THIS PLAN HAS BEEN AMENDED.

CONDOMINIUM OFFERING PLAN
FOR
THE 211 EAST 51ST STREET CONDOMINIUM



211 EAST 51ST STREET
NEW YORK, NEW YORK 10022

73 Residential Units	$81,780,000
34 Storage Units	$ 678,300
3 Commercial Units	$ 7,500,000

TOTAL AMOUNT OF OFFERING.....$89,958,300

SPONSOR

211-51 PROPERTY, LLC
c/o H. Justin Realty Services LLC
115 West 30th Street, Ste 208
New York, New York 10001

SELLING AGENT

H. JUSTIN REALTY SERVICES, LLC
115 West 30th Street, Ste 208
New York, New York 10001

The Condominium will contain 73 Residential Units, 34 Storage Units and 3 Commercial Units.

Date of Acceptance for Filing January 29, 2008

The Offering Plan may not be used for more than twelve (12) months from date of acceptance unless amended.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

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

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THE PLAN (SEE SPECIAL RISKS SECTION OF THE PLAN).

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

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Certifications
- Sponsor and Principals
- Sponsor's Engineer (Or Architect)
- Sponsor's Expert Concerning Adequacy of Budget
- Sponsor's Expert Concerning Adequacy of Common Charges Payable by the Commercial Unit Owner(s)

PART I

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SPECIAL RISKS

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

1. Although Purchaser is free to apply for a loan to finance the purchase of a Unit, the Purchase Agreement that Purchaser shall be required to sign is not contingent upon Purchaser obtaining such financing. Accordingly, if Purchaser applies for and is denied a loan, Purchaser shall still be obligated to close under the Purchase Agreement. If Purchaser fails to close under the Purchase Agreement, Purchaser may forfeit the Down Payment paid under the Purchase Agreement as liquidated damages. In addition, at Sponsor's discretion, the Purchaser will be charged a late fee based on the following formula for each day that the closing is delayed for reasons other than Sponsor's failure or refusal to close: Purchase Price x 14% / 365.

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

See Section XI of the Plan entitled "Procedure to Purchase" and Section XV entitled "Rights and Obligations of Sponsor" for further information.

2. The Property is expected to contain seventy-three (73) Residential Units, but only thirty-four (34) Storage Units. Storage Units will be sold on a first-come, first-offered basis. Storage Units may only be sold to individuals who own or are purchasing at least one Residential Unit. Sponsor, however, may own Storage Units without owing a Residential Unit. ***See Section I of the Plan entitled "Introduction".***

3. Any Purchaser who defaults under his Purchase Agreement must be given written notice and the opportunity to cure such default within thirty (30) days as provided in a default notice to be sent by Sponsor to Purchaser. If a defaulting Purchaser does not remedy the default within such thirty (30) day period, with **TIME BEING OF THE ESSENCE**, Sponsor will have the right to cancel such defaulting Purchaser's Purchase Agreement and retain as liquidated damages the Down Payment, together with any interest earned thereon, plus the cost of any special work in the Unit ordered by Purchaser. This means that, should Purchaser fail to close on the date required in his

Purchase Agreement, and fails to close within thirty (30) days, as provided in the default notice to such Purchaser, at Sponsor's discretion, Purchaser may forfeit to Sponsor his Down Payment, plus any interest earned on the Down Payment, plus the costs incurred by Sponsor of doing any special work in the Unit requested by Purchaser of Sponsor. Purchaser and Sponsor will thereupon be relieved of all further liabilities and obligations thereunder and under the Plan. If the Purchase Agreement is cancelled, Sponsor has the right to sell the Unit to others as if the Purchase Agreement had never been made, without accounting to Purchaser for the proceeds of such sale. ***See Section XIII of the Plan entitled "Closing of Title to Units and Terms of Sale", as well as Section XI of the Plan entitled "Procedure to Purchase" and the form of Purchase Agreement set forth in Part II of the Plan.***

4. If through no fault of Sponsor, Purchaser shall fail to close on the date fixed by Sponsor for closing of title to Purchaser's Unit, then Purchaser will: (a) pay (among other closing costs) a late fee equal to the Purchase Price x 14%/365 for each day's delay, beginning with the date originally scheduled for the closing to and including the day immediately preceding the actual Closing Date, (b) reimburse Sponsor for the Unit's carrying charges (that is, Common Charges and real estate taxes) during the period of delay, and (c) pay the service fees of Sponsor's attorneys of $225 for each default letter sent to such Purchaser and an additional $225 for each notice sent to such Purchaser to reschedule the closing. ***All of these and other closing costs to be paid by Purchaser are described in Section XIV of the Plan entitled "Unit Closing Costs and Adjustments."***

5. If Purchaser requests more than one adjournment of the Original Scheduled Closing Date, or if Purchaser requests an adjournment of the Original Scheduled Closing Date in excess of thirty (30) days, Sponsor shall have the right to require that as a condition of the adjournment Purchaser must deposit an additional payment in the amount of up to 5% of the purchase price for the Unit(s) being purchased into escrow with the Escrow Agent, which additional payment shall be deemed part of and shall be handled in the same manner as the down payment already paid by Purchaser. Sponsor also shall have the unilateral right to make time of the essence with respect to Purchaser's obligation to close on any rescheduled closing date to which Sponsor consents. A time of the essence obligation means that if Purchaser fails to close on the rescheduled closing date for any reason whatsoever, Sponsor has the right to terminate the Purchase Agreement and retain Purchaser's down payment and any additional payment made pursuant to this paragraph, and all interest earned thereon, as liquidated damages. ***See Section XIV of the Plan entitled "Unit Closing Costs and Adjustments."***

6. Each Down Payment will be kept in a segregated attorney's special escrow account at Hudson Valley Bank, 60 East 42nd Street, New York, New York 10165 (the "Bank"). The Bank is covered by Federal Bank Insurance Deposit insurance to a maximum of $100,000 in the aggregate with respect to all funds deposited by any person in one or more deposit accounts. If Purchaser's Down Payment, together with any other funds of such Purchaser in deposit accounts at the Bank, exceeds $100,000,

the excess above $100,000 will not be federally insured. Neither Sponsor, the Selling Agent nor the Escrow Agent holding the Down Payment will be liable for any losses resulting from the failure of the Bank. ***See Section XI of the Plan entitled "Procedure to Purchase" and the form of Purchase Agreement set forth in Part II of the Plan.***

7. Sponsor will advise each Purchaser of a date and time prior to closing when Purchaser may inspect the Unit being purchased by Purchaser. Purchaser may not inspect a Unit until Sponsor has notified Purchaser that the Unit is ready for inspection. Purchaser shall attend such inspection with Sponsor's representative, and shall, together with Sponsor's representative, complete, date and sign an Inspection Statement, a form of which is contained in Part II of the Plan (the "Inspection Statement") at the conclusion of the inspection. If, however, during the inspection Purchaser notes certain Punchlist Items that Sponsor, through its inspection representative, agrees to complete, repair or replace, these Punchlist Items shall be itemized on a list attached to the Inspection Statement (the "Punchlist"). The Punchlist must be initialed by Sponsor's representative and signed and dated by both Sponsor's representative and Purchaser at time of inspection to be binding on Sponsor. The only Punchlist Items Sponsor shall be obligated to complete shall be those contained in such initialed and dated Punchlist. Purchaser's failure to attend the inspection appointment or to sign and deliver the completed Inspection Statement and/or Punchlist, shall not excuse Purchaser from paying the balance due at closing and shall constitute full and unconditional acceptance of the Unit in its "as-is" condition. No discussion of Punchlist Items is to take place at the closing itself. ***See Section XIII of the Plan entitled Closing of Title to Units and Terms of Sale".***

8. Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense in excess of its obligations under the Plan to cure any inability to deliver title to a Unit in accordance with the Plan and the terms of the Purchase Agreement for such Unit. If Sponsor shall notify Purchaser of its refusal to cure any such inability, then such Purchaser's sole remedy will be either: (a) to accept such title as Sponsor is able to deliver without abatement in or credit against the Purchase Price for the Unit and without any claim or right of action against Sponsor for damages or otherwise, or (b) to terminate his Purchase Agreement and receive a refund of his Down Payment and any interest earned thereon. Purchaser must notify Sponsor which option such Purchaser elects within ten (10) days after notice from Sponsor of Sponsor's refusal to cure such inability, with **TIME BEING OF THE ESSENCE**. If Purchaser fails to timely deliver such notice, it will be conclusively deemed that such Purchaser has elected to acquire title to the Unit subject to such inability. If this Plan is withdrawn or abandoned, all Purchasers will be so notified in writing. Within twenty (20) days thereafter, all monies (including but not limited to Down Payments) paid to Sponsor pursuant to Purchase Agreements then in effect (together with any interest earned thereon) will be returned to Purchasers. ***See Section XIII of the Plan entitled "Closing of Title to Units and Terms of Sale" and the form of Purchase Agreement set forth in Part II of the Plan.***

9. Sponsor will control the Condominium Board until the expiration of the period ending on the earlier of: (i) the closing of title with Purchasers under the Plan to Units having more than fifty percent (50%) of the aggregate Common Interests appertaining to all Units (Residential and Storage), or (ii) the fifth (5^{th}) anniversary of the First Unit Closing (the "Initial Control Period"). Commencing with the first election of Managers held following the expiration of the Initial Control Period, and at all elections thereafter, Sponsor or its designee will be permitted to designate a minimum number of representatives on the Condominium Board based on varying degrees of Unit ownership by Sponsor or its designee.

As long as Sponsor or any Sponsor Successor continues to continues to own Units constituting at least twenty-five percent (25%) of the common interests during the five years following the First Unit Closing, (i) Sponsor may appoint two (2) Residential Board Members, and (ii) Units representing less that ten (10%) percent in Common Interest attributable to Residential and Storage Units, but at least one Residential Unit, Sponsor shall have the right but not the obligation to appoint one Residential Board Member. Furthermore, the Condominium Board of Mangers shall be restricted from taking certain action without the prior written consent of Sponsor or any Sponsor Successor for a period of time ending at the sooner of five (5) years after the First Unit Closing or the date on which the Units owned by Sponsor comprise less than twenty-five (25%) percent in Common Interest.

See Section VIII of the Plan entitled "Commercial Units", Section XVI of the Plan entitled "Control by Sponsor" and Section XVII of the Plan entitled "Rights and Obligations of Condominium Board/Summary of By-Laws".

10. Sponsor has not furnished any bond or other security for the performance of its obligations under this Plan. ***Section XVI of the Plan entitled "Control by Sponsor" and Section XVII entitled "Rights and Obligations of Condominium Board/Summary of By-Laws".***

11. **EACH RESIDENTIAL UNIT OWNER OR STORAGE UNIT OWNER MAY SELL OR LEASE HIS UNIT, BUT ONLY AFTER THE RESIDENTIAL UNIT OWNER OR STORAGE UNIT OWNER GIVES THE CONDOMINIUM BOARD PRIOR WRITTEN NOTICE OF HIS INTENTION TO DO SO, ACCOMPANIED BY A FULLY EXECUTED COPY OF THE CONTRACT OF SALE OR LEASE, CONTAINING ALL OF THE TERMS OFFERED IN GOOD FAITH BY THE PROSPECTIVE PURCHASER OR LESSEE. THE CONDOMINIUM BOARD, ON BEHALF OF ALL UNIT OWNERS, WILL HAVE THE EXCLUSIVE RIGHT TO ELECT, WITHIN TWENTY (20) DAYS AFTER RECEIPT OF THE NOTICE OF SALE OR LEASE, TO PURCHASE OR LEASE THE RESIDENTIAL UNIT OR STORAGE UNIT ON THE SAME TERMS SET FORTH IN THE CONTRACT OR LEASE, AS MORE SPECIFICALLY SET FORTH IN THE BY-LAWS.** If the Condominium Board does not notify the Residential Unit Owner or Storage Unit Owner of its election to purchase or lease the Residential Unit or Storage Unit within the aforementioned time period, the Residential Unit Owner or Storage Unit Owner will have thirty (30) days after the expiration of the twenty day

period to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease appended to the notice. After the expiration of such thirty (30) day period, the Residential Unit Owner or Storage Unit Owner will again be required to offer the Residential Unit or the Storage Unit to the Condominium Board as provided above. The foregoing restrictions upon the sale and lease of Residential Units and Storage Units will not apply to any conveyance: (i) by a Residential Unit Owner or Storage Unit Owner by gift, will or intestacy; (ii) by Sponsor or any Sponsor Successor; or (iii) by or to a mortgagee in foreclosure or by deed in lieu of foreclosure, each of whom will be free to sell or lease without first offering to sell or lease to the Condominium Board. Storage Units may only be sold to individuals who own or are purchasing at least one Residential Unit. Sponsor, however, may own a Storage Unit without owning a Residential Unit. ***See Section XVIII of the Plan entitled "Rights and Obligations of Unit Owners."***

12. Sponsor advised Purchasers, it is Sponsor's unequivocal intention to sell the Residential Units and Storage Units to Purchasers who are buying for their or their family's personal occupancy and not to establish The 211 East 51st Street Condominium as a rental apartment building. However, Sponsor, just as any prudent developer, reserves the right, however, to sell Residential Units and Storage Units to investors who intend to rent and not to occupy their Residential Units or use their Storage Units personally. In addition, Sponsor and any Sponsor Successor may from time to time freely rent any Unsold Units in accordance with Applicable Law, without charge or limitation whatsoever and without the consent of the Condominium Board or any other Residential Unit Owner or Storage Unit Owner and/or their Mortgagees. The Property is currently encumbered by a mortgage; however, the mortgage does not place any limit on Sponsor's right to rent rather than sell Units. As a result, there is no commitment by Sponsor to, and it is conceivable (although unlikely) that Sponsor will not, sell more than the minimum 15% of the Residential Units necessary to declare the Plan effective. If Sponsor determines to rent Units as a result of such decline in the market, Sponsor will make all reasonable efforts to resume sales of vacated or rented units at (or, in Sponsor's sole judgment, before), such time as the market has recovered.

As a result of the foregoing, some (and possibly many) of the Residential Units may be occupied by renters and not Residential Unit Owners. This may limit or impair Purchaser's ability to obtain financing or refinancing (see paragraph 1 above in this Section), depending on the number of owner-occupied Residential Units and the requirements of lenders at the time. Purchaser's ability to resell his Residential Unit or Storage Unit may similarly be limited or impaired if at such time many lenders have a higher minimum requirement of owner-occupied Residential Units than may then exist in the Building.

See Section XVI of the Plan entitled "Control by Sponsor" and Section XVII of the Plan entitled "Rights and Obligations of Condominium Board/Summary of By-Laws".

