suites located at 3220 Arlington Avenue, Bronx, New York 10463. In case of any inconsistencies between any of the terms and conditions of the Agreement, including any handwritten modifications thereto, and the terms and conditions of this Rider, the terms and conditions of this Rider shall prevail. All of the paragraphs and provisions contained in this Rider are incorporated into the Agreement and made a part thereof with the same force and effect as if therein originally contained.

2. (a) Upon and subject to the terms and conditions set forth in this Rider, Sponsor agrees to sell and grant, and Purchaser agrees to purchase a lease to use a parking space designated as Parking Space No. __ ("Parking Space") simultaneously with the closing of title to the Unit. The lease to use the Parking Space ("Parking Space Lease") shall be substantially in the form set forth in Part II of the Condominium Offering Plan. The Purchase Price for the Parking Space Lease is $35,000.00 ("Parking Space Price"), which is separate from and in addition to the Purchase Price for the Unit. The Parking Space Price shall be paid at the closing of title to the Unit by Purchaser delivering a good certified check of Purchaser or official bank check payable to Sponsor or such other party as Sponsor may designate upon not less than two (2) days notice. Purchaser shall be responsible for the payment of transfer and other taxes, if any, that are associated with the Parking Space Lease.

(b) Until closing of title to the Unit, at which time Purchaser obtains rights to a specific Parking Space, Sponsor shall have the right to change the designated Parking Space allocated to the Purchaser under the Rider.

(c) A default by Purchaser under this Rider shall constitute a default under the Agreement for the Unit and that any other default by Purchaser under the

Agreement for the Unit shall constitute a default under this Rider, entitling Sponsor to those remedies as more fully described in the Agreement and the Plan.

(d) Purchaser acknowledges and agrees that the Parking Space may not be ready for use and/or occupancy at the time of the closing of title to the Unit. Notwithstanding any delay in completion of the Parking Space, Purchaser will still be required to close title to the Unit and pay the balance of the Unit Purchase Price as well as the Parking Space Price at the originally scheduled closing. However, if at the time of closing the Parking Space is not completed, the Parking Space Price and the Parking Space Lease will be placed in escrow. Upon notification from Sponsor that the Parking Space is available for use, Escrow Agent shall release the Parking Space Price to Sponsor with interest earned thereon, if any, and shall deliver Parking Space Lease to Purchaser.

3. The captions in this Rider and the Agreement are for convenience of reference only and in no way define, limit, or describe the scope of this Rider or the Agreement or the intent of any provision hereof.

IN WITNESS WHEREOF, the parties have executed this Rider as of the date written hereinbelow.

DATE: _____
(To be inserted by Sponsor after countersignature by Sponsor)

SPONSOR:

ARLINGTON SUITES, LLC

By: _____
Shmuel Jonas, Member

PURCHASER:

_____

_____

PARKING SPACE LEASE

AGREEMENT MADE THIS _____ day of _____, 200__ ("Agreement") by and between Arlington Suites, LLC ("Lessor"), having an office at 3220 Arlington Avenue, Bronx, New York 10463 and _____, having an address of _____ ("Lessee");

WHEREAS, pursuant to that certain condominium declaration and by-laws for the condominium known as Arlington Suites ("Condominium") dated _____, recorded on _____ in Reel __, Page __ (collectively, "Declaration") for the property having the address 3220 Arlington Avenue, Bronx, New York 10463 ("Property"), the Property was submitted to a condominium regime;

WHEREAS, in accordance with the terms of the Declaration, Lessor is the owner of the Parking Space Unit, including, without limitation, the "Parking Spaces" located in the Building as such term is more particularly defined and described in the Declaration;

WHEREAS, Lessee owns or simultaneously herewith is acquiring a Residential Unit in the Condominium; and

WHEREAS, Lessee desires the right to the exclusive use of Parking Space No. __ ("Parking Space") for so long as Lessee owns a Residential Unit in the Condominium.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties hereto agree as follows:

1. Subject to and in accordance with the terms and conditions of this Agreement, Lessor hereby grants to Lessee, its successors and assigns, and Lessee hereby accepts from Lessor, a lease ("Lease") to use the Parking Space during the term hereof for parking of vehicles of Lessee or vehicles of other occupants of Lessee's above referenced Unit ("Permitted Users") and for no other purpose. Lessee shall only park one vehicle in the Parking Space at one time. Lessee acknowledges that it is Lessee's responsibility to safeguard the vehicle.