13. The balconies/terraces may not be used for any type of occupancy, including, but not limited to, dining, sleeping, living room, recreation, office, etc. To do so may result in a violation against the Building being issued by the New York City Department of Buildings. ***See Section XVIII of the Plan entitled "Rights and Obligations of Unit Owners".***

14. The Storage Units may not be used for any type of occupancy including, but not limited to, dining, sleeping, living room, recreation room, office, etc. To do so may result in a violation against the Building being issued by the New York City Department of Buildings. ***See Section XVIII of the Plan entitled "Rights and Obligations of Unit Owners".***

15. The Storage Units may not be used for Combustible Items as defined in the New York City Buildings Code. No storage of clothing, furniture, books, papers or any other combustible items will be permitted. The Storage Units may not be used for any type of occupancy including, but not limited to, dining, sleeping, living room, recreational room, office, etc. To do so may result in a violation against the Building being issued by the New York City Department of Buildings. ***See Section XVIII of the Plan entitled "Rights and Obligations of Unit Owners".***

16. Sponsor's engineer expresses no opinion as to whether any anticipated working capital fund to be established by Sponsor will be sufficient to pay for major capital improvements or replacements which are reasonably foreseeable within the first three years of Condominium operation. If such fund is not sufficient therefor, Unit Owners of the Condominium will have to fund any such improvements and replacements themselves, either through increases in Common Charges, Special Assessments, or some other means. ***See Part II of the Plan, "Architect's Description of Property and Building Condition".***

17. Purchasers are advised that the dimensions shown on the Floor Plans in Part II of the Plans are only approximations and are subject to change should site conditions so necessitate. Each Unit should be physically inspected to determine its actual dimensions, layout and condition. In preparing the room count in Schedule A, Sponsor counted each bedroom identified as a bedroom on the Floor Plans as one bedroom, and each bathroom containing a toilet, sink and shower facilities as one bathroom. If a bathroom did not contain a shower or bath facilities, it was counted as a half-bath. As more fully described in the "Architect's Description of Property and Specifications" contained in Part II of the Plan, in calculating the approximate square foot area of the Unit as shown in Schedule A, Sponsor's Architect measured horizontally from the exterior side of the exterior walls (perimeter columns and mechanical pipes/ducts/shafts are not deducted) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. Any Common Elements located within a Unit shall not be considered a part of such Unit. As is customary in New York City square foot areas exceed the usable

floor area of each Unit. ***See Part II of the Plan entitled "Architect's Description of Property and Specifications".***

18. The Sponsor has determined that the building contains approximately five thousand seven hundred seventy-five (5,775) square feet of unused development rights, commonly known as "air rights". The unused development rights are being retained by Sponsor for the purpose of enlarging the Building at a later date or transferring to an adjoining parcel or parcels or a Unit within the Condominium. If the unused development rights are used to enlarge the building, then the development rights could be used to enlarge one of the penthouse floors or to add additional floors to the Building. The Building lot is located in two zoning districts, namely, C6-6 and R8B. Approximately forty feet of the westerly portion of the Building lot is located in the C6-6 zoning district. Since the C6-6 zoning district permits more floor area than the R8B zoning district, the additional stories would need to be added to the westerly portion of the Building. The addition could be as much as four (4) additional stories; however, such an addition is highly unlikely due to the present structural limitations of the Building. In the event Sponsor desires to utilize the unused development rights to enlarge the Building, the Plan will be duly amended to disclose the extent of such enlargement, the scope of work and its impact, if any, on the occupants of the Building and the use of the Common Areas. As of the date hereof, no plans have been filed or prepared with reference to the addition of additional levels to the top of the Building. All properties that are contiguous to the land for ten linear feet or more are potential recipients for the unused development rights in the event same are not used in the expansion of the Building. The property to the east of the Building is a private park owned by the Greenacre Foundation and used for open space and recreation and, thus, not a feasible candidate for the unused development rights. The other properties are situated to the west and north. The properties to the north are buffered by a rear yard on the Condominium's Land. The property to the west is improved by a building that is already taller than the Condominium Building; therefore, an increase in height of such building will have no material effect on existing views. ***See Section III of the Plan entitled "Description of Property and Improvements".***

19. The east and west walls of the Building (F and G lines on the east side and A and B lines on the west side) are built on the property line adjacent to other properties to the east and the west. Characterization of a window as a lot line window generally means that depending on the proximity and height of the improvements on the adjacent properties, the lot line window is required by law to be protected against fire occurring in the improvements on the adjacent lots in a manner satisfactory to the NYC Department of Buildings. Such fire protection can include sealing the window completely, sprinklering it, using tempered glass or glass block instead of window glass, or using windows made of steel with wire glass. Because of their characterization as lot line windows, the windows identified above are constructed of wire mesh glass. In addition, Purchasers are advised that, if the private park to the east of the Building is developed and a building constructed thereon, the Residential Units on the east side of the Building likely will lose their lot line windows altogether and will have windows only on the north and south exposures of the Units. As of the date hereof, the cost to close a lot

line window is approximately $800.00 per window, and such cost will be borne by the Condominium. If the lot line windows need to be closed, the bedrooms affected thereby will still be able to be legally used as bedrooms due to the fact that such bedrooms have sufficient light and air without the inclusion of the light and air from the lot line windows. ***See Section III of the Plan entitled "Description of Property and Improvements".***

20. Unit Owners must notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Residential Unit Owner shall install, at the Residential Unit Owner's expense, the required window guards in all windows of the Unit and shall not remove them until permitted by law in any event, without the full knowledge of the Managing Agent. ***See Section XVII of the Plan entitled "Rights and Obligations of Unit Owners".***

21. Sponsor and/or its designees reserve the right, without prior notice or amendment to the Plan, to use any Unit owned by Sponsor as a sales office, model apartment or for any other legal purpose consistent with the first class residential nature of the Building. ***See Section III of the Plan entitled "Description of Property and Improvements".***

22. The Commercial Units will be located on the cellar, first floor of the Building. The entrance to the Commercial Units are on East 51st Street, on the east and west side of the lobby to the Residential Units. Any Commercial Unit Owner (and a tenant of all or part of such Unit if permitted by the lease therefor), shall have the right with the consent of the Board, which should not be unreasonably withheld, conditioned or delayed, without payment or restriction except as provided in the by-laws of the Condominium to erect and install one or more signs on the outside and inside of the applicable Commercial Unit (including without limitation, the outside and inside portions of windows, door and the exterior walls enclosing the Unit), and on the sidewalks immediately adjacent to the Unit, and thereafter to maintain, repair, alter and otherwise operate such signs, which signs may be of any size, content, composition, color, material, design, illumination, character or appearance deemed appropriate by the Board in connection with the sale, rental, promotion, operation, management, use, business, identity or other disposition of the Commercial Unit, and must in all events be in keeping with the first-class character of the Building. Any such signage by the Commercial Unit Owner (or tenant of the Unit, as applicable), may not impair or threaten the structural integrity of the Building, violate applicable laws, or constitute a nuisance or otherwise serve as an unreasonable interference with the peaceful and proper possession of the Residential Units for their intended or permitted purposes.

The Commercial Unit Owners shall have an easement for access through, and use of, corridors and areas in and through the lobby of the Building and, if necessary, the passenger/freight elevator, comprising part of the Residential Common Elements, in order to access and use any mechanical rooms or areas that contain equipment or meters serving the Commercial Units, which are located in the cellar.

The Commercial Unit Owners shall have the exclusive right to install equipment and ducts on the roof comprising part of the Commercial Unit, to the extent permitted by

applicable zoning, law and code. The Commercial Unit Owner also will have an easement and right to install duct work along the rear of the Building from the Commercial Unit to the main roof of the Building, for purposes of exhausting or ventilating the Commercial Unit, and to maintain, service and operate such duct work.

The Commercial Unit Owners shall have an easement for access through the rear yard for emergency egress.

See Section III of the Plan entitled "Description of Property and Improvements" and Section VIII of the Plan entitled "Commercial Units" for a further discussion.

23. A portion of the rear yard (as set forth on the Floor Plans) will be set aside as a recreational area for the use of Building residents. However, Sponsor will not be installing decking or other improvements in or on the recreational area. If the Board of Managers determines to use the recreational portion of the rear yard for recreational purposes, the Board will be obligated to install decking, fencing and/or other improvements to render same suitable for such use at the Condominium's cost and expense. ***See Section III of the Plan entitled "Description of Property and Improvements".***

24. The Condominium will contain three (3) Commercial Units which are being offered for sale. Two of the Commercial Units are currently vacant; one is occupied by a tenant that utilizes the premises as a health club and is currently leased to such tenant. In addition, the Commercial Units may be used as restaurants. The use of the Commercial Units as a restaurant may result in increased noise, traffic and odors. ***See Section VIII of the Plan entitled "Commercial Units".***

25. Natural gas, electricity, water and sewer, service contracts, and repairs, maintenance and supplies are costs totally borne by the Residential Unit Owners. The Commercial Unit Owners do not share in the cost of these items. Commercial Units represent 9.711% of the common interests. Since Insurance benefits all Units equally, 9.711% of the cost of Insurance has been allocated to the Commercial Units. However, most of the building staff will not service the Commercial Units. As a result, the Commercial allocation for Wages & Benefits is based on the Superintendent's base salary only. In addition, other categories, such as Management Fee, Legal & Accounting, Administrative and Contingency, will primarily serve the Residential Unit Interests and, thus the Commercial Allocation to those items is 4.855%, which is one-half of 9.711%. ***See Section VI of the Plan entitled "Schedule B" for further discussion.***

26. Pursuant to existing law and regulation Sponsor may declare the Plan effective by selling a minimum of fifteen percent of the Units in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to convert the Building with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Unit. ***See Section XII of the Plan entitled "Effective Date of the Plan".***

27. Immediately prior to the First Unit Closing, Sponsor shall apportion the following items (to the extent applicable) with the Condominium Board as of the day immediately preceding such closing: employees' wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building; fees for assignable permits and licenses, if any; cost of fuel; charges for electricity and gas for the Common Elements; payments under service and maintenance contracts and concession agreements; real estate taxes, water charges and sewer rents on the basis of the tax year for which assessed (unless separately assessed to individual Units);cost of supplies on hand at Sponsor's cost; and premiums for transferable insurance policies provided coverage of the policies conforms to that set forth in Schedule B of the Plan located at Section XII. If the result of the closing adjustments is a net credit in favor of the Condominium, Sponsor shall pay or credit the amount thereof to the Condominium at the First Unit Closing. If, however, the result of the closing adjustments is a net credit in favor of Sponsor, the amount of such net credit shall be paid to Sponsor at the time of the First Unit Closing out of the Working Capital Fund. In no event, however, shall such payments be made to Sponsor to the extent that they would result in the reduction of the Working Capital Fund to an amount less than $5,000. If, because of the limitation set forth in the preceding sentence, Sponsor is not paid the full amount of the net credit to which it is entitled, at the time of the First Unit Closing, the unpaid balance of the net credit in favor of Sponsor shall be paid to Sponsor by the Condominium Board, without interest, in twelve equal consecutive monthly installments pursuant to the terms of a negotiable promissory note to be executed by the Condominium Board at the First Unit Closing. The Condominium Board will be entitled to prepay such promissory note in full only, at any time and without penalty. The promissory note in favor of Sponsor may result in an increase in common charges or a special assessment to the Unit Owners. ***See Section XXII of the Plan entitled "Working Capital Fund; Closing Adjustments with Condominium Board; Reserve Fund for further discussion.***

I. INTRODUCTION

1. General

211-51 Property, LLC (the "Sponsor") is a New York limited liability company. Sponsor presents this Offering Plan (the "Offering Plan" or the "Plan") for the sale of Units in a building being renovated and converted into condominium units by Sponsor as The 211 East 51st Street Condominium, located at 209-211 East 51st Street, New York, New York 10022 (the "Project"), and the parcel of land on which it is situated (such parcel of land referred to as the "Property").

The purpose of the Plan is to set forth all of the material terms of Sponsor's offer to sell the Units. Sponsor may amend the terms of this Plan from time to time during the period of this offering. Any such change in terms will be effected through the filing by Sponsor of an amendment to this Plan with the New York State Department of Law, the amendment will be distributed to all parties who previously received a copy of the Plan from Sponsor and have not yet signed a Purchase Agreement or have not yet closed on their purchase and to Unit Owners who purchased their Units from Sponsor.

The Plan is presented in two parts, which parts, together with any amendments to the Plan, constitute the entire Plan. Part I sets forth a general description of the material terms of the offering and a summary of the basic documents used to purchase a Unit and to maintain and operate the Condominium. Part II contains the basic documents necessary to effectuate the provisions of the Plan. Also included in Part II is a detailed description of the physical aspects of the Property, legal opinions as to certain tax matters discussed in the Plan and certifications by Sponsor, its architect and its budget expert, as to the trust and accuracy of the information in the Plan for which they are primarily responsible.

Prices for Units may be found on Schedule A which is contained in Part I, Section V of the Plan. Prices were set by Sponsor and are not subject to review or approval by the Department of Law or any other government agency.

2. The Property

The Project consists of the renovation and rehabilitation of a mixed-use building (the "Building") containing commercial use at the street and cellar levels, and residential use above, with storage units in the cellar.

Sponsor acquired fee title to the Property by deed dated May 4, 2007. The Property has no residential tenants. One commercial tenant remains in the Building under a lease that expires November 30, 2013.

3. The Condominium

The Condominium will be known as The 211 East 51st Street Condominium and will be organized to comply with, and will be subject to, Article 9-B of the Real Property Law of the State of New York, as amended (the "Condominium Act"). The Property is expected to contain seventy-three (73) Residential Units, three (3) Commercial Units and thirty-four (34) Storage Units. Accordingly the Condominium is expected to contain 110 Units in total. All Units will be offered for sale. Storage Units will be sold on a first-come first-offered basis. Storage Units may only be sold to individuals who own or are purchasing at least one Residential Unit. Sponsor, however, may own Storage Units without owning a Residential Unit.

4. Features of Condominium Ownership

Ownership of a condominium Unit is similar in many respects to ownership of a private home with respect to the Residential Units. The owner of each Unit (the "Unit Owner") owns fee title to his Unit and is entitled to the exclusive possession thereof. In addition, each Unit Owner also owns, in common with every other Unit Owner, an undivided percentage interest in all parts of the Property other than the Units themselves (the "Common Elements"). Appurtenant to certain Units may be the exclusive right to use portions of the Common Elements such as a balcony, terrace or patio (the "Limited Common Elements"). Ownership of a Commercial Unit is similar to ownership of a Residential Unit in that each Commercial Unit Owner owns fee title to its Unit and is entitled to exclusive possession thereof. The main difference is that the Commercial Unit may not be occupied for dwelling purposes.

The undivided percentage of each Unit in the Common Elements (the "Common Interest") has been determined upon the basis of each Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to Real Property Law §339-i(1)(iv), and are based upon each Unit's floor space, subject to the location of such Unit and the additional factors of relative value to other Units 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 aggregate Common Interests of all Units equals one hundred percent (100%). Each Unit's Common Interest is listed in Schedule A. With respect to the Residential Units and Storage Units, each Residential Unit Owner and Storage Unit Owner must pay common charges proportionate to the Common Interests allocated to all Residential Units and Storage Units and the Residential Unit and Storage Unit in question, pursuant to Real Property Law §§339-i and 339-m, and further pursuant to 13 NYCRR Part 20 and, with respect to the Commercial Units, each Commercial Unit Owner must pay common charges proportionate to the Common Interests allocated to all Commercial Units and the Commercial Unit in question.