2. The term of this Lease shall commence on the date first set forth above, and shall continue on a month to month basis thereafter until Lessee gives written notice of termination, or unless otherwise terminated, as provided herein. This Lease shall automatically terminate in the event that Lessee no longer owns a Unit in the Condominium, unless this Lease is assigned to another Unit Owner or a party simultaneously acquiring a Unit. In the event this Agreement is terminated, Lessee shall vacate and surrender possession of the Parking Space, broom clean, in the condition as existed prior to the commencement of this Agreement. Any vehicle not removed from the Parking Space at the expiration or other termination of this Agreement shall be towed at Lessee's cost and without any liability to Lessee. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of this Agreement.

3. The initial Purchase Price of the Lease will be $35,000.00. The initial monthly rental fee ("Rent") for the Parking Space will be $62.56, if 421a benefits are granted, or $109.64, if the 421a benefits are not granted. The Rent is subject to change and will vary based on the Parking Unit's Carrying Charges, as defined in the Offering Plan of the Condominium. The Rent will never be less than one-eighteenth (1/18) of the Parking Unit's total monthly Carrying Charges.

4. Lessee shall indemnify and save harmless Lessor and Lessor's agents against and from any and all liability, loss, damage and expense (including, without limitation, attorney fees and expenses) arising from injury to person or property occasioned by the failure of the Lessee to comply with any provision in this Agreement, or due wholly or in part to any act, default or omission of the Lessee or of any person using the Parking Space, or by the Lessor, its agents, servants or contractors when acting as agent for the Lessee as herein provided.

5. Neither Lessor nor its agents or employees shall be liable for any theft or damage to any vehicle stored in the Parking Space unless due to the gross negligence of the Lessor. Lessee understands that the Lessor intends to leave the Parking area unattended and that Lessee parks the vehicle in the Parking Space at Lessee's own risk, including, without limitation, the possibility that Parking Space may be damp or have water infiltration. Lessor undertakes only to act as a Lessor and under no circumstances shall the Lessor or its agents be deemed to act as Lessee's bailee.

6. Lessee represents that it has made a thorough inspection of Parking Space and agrees to take same in its condition "as is" as of the date of the commencement of this Agreement. Lessee shall, throughout the term of this Agreement, take good care of the Parking Space. Lessee shall repair all damage to the Building and the Parking Space caused by the parking of the vehicle in the Parking Space.

7. Lessor shall not provide any services to the Parking Space, except lighting on the floor in which the Parking Space is located and elevator service, if necessary. Lessee shall keep the Parking Space clean. Lessee shall have access to the Parking Space twenty-four (24) hours a day, seven (7) days per week.

8. This Agreement shall inure to the benefit of the Lessor's successors and assigns and may not be modified except by a writing signed by the party to be charged.

9. If Lessee shall default in fulfilling any of its covenants or obligations hereunder, in addition to any other rights and remedies available to Lessor, Lessor may (i) deny access to the Parking Space until Lessee cures such default, or (ii) terminate this Agreement by the giving of written notice to Lessee, whereupon this Agreement shall terminate on the date set forth in such notice.

10. Lessee shall, at all times, use the Parking Space only in a manner which is in full compliance with all present and future laws, orders, rules and regulations of all

state, federal, municipal and local governments, departments, commissions and boards (including the New York Board of Fire Underwriters or any similar body) asserting jurisdiction therefor, or any direction of any public officer pursuant to law, including, without limitation, the police and fire departments of the City of New York, which may require the removal or destruction of vehicles parked in the Parking Space. Lessee, its servants, employees, agents, visitors and Lessees shall observe faithfully and comply strictly with the Declaration and any and all rules and regulations for the Building as Lessor or its agents may from time to time adopt.

11. Lessor or its agents shall have the right (but not the obligation) to inspect and examine the same and to make such repairs, replacements and improvements as Lessor shall deem necessary or desirable to the Parking Space or any portion of the Building, all without any liability to Lessee whatsoever as a result thereof.