The authority to manage the Condominium is vested in the Condominium's Board of Managers (the "Condominium Board"), the members of which are elected by vote of

the Unit Owners in accordance with their respective Common Interests (with the exception of Sponsor or its designee, which will maintain certain control beyond that to which it would be entitled as an ordinary function of its ownership interest). Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations of the Condominium, and any other requirements lawfully imposed by the Condominium Board. See Section XVIII of the Plan entitled "Rights and Obligations of Unit Owners" and Section XVII entitled "Rights and Obligations of Condominium Board/Summary of By-Laws."

Subject to the foregoing allocation between Residential and Commercial Unit Owners, the Condominium Board may, from time to time, assess all Unit Owners, in proportion to the respective Common Interests of their Units, charges (the "Common Charges") for, among other things, the cost and expense of operating, maintaining and repairing the Common Elements (the "Common Expenses"). Each Unit Owner will be solely responsible for the payment of all Common Charges assessed against him. See Section XIX of the Plan entitled "Rights and Obligations of Unit Owners." An estimate of Common Charges that will be payable by each Unit Owner during the first year of Condominium operation of the Property is set forth in Schedule A.

Each Unit Owner may freely mortgage his Unit, as he sees fit, with such lender and in such amount as he chooses, subject only to compliance with certain filing requirements contained in the Condominium's By-Laws. See Section XVIII of the Plan entitled "Rights and Obligations of Unit Owners" and Section XVII entitled "Rights and Obligations of Condominium Board/Summary of By-Laws." Each Unit is separate and is not subject to the lien of any mortgage on any other Unit.

Any Unit Owner may sell or lease his Unit to anyone, without restriction or limitation, subject only to the right of first refusal in favor of the Condominium Board or a third party produced by the Condominium Board to acquire or lease a Residential Unit upon the same terms offered to the prospective buyer or tenant of such Residential Unit. With respect to the Storage Units, the Condominium Board may only exercise its right to acquire or lease such Storage Unit if it is exercising such right with respect to a Residential Unit. The Condominium Board does not have the right to approve or disapprove Purchasers. There is no limit on the number of Unit Owners who may purchase for investment rather than for personal occupancy; consequently, there may always be a substantial percentage of Unit Owners who are non-residents. Notwithstanding the foregoing, Storage Units may only be sold to individuals who own or are purchasing at least one Residential Unit. Sponsor, however, may own Storage Units without owning a Residential Unit. See Section XVIII of the Plan entitled "Rights and Obligations of Unit Owners" for further discussion.

Because the Plan can only be declared effective based on sales of fifteen per cent (15%) of the Residential Units, Purchasers may be living in a mixed rental/owner-occupied building for an indeterminate period of time. Owner-occupants may not control the Condominium Board or operation of the Property during such transition. A mixed rental/owner-occupant building often creates a situation where owner-occupants, non-

resident owners and renters each have different interests. For as long as Sponsor shall continue to own any Units, Sponsor will have a continuing role in the operation of the Property, which could have the effect of impeding the ability of the non-Sponsor Unit Owners to operate the Property in the full manner that they desire.

Each Unit will be taxed as a separate tax lot for real estate tax and assessment purposes, and each Unit Owner will be solely responsible for the payment of all real estate taxes and assessments on his Unit.

An estimate of the real estate taxes and assessments that will be payable by each Unit Owner during the first year of condominium operation of the Property is listed in Schedule A. See the Footnotes to Schedule A for further discussion. No Unit Owner will be liable for the payment of, and no Unit will be subject to, any lien arising out of the nonpayment of real estate taxes or assessments levied against any other Unit. See Section XIX of the Plan entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" for a discussion of additional tax aspects of condominium ownership.

Each Unit Owner may decorate the interior of his Unit in any desired manner, subject to compliance with the Condominium's By-Laws and the Rules and Regulations promulgated pursuant thereto, and will be solely responsible for the cost and expense of maintaining, repairing and painting his Unit, as well as obtaining separate casualty and liability insurance applicable solely to his Unit. Until such time as Sponsor relinquishes control of the Board and until Sponsor notifies the Board of Managers that he will make no other changes or amendments to the final certificate of occupancy, all alterations to Units including, but not limited to, alterations requiring a permit from the Department of Buildings, shall require the prior approval of Sponsor controlled Board of Managers. See Section XVIII of the Plan entitled "Rights and Obligations of Unit Owners" and Section XVII of the Plan entitled "Rights and Obligations of the Condominium Board/Summary of By-Laws."

5. Summary of Contents of the Plan

The agreement to purchase a Unit is called a "Purchase Agreement", the general form of which is set forth in Part II of the Plan. The procedure to purchase is summarized in Part I of the Plan in Section XI entitled "Procedure to Purchase."

A detailed description of the physical condition of the Property, prepared by CMA Design Studio, P.C., and included as part of the "Description of Property and Building Condition" contained in Part II of this Plan, should be reviewed carefully by prospective Purchasers.

Floor plans (the "Floor Plans") of the Units are set forth in Part II of the Plan.

The salient provisions of the Declaration of the Condominium (the "Declaration"), which establishes condominium ownership of the Property, the By-Laws of the

Condominium (the "By-Laws"), which govern the operation of the Condominium, and the Rules and Regulations of the Condominium promulgated pursuant to the By-Laws (the "Rules and Regulations"), are partially summarized below in Section XVIII entitled "Rights and Obligations of Unit Owners" and Section XVII entitled "Rights and Obligations of Condominium Board/Summary of By-Laws" and are reproduced in full in Part II of the Plan.

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

The Certifications of Sponsor, Sponsor's Architect, and Sponsor's Expert Concerning Adequacy of Budget, are set forth in Part II of the Plan.

The Plan delivered to the Department of Law, including all Schedules and Parts A, B and C of the Exhibits, constitutes the entire offer. Copies of the Plan and Parts A, B and C of the Exhibits will be available for inspection without charge to prospective Purchasers and their attorneys at the office of Sponsor and the Selling Agent by appointment and for copying at a fee.

6. Offer to Sell; Copies of Documents

Any person interested in purchasing a Unit must apply at the Sales Office for an Offering Plan, which may be purchased for a fee of $150.00 as more fully described in Section XI of the Plan entitled "Procedure to Purchase". Copies of the Exhibits will be available for inspection only by prospective Purchasers at the Sales Office, whenever the Sales Office is open. If Purchaser requires a copy of any Exhibit, same will be provided at Purchaser's expense. All of the documents referred to in this Plan are important and should be reviewed carefully prior to purchase.

Copies of the Plan and all Exhibits also will be available for inspection at the New York State Department of Law, and for copying at a fee established by the New York State Department of Law.

Sponsor advises Purchasers, it is Sponsor's unequivocal intention to sell the Residential Units and Storage Units to Purchasers who are buying for their or their family's personal occupancy and not to establish The 211 East 51st Street Condominium as a rental apartment building. However, Sponsor, just as any prudent developer, reserves the right to sell Residential Units and Storage Units to investors who intend to rent and not to occupy their Residential Units or use their Storage Units personally. In addition, Sponsor and any Sponsor Successor may from time to time freely rent any Unsold Units in accordance with Applicable Law, without charge or limitation whatsoever and without the consent of the Condominium Board or any other Residential Unit Owner or Storage Unit Owner and/or their Mortgagees. The Property is currently encumbered by a mortgage; however, the mortgage does not may place limits on

Sponsor's right to rent rather than sell Units. As a result, there is no commitment by Sponsor to, and it is conceivable (although unlikely) that Sponsor will not, sell more than the minimum 15% of the Residential Units necessary to declare the Plan effective, and that owner occupants may never gain effective control and management of the Condominium.

As a result of the foregoing, some (and possibly many) of the Units may be occupied and may be used by renters and not Unit Owners. The occupancy of Units by renters instead of Unit Owners using the Units for residential purposes may limit or impair Purchaser's ability to obtain financing or refinancing, depending on the number of owner-occupied Residential Units and the requirements of lenders at the time. Purchaser's ability to resell his Residential Unit may similarly be limited or impaired if at such time many lenders have a higher minimum requirement of owner-occupied Units than may then exist in the Building.

The Condominium Board does not have the right to approve or disapprove Purchasers. There is no limit on the number of Unit Owners who may purchase for investment rather than for personal occupancy; consequently, there may always be a substantial percentage of Unit Owners who are non-residents.

There are no lawful limitations on who may purchase a Unit.

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

II. DEFINITIONS

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

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

"Amend", "amended" or "amendment" refers to any amendment, whether by deletion of any existing provision, modification of any existing provision, or inserting a new provision.

"Applicable Law" means all applicable laws, statutes, treaties, rules, codes, ordinances, regulations of any Governmental Authority and, to the extent the Property, any Unit, any Unit Owner, Sponsor, any Sponsor Successor and/or the Condominium Board, as the case may be, is bound thereby or subject thereto, any judgments, decrees, injunctions, writs, orders, notices of violation or like action of any Governmental Authority, court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including Applicable Rent Laws and those pertaining to health, safety or the environment) now or hereafter in effect.

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

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

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

"Board of Managers" or "Board" or "Condominium Board" means the governing body of the Condominium, whose members shall be selected pursuant to the terms of the By-Laws.

"Building" means the building situated on the Land and known as 211 East 51st Street, New York, New York.

"Building Systems" means utility and service systems and appurtenant installations now or hereafter installed by or on behalf of the Condominium Board which service the Building and are not expressly included as part of a Unit pursuant to the terms of the Declaration, including, without limitation: the electrical system; the water supply system; the water return (sewer) system; the gas supply system; any exhaust systems; any fire or life safety system; any master television or cable system/intercom; and any other mechanical, plumbing or electrical systems.

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

"Casualty Loss" means damage or destruction resulting from a fire or other casualty.

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

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

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

"Closing Date" means the date scheduled for the closing of title to a Unit by Sponsor as same may be adjourned in accordance with the terms of the Purchase Agreement.

"Commercial Board Member" means the individual appointed or elected by the Commercial Unit Owners to serve as its representative on the Board of Managers.

"Commercial Unit" means one of the three commercial units in the Building.

"Commercial Unit Owner(s)" means the Owner(s) of the Commercial Unit(s).

"Common Charges" means the charges allocated and assessed against the Units by the Condominium Board payable by the Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), to meet the Common Expenses.

"Common Elements" means, those facilities and areas of the Property that are not pat of a Unit and which are necessary or convenient to the existence, management, operation, maintenance and/or safety of the Property, or normally in common use.

"Common Expenses" means any and all: (i) costs and expenses paid or incurred generally by the Condominium pursuant to the Declaration and/or the By-Laws, including the Rules and Regulations, in connection with its operation and maintenance, and its performance of Work in and to the Common Elements (including, without limitation, accounting, legal, architectural, engineering or other professional or service fees); (ii) other items which are provided in the Declaration or By-Laws to be Common Expenses or are paid or incurred by the Condominium in connection with the conduct of Condominium affairs; (iii) payments required by the Condominium Board to be made by the Unit Owners to establish or maintain such general operating reserves or reserve funds for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year; and (iv) all costs and expenses paid or incurred by the Condominium in connection with the purchase, lease or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Unit Owner has elected to sell, lease, transfer or convey such Unit or that is to be sold at a foreclosure or other sale.

"Common Interest" means the undivided percentage interest of each Unit in the Common Elements.

"Condominium" means The 211 East 51st Street Condominium to be established pursuant to the terms of the Declaration and to be governed pursuant to the terms of the By-Laws.

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

"Condominium Board Member" means the governing body of the Condominium, whose members shall be selected pursuant to the terms of the By-Laws.

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

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

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

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

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

"Escrow Agent" means Belkin Burden Wenig & Goldman, LLP.

"Facilities" means all personal property and fixtures now or hereafter existing in, on or under the Land or the Building and either existing for the common use of 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 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, elevators, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, Siamese connections, hoses, plumbing, fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, draperies, shades, window coverings, wallpaper, wall coverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

"Family Members" means and includes a spouse, child (by blood, marriage or adoption), parents (including step-parents or parents-in-law), grandchildren, siblings, grandparents, aunts, uncles, nieces, nephews and domestic partners.

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

"First Unit Closing" means the first date upon which title to the first Unit that is conveyed by Sponsor to Purchaser pursuant to the terms of the Plan.

"First Year Budget" means the projection of receipts and expenses of the Property for the first twelve months following the projected date of the First Unit Closing contained Section VI of the Plan entitled "Schedule B: Projected Budget for First Year of Condominium Operation."

"Floor Plans" means the floor plans of the Units certified by CMA Design Studio, P.C., and to be filed in the City Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

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

"General Common Elements" means those certain portions of the Land and the Building other than the Units, Residential Common Elements, Residential Limited Common Elements and Commercial Units.

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

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

"Holiday" means those days designated as holidays under the applicable union contract, or, if there is no applicable union contract, then the term "Holiday" shall mean any day on which state chartered banks in New York City are authorized or required to be closed or such other days as the Condominium Board may designate from time to time.

"Improvements" means the Building and any and all other improvements now or hereafter erected on the Land and all alterations and replacements to such improvements.

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

"Institutional Lender" means (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust or, (ii) a federal, state, municipal, teachers' or union employee, welfare, pension or retirement fund or system having assets in excess of $10,000,000, in each case doing

business in the State of New York; or (iii) any Governmental Authority including an agency of the City or State of New York.

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

"Insurance Trustee" means 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 Condominium Board.

"Land" means the land upon which the Improvements are located and all that certain tract, plot, piece and parcel of land situated, lying and being in the County, City and State of New York, as more particularly described in Exhibit A to the Declaration.

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

"Majority of Unit Owners" means those Unit Owners having more than fifty percent (50%) 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.

"Managing Agent" means any management company or agent engaged from time to time by the Condominium Board to perform the duties of a managing agent of the Building.

"Mansion Tax" means the transfer tax imposed by New York State pursuant to Article 31 of the Tax Law on Purchasers of residential real property where the consideration for the conveyance is $1,000,000 or more.

"Mortgagee" means any Institutional Lender holding a mortgage of record encumbering a Unit. A Mortgagee shall be deemed a "Permitted Mortgagee" if it satisfies the criteria therefore contained in the By-Laws.

"Mortgage Representatives" mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of the By-Laws.

"Offering Plan" (or "Plan") shall mean this Offering Plan for the Sale of Condominium Units at The 211 East 51st Street Condominium, 211 East 51st Street, New York, New York filed by Sponsor with the Department of Law, as said Plan may be amended from time to time.

"Offering Plan Counsel" means the law firm of Belkin Burden Wenig and Goldman, LLP, which firm has been engaged by Sponsor for the purposes of preparing this Offering Plan and the Declaration and By-Laws contained herein.

"Owner" or "Unit Owner" means, collectively, all parties owing a Unit in fee simple absolute.

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

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

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

"Permitted Mortgage" means any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in the By-Laws.