12. The failure of Lessor to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement or of any of the rules or regulations adopted by Lessor, shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation.

13. The Lease may only be assigned by the Lessee to a party simultaneously acquiring a Unit or to another Unit Owner of the Condominium. In addition, Lessee can only lease their respective Parking Space to other Unit Owners in the Building after obtaining the consent of Lessor. In the event Lessee elects to terminate the Lease or sells its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Parking Space in question will devolve to the Lessor, who shall have the right to issue a new Parking Space Lease to another Unit Owner in its sole discretion.

14. Notwithstanding anything to the contrary set forth herein, in the event Lessee desires to assign this Agreement, such assignment shall comply with the then requirements of Lessor to effectuate such assignment, including, without limitation, the obligation to enter into a new Lease with the assignee. Lessee may permit use of the Parking Space by others than the Permitted Users only with the consent of Lessor.

15. All capitalized terms used in this Agreement not defined herein shall have the same meanings ascribed to them in the Declaration.

16. This Agreement shall inure to the benefit of and be binding upon the heirs, executors, successors, and assigns of the Lessee.

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

LESSOR:

ARLINGTON SUITES, LLC

By: _____
Shmuel Jonas, Member

LESSEE:

_____

_____

STORAGE SPACE RIDER TO AGREEMENT

RE: _____ ("Purchaser")
Storage Space No. ___
Arlington Suites, Unit No. ___
3220 Arlington Avenue
Bronx, New York 10463

THIS RIDER TO AGREEMENT made as of the ____ day of _____, 20__ by and between Arlington Suites, LLC, a New York limited liability company, having an office at 3220 Arlington Avenue, Bronx, New York 10463 ("Sponsor") and _____, having an address at _____ ("Purchaser").

WITNESSETH:

1. This rider ("Rider") amends and modifies that certain purchase agreement ("Agreement") by and between Arlington Suites, LLC and Purchaser with respect to the above referenced Unit ("Unit) in the condominium known as Arlington Suites located at 3220 Arlington Avenue, Bronx, New York 10463. In case of any inconsistencies between any of the terms and conditions of the Agreement, including any handwritten modifications thereto, and the terms and conditions of this Rider, the terms and conditions of this Rider shall prevail. All of the paragraphs and provisions contained in this Rider are incorporated into the Agreement and made a part thereof with the same force and effect as if therein originally contained.

2. (a) Upon and subject to the terms and conditions set forth in this Rider, Sponsor agrees to sell and grant, and Purchaser agrees to purchase a lease to use a storage space designated as Storage Space No. __ ("Storage Space") simultaneously with the closing of title to the Unit. The lease to use the Storage Space ("Storage Space Lease") shall be substantially in the form set forth in Part II of the Condominium Offering Plan. The Purchase Price for the Storage Space Lease is $15,000.00 ("Storage Space Price") which is separate from and in addition to the Purchase Price for the Unit. The Storage Space Price shall be paid at the closing of title to the Unit by Purchaser delivering a good certified check of Purchaser or official bank check payable to Sponsor or such other party as Sponsor may designate upon not less than two (2) days notice. Purchaser shall be responsible for the payment of transfer and other taxes, if any, that are associated with the Storage Space Lease.

(b) Until closing of title to the Unit, at which time Purchaser obtains rights to a specific Storage Space, Sponsor shall have the right to change the designated Storage Space allocated to the Purchaser under the Rider.

(c) A default by Purchaser under this Rider shall constitute a default under the Agreement for the Unit and that any other default by Purchaser under the

Agreement for the Unit shall constitute a default under this Rider, entitling Sponsor to those remedies as more fully described in the Agreement and the Plan.

(d) Purchaser acknowledges and agrees that the Storage Space may not be ready for use and/or occupancy at the time of the closing of title to the Unit. Notwithstanding any delay in completion of the Storage Space, Purchaser will still be required to close title to the Unit and pay the balance of the Unit Purchase Price as well as the Storage Space Price at the originally scheduled closing. However, if at the time of closing the Storage Space is not completed, the Storage Space Price and the Storage Space Lease will be placed in escrow. Upon notification from Sponsor that the Storage Space is available for use, Escrow Agent shall release the Storage Space Price to Sponsor with interest earned thereon, if any, and shall deliver Storage Space Lease to Purchaser.