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

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

"Plan" means the offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to § 352-eeee of the GBL, as may be amended from time to time.

"Plans and Specifications" means the plans and specifications for the Project prepared by the Sponsor's Architect together with various engineers and other consulting professionals, as same may be amended from time to time.

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

"Project" means the construction of the Improvements substantially in accordance with the Plans and Specifications.

"Property" means the Land and the Improvements now or hereafter erected on the Land.

"Punchlist" is a schedule of Punchlist Items.

"Punchlist Item" means a major construction defect in a Unit which is significantly visible or readily ascertainable during a pre-Closing inspection of the Unit conducted pursuant to the Plan, the existence of which will neither prevent nor substantially interfere with the use and occupancy of the Unit.

"Purchase Agreement" means the purchase agreement between Sponsor and Purchaser under the Plan in the form set forth in Part II of the Plan.

"Purchase Price" means the purchase price of a Unit.

"Purchaser" means a Person or Persons buying a Unit under a fully-executed Purchase Agreement.

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

"Residential Area" means the Residential Units, the portions of the Property containing those Units and all other Residential Common Elements and Residential Limited Common Elements.

"Residential Board Member" means the individuals elected or appointed by the Residential Unit Owners to serve as their representatives on the Board of Managers.

"Residential Common Elements" means those Common Elements located in and/or exclusively serving the Residential Area.

"Residential Limited Common Elements" means a Limited Common Element serving a specified Residential Unit and not other Unit, and restricted in use to the Owner or other occupant of the Unit.

"Residential Unit" means one of the 73 apartments in the Building which are being offered for sale under this Plan.

"Residential Unit Owner" means the Owner of a Residential Unit.

"Restorations" means the repair and restoration and other Work performed to the Property after a Casualty Loss or a Taking.

"Rules and Regulations" shall mean the rules and regulations of the Condominium, adopted by the Condominium Board pursuant to the By-Laws, as amended, modified, deleted from or added to from time to time, pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or the By-Laws, initially in the form set forth in Part II of the Plan.

"Sales Office" means the office maintained by Sponsor and/or its Selling Agent at or near the Property for the sale and/or leasing of the Units.

"Selling Agent" means H. Justin Realty Services, LLC, which firm has been engaged by Sponsor to sell the Residential and Storage Units under the Plan.

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

"Sponsor" means 211-51 Property, LLC.

"Sponsor's Architect" means CMA Design Studio, P.C.

"Sponsor's Counsel" means the law firm of Belkin Burden Wenig & Goldman, LLP, with offices at 270 Madison Avenue, New York, New York 10016.

"Sponsor Successor" means (i) any corporation or other entity which, through amalgamation, consolidation, or other legal succession becomes invested with the rights and assumes the burdens of Sponsor, or (ii) any Person, who, at any time, (a) purchases from Sponsor, or otherwise succeeds to (x) ten percent (10%) or more of all Units in the Condominium, or (y) all remaining Units then owned by Sponsor, and is designated as a Sponsor Successor by Sponsor and (b) is not purchasing such Units for his, her or its own occupancy or for occupancy by one or more of such Person's Family Members, and, in any case, shall also include any nominee holding any Unit for the account of the Person referred to in clause (i) or (ii) above. The phrase "owned by" shall include owned by any such nominee.

"Storage Unit" means a Unit designated as a Storage Unit on Schedule B to the Declaration, together with the Common Interest appurtenant to such Unit.

"Storage Unit Owner" means the Owner of a Storage Unit.

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

"Taking" means a taking of all or any part of the Property in condemnation or by eminent domain.

"Tax Lot Drawing" means the drawings of the Property, to be certified by CMA Design Studio, P.C delineating the Units and the Common Elements, approved by the Real Property Assessment Development of the City of New York and filed simultaneously with the recording of the Declaration, as more fully described in Article 2 of the Declaration.

"Title Company" means any of Northwoods Abstract Ltd., 445 Park Avenue, Suite 900, New York, New York 10022.

"Transfer Taxes" means the New York City Real Property Transfer Tax and the New York State Real Estate Transfer Tax. "Transfer Taxes" do not include the "Mansion Tax", defined above.

"Unit" or "Condominium Unit" means any unit in the Condominium designated as such in the Declaration, consisting, generally, of a specific apartment in the Building. All of such units are, collectively, referred to as "Units."

"Unit Owner" means any record owner of a Unit, and all of such Unit Owners are, collectively, referred to as the "Unit Owners."

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

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

"Working Capital Fund" means the funds deposited by Sponsor with the Board of Managers prior to or at the time of the First Unit Closing, together with funds deposited by Purchasers with the Board of Managers at the time of their Unit Closing in accordance with this Plan, to be used to fund operating expenses of the Condominium.

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

III. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

1. The Property

The Property is located in Manhattan at 209-211 East 51st Street on the north side of East 51st Street between Second and Third Avenues.

2. The Units

The Condominium will contain seventy-three (73) residential apartments (each a "Residential Unit" or "Unit"), three (3) commercial units (each a "Commercial Unit" or 'Unit") and thirty-four (34) Storage Units. Sponsor is renovating the Building in accordance with the plans and specifications set forth in Part II of this Plan. The Building currently has a permanent Certificate of Occupancy for the Residential Units under CO Number 103548626F dated 3/20/2006. Sponsor reserves the right to change the number and configuration of Units as renovation of the Building progresses in connection with Purchaser's request or Sponsor's decision to combine or refigure Units, or otherwise. As more fully described in Section IX of the Plan entitled "Changes in Prices and Units", Sponsor will amend the Offering Plan, and if the Declaration has been recorded, will amend the Declaration as well, if and as appropriate, to reflect the foregoing changes. All the Residential Units, Commercial Units and Storage Units are offered for sale under the Offering Plan. The terms of sale of the Units are as set forth in this Plan.

All Residential Units will be equipped with smoke and carbon monoxide detectors in accordance with local law. (No representations or warranties are made and no assurance is given that the existence of a smoke or carbon monoxide detector will prevent personal injury or loss or damage to personal property.)

Specific items to be included in a Unit, and the level of finish work Sponsor has undertaken to provide, as described in the Architect's "Description of Property and Specifications" contained in Part II of the Plan. Purchasers should note in this regard, however, that each Unit will be delivered with one coat of primer and one coat of light color latex paint. This latex coat is not a finish coat and Purchasers are advised that they may want to apply a finish coat prior to occupying their Unit.

Purchasers are advised that there may be certain design elements included in the model Units that are not in the Units offered for sale. Purchasers should consult the Floor Plans shown in Part II of the Plan and consult Sponsor with any questions as to precisely what design elements their Units will include.

Any alteration work which a Residential Unit Owner desires to undertake in a Residential Unit or a Residential Limited Common Element appurtenant thereto subsequent to Unit Owner's acquisition of the Unit, must be performed in accordance with the procedures of alterations outlined in the By-Laws. Such procedures include, without limitation, consent by the Board of Managers and compliance with any alteration agreement promulgated by the Board of Managers. In the event Sponsor elects to amend the Certificate of Occupancy, all alteration applications by a Unit Owner must be

submitted by a Unit Owner at Unit Owner's expense, to Sponsor and Sponsor's Architect, who will coordinate, also at Unit Owner's expense, all submissions to which Sponsor consents, to the Department of Buildings. Accordingly, until Sponsor has obtained such amended certificate of occupancy for the Building, no alteration application may be filed by a Unit owner with the Department of Buildings unless Sponsor agrees to same in writing. While Sponsor is in control of the Board of Managers, all alteration applications must be filed through the Sponsor's architect.