3. The captions in this Rider and the Agreement are for convenience of reference only and in no way define, limit, or describe the scope of this Rider or the Agreement or the intent of any provision hereof.

IN WITNESS WHEREOF, the parties have executed this Rider as of the date written hereinbelow.

DATE: _____
(To be inserted by Sponsor after countersignature by Sponsor)

SPONSOR:

ARLINGTON SUITES, LLC

By: _____
Shmuel Jonas, Member

PURCHASER:

_____

_____

STORAGE SPACE LEASE

AGREEMENT MADE THIS _____ day of _____, 200__ ("Agreement") by and between Arlington Suites, LLC ("Lessor"), having an office at 3220 Arlington Avenue, Bronx, New York 10463 and _____, having an address of _____ ("Lessee");

WHEREAS, pursuant to that certain condominium declaration and by-laws for the condominium known as Arlington Suites ("Condominium") dated _____, recorded on _____ in Reel __, Page __ (collectively, "Declaration") for the property having the address 3220 Arlington Avenue, Bronx, New York 10463 ("Property"), the Property was submitted to a condominium regime;

WHEREAS, in accordance with the terms of the Declaration, Lessor is the owner of the Storage Space Unit, including, without limitation, the "Storage Spaces" located in the Building as such term is more particularly defined and described in the Declaration;

WHEREAS, Lessee owns or simultaneously herewith is acquiring a Residential Unit in the Condominium; and

WHEREAS, Lessee desires the right to the exclusive use of Storage Space No. __ ("Storage Space") for so long as Lessee owns a Residential Unit in the Condominium.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties hereto agree as follows:

1. Subject to and in accordance with the terms and conditions of this Agreement, Lessor hereby grants to Lessee, its successors and assigns, and Lessee hereby accepts from Lessor, a lease ("Lease") to use the Storage Space during the term hereof for storage of Lessee's personal property and the property of occupants of the Unit ("Permitted Users") and for no other purpose. Lessee shall not store any (i) animals or food, (ii) inflammable, combustible, explosive or other dangerous items, (iii) items which have an objectionable odor or which may spoil or decay or (iv) valuable items. Lessee shall not (i) interfere with another tenant of Licensor, (ii) store any property in the Building outside of the Storage Space, (iii) allow any other person to use the Storage Space except in accordance with the terms hereof, or (iv) deface, damage or alter the Storage Space, the Building or Lessor's equipment. Lessee shall keep the Storage Space locked and shall provide Lessor with a duplicate key. Lessee acknowledges that it is Lessee's responsibility to safeguard the keys and Lessee is fully responsible for whoever has possession of the keys.

2. The term of this Lease shall commence on the date first set forth above, and shall continue on a month to month basis thereafter until Lessee gives written notice of termination, or unless otherwise terminated, as provided herein. This Lease shall automatically terminate in the event that Lessee no longer owns a Unit in the

Condominium, unless this Lease is assigned to another Unit Owner or a party simultaneously acquiring a Unit. In the event this Agreement is terminated, Lessee shall vacate and surrender possession of the Storage Space, broom clean, in the condition as existed prior to the commencement of this Agreement. Any property not removed from the Storage Space at the expiration or other termination of this Agreement shall be considered abandoned and may, at Lessor's option, be retained as Lessor's property or disposed of at Lessee's cost and without any liability to Lessee. Lessee's obligation to observe or perform this covenant shall survive the expiration or other termination of this Agreement.

3. The initial Purchase Price of the Lease will be $15,000.00. The initial monthly rental fee ("Rent") for the Storage Space will be $17.81, if 421a benefits are granted, or $30.85, if the 421a benefits are not granted. The Rent is subject to change and will vary based on the Storage Unit's Carrying Charges, as defined in the Condominium Offering Plan. The Rent will never be less than one-twenty-sixth (1/26) of the Storage Unit's total monthly Carrying Charges.

4. Lessee shall indemnify and save harmless Lessor and Lessor's agents against and from any and all liability, loss, damage and expense (including, without limitation, attorney fees and expenses) arising from injury to person or property occasioned by the failure of the Lessee to comply with any provision in this Agreement, or due wholly or in part to any act, default or omission of the Lessee or of any person using the Storage Space, or by the Lessor, its agents, servants or contractors when acting as agent for the Lessee as herein provided.

5. Neither Lessor nor its agents or employees shall be liable for any theft or damage to any property stored in the Storage Space unless due to the gross negligence of the Lessor. Lessee understands that the Lessor intends to leave the storage area unattended and that Lessee stores property in the Storage Space at Lessee's own risk, including, without limitation, the possibility that the Storage Space may be damp or have water infiltration. Lessor undertakes only to act as a Lessor and under no circumstances shall the Lessor or its agents be deemed to act as Lessee's bailee.

6. Lessee represents that it has made a thorough inspection of Storage Space and agrees to take same in its condition "as is" as of the date of the commencement of this Agreement. Lessee shall, throughout the term of this Agreement, take good care of the Storage Space. Lessee shall repair all damage to the Building and the Storage Space caused by the moving and storing of its property, furniture, or equipment.

7. Lessor shall not provide any services to the Storage Space, except lighting on the floor in which the Storage Space is located and elevator service, if necessary. Lessee shall keep the Storage Space clean. Lessee shall have access to the Storage Space only from 9:00a.m. to 10:00p.m., seven (7) days per week.

8. This Agreement shall inure to the benefit of the Lessor's successors and assigns and may not be modified except by a writing signed by the party to be charged.

9. If Lessee shall default in fulfilling any of its covenants or obligations hereunder, in addition to any other rights and remedies available to Lessor, Lessor may (i) deny access to the Storage Space until Lessee cures such default, or (ii) terminate this Agreement by the giving of written notice to Lessee, whereupon this Agreement shall terminate on the date set forth in such notice.

10. Lessee shall, at all times, use the Storage Space only in a manner which is in full compliance with all present and future laws, orders, rules and regulations of all state, federal, municipal and local governments, departments, commissions and boards (including the New York Board of Fire Underwriters or any similar body) asserting jurisdiction therefor, or any direction of any public officer pursuant to law, including, without limitation, the police and fire departments of the City of New York, which may require the removal or destruction of items stored in the Storage Space. Lessee, its servants, employees, agents, visitors and Lessees shall observe faithfully and comply strictly with the Declaration and any and all rules and regulations for the Building as Lessor or its agents may from time to time adopt.

11. Lessor or its agents shall have the right (but not the obligation) to open the Storage Space in an emergency at any time and at other reasonable times, to inspect and examine the same and to make such repairs, replacements and improvements as Lessor shall deem necessary or desirable to the Storage Space or any portion of the Building, all without any liability to Lessee whatsoever as a result thereof.

12. The failure of Lessor to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement or of any of the rules or regulations adopted by Lessor, shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation.

13. The Lease may only be assigned by the Lessee to a party simultaneously acquiring a Unit or to another Unit Owner of the Condominium. In addition, Lessee can only lease their respective Storage Space to other Unit Owners in the Building after obtaining the consent of Lessor. In the event Lessee elects to terminate the Lease or sells its Unit and does not assign same to another Unit Owner or a person acquiring a Unit, the rights to the Storage Space in question will devolve to the Lessor, who shall have the right to issue a new Storage Space Lease to another Unit Owner in its sole discretion.

14. Notwithstanding anything to the contrary set forth herein, in the event Lessee desires to assign this Agreement, such assignment shall comply with the then requirements of Lessor to effectuate such assignment, including, without limitation, the obligation to enter into a new Lease with the assignee. Lessee may permit use of the Storage Space by others than the Permitted Users only with the consent of Lessor.

15. All capitalized terms used in this Agreement not defined herein shall have the same meanings ascribed to them in the Declaration.

16. This Agreement shall inure to the benefit of and be binding upon the heirs, executors, successors, and assigns of the Lessee.

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

LESSOR:

ARLINGTON SUITES, LLC

By: _____
Shmuel Jonas, Member

LESSEE:

_____

_____