Notwithstanding any provision to the contrary, so long as Sponsor is in control of a majority of the Board of Managers and until Sponsor has procured a permanent certificate of occupancy for the Building that includes all or any changes that may be made by Sponsor, all alterations to any Unit need to be approved by Sponsor and all filings to any governmental agency for permits, approvals or authorizations need to be made through Sponsor's architects, with the costs thereof to be charged to the applicable Unit Owner.

Storage Units for the storage and keeping of personal effects are available for sale on a first-come first-served basis to Purchasers of Residential Units. A Storage Unit may be owned only in conjunction with a Residential Unit. Sponsor reserves the right to limit sales of Storage Units to one Storage Unit per Residential Unit purchased under this Plan.

The Commercial Units will be located on the cellar, first floor of the Building. The entrance to the Commercial Units are on East 51st Street, on the east and west side of the lobby to the Residential Units. The Commercial Unit Owners will have the exclusive right to install equipment and ducts on its roof as permitted by applicable zoning and code. The Commercial Unit Owners also will have the rights to install duct work along the rear of the Building for purposes of exhausting or ventilating the Commercial Units.

Any Commercial Unit Owner (and a tenant of all or part of such Unit if permitted by the lease therefor), shall have the right with the consent of the Board, which should not be unreasonably withheld, conditioned or delayed, without payment or restriction except as provided in the by-laws of the Condominium to erect and install one or more signs on the outside and inside of the applicable Commercial Unit (including without limitation, the outside and inside portions of windows, door and the exterior walls enclosing the Unit), and on the sidewalks immediately adjacent to the Unit, and thereafter to maintain, repair, alter and otherwise operate such signs, which signs may be of any size, content, composition, color, material, design, illumination, character or appearance deemed appropriate by the Board of Managers in connection with the sale, rental, promotion, operation, management, use, business, identity or other disposition of the Commercial Unit, and must in all events be in keeping with the first-class character of the Building. Any such signage by the Commercial Unit Owner (or tenant of the Unit, as applicable), may not impair or threaten the structural integrity of the Building, violate applicable laws, or constitute a nuisance or otherwise serve as an unreasonable interference with the peaceful and proper possession of the Residential Units for their intended or permitted purposes.

Sponsor and/or its designees reserve the right, without prior notice or amendment to the Plan, to use any Unit owned by Sponsor as a sales office, model apartment or for any other legal purpose consistent with the first class residential nature of the Building.

3. Common Elements

Generally, the Common Elements of the Condominium consist of the Land on which the Building is built, and all parts of the Property other than the Units themselves, including generally, the foundations, footings, roofs and supports of the Property and all other parts of the Property, all apparatus, installations, systems, equipment and facilities therein for the common use of all the Units and Unit Owners or which are convenient and necessary for the existence, maintenance, safety and operation of the Property and all facilities of the Property which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of more than one Unit Owner.

The Common Elements are divided into three (3) categories: (i) General Common Elements (consisting of all the Property except the Unit, Residential Common Elements and Residential Limited Common Elements), (ii) Residential Common Elements consisting of Common Elements serving only the Residential Area, and (iii) Residential Limited Common Elements (consisting of Common Elements serving only a specified Unit or Units and thus restricted in use to the Owner (or Owners) of that Unit(s)). All Unit Owners have the right to use and enjoy the General Common Elements jointly with all other Unit Owners.

Residential Limited Common Elements are Common Elements that serve only a specified Residential Unit or Units and thus are restricted in use to the Owner or Owners of those Units and/or occupants of the Unit.

A detailed description of the Common Elements is contained in Article 5 of the Declaration.

The Common Elements cannot be divided or partitioned except as provided in the Condominium Act. A Unit Owner's interest in the Common Elements cannot be separated from the Unit to which it is appurtenant.

There are no commercial common elements or limited common elements.

4. Services and Amenities

The Building will contain one (1) Residential Area lobby. The lobby will be attended 24 hours a day, seven days a week. The elevators located in the lobby will open directly into the hallway serving the Residential Units. There are no separate service elevators. All Residential Units will be provided with an audio intercom system through the use of their home phone system providing direct communication and Lobby entrance door opening capability from the Residential Unit to the lobby entrance and to

the lobby attendant's station.

The Building will be pre-wired for cable television service to Residential Units. Charges for activating cable television, installing and attaching appropriate receptacles, additional installations and monthly usage charges will be determined by and payable directly to the cable company by each resident subscribing for and activating such service. Verizon is the intended primary provider for local and long distance telephone service, but users may select different local and/or long distance carriers. Time Warner is the anticipated cable provider. Sponsor will provide cable television and phone jacks in the living room of each Unit. Unit Owners desiring cable and phone jacks at additional locations in a Unit will be responsible for engaging contractors to perform such work at the Unit Owner's sole cost and expense. Charges for Internet access for residents desiring same will be set by the provider and paid directly by the resident to the provider. A resident desiring Internet services will be required to apply to the applicable provider to activate same at resident's expense.

A portion of the rear yard (as set forth on the Floor Plans) will be set aside as a recreational area for the use of Building residents. However, Sponsor will not be installing decking or other improvements in or on the recreational area. If the Board of Managers determines to use the recreational portion of the rear yard for recreational purposes, the Board will be obligated to install decking, fencing and/or other improvements to render same suitable for such use at the Condominium's cost and expense.

There will be a residential laundry room located in the cellar of the Building consisting of four washers and four dryers available nominal cost to the Unit Owners. In addition, a bike room will be made available to the residents of the Building. There is no representation by Sponsor that the bike room will accommodate all resident bicycles and the use of the room will be at the risk of the residents storing bikes therein.

No representations or warranties are made that the number and type of personnel employed at the Property, or the security systems and procedures installed in and implemented at the Property will prevent personal injury or damage to or loss of personal property. If Purchaser desires to install security systems or take additional security measures in Purchaser's Unit beyond any provided for in the Plan, such measures would be at Purchaser's sole discretion and expense. Any installation in the Unit must be performed in accordance with the procedures for alterations contained in the By-laws.

5. Air Rights

The Sponsor has determined that the building contains approximately five thousand seven hundred seventy-five (5,775) square feet of unused development rights, commonly known as "air rights". The unused development rights are being retained by Sponsor for the purpose of enlarging the Building at a later date or transferring to an adjoining parcel or parcels or a Unit within the Condominium. If the unused development rights are used to enlarge the building, then the development rights could be used to enlarge one of the penthouse floors or to add additional floors to the Building. The Building lot is located in two zoning districts, namely, C6-6 and R8B. Approximately forty feet of the westerly portion of the Building lot is located in the C6-6

zoning district. Since the C6-6 zoning district permits more floor area than the R8B zoning district, the additional stories would need to be added to the westerly portion of the Building. The addition could be as much as four (4) additional stories; however, such an addition is highly unlikely due to the present structural limitations of the Building. In the event Sponsor desires to utilize the unused development rights to enlarge the Building, the Plan will be duly amended to disclose the extent of such enlargement, the scope of work and its impact, if any, on the occupants of the Building and the use of the Common Areas. As of the date hereof, no plans have been filed or prepared with reference to the addition of additional levels to the top of the Building. All properties that are contiguous to the land for ten linear feet or more are potential recipients for the unused development rights in the event same are not used in the expansion of the Building. The property to the east of the Building is a private park owned by the Greenacre Foundation and used for open space and recreation and, thus, not a feasible candidate for the unused development rights. The other properties are situated to the west and north. The properties to the north are buffered by a rear yard on the Condominium's Land. The property to the west is improved by a building that is already taller than the Condominium Building; therefore, an increase in height of such building will have no material effect on existing views. ***See Section III of the Plan entitled "Description of Property and Improvements".***

6. Lot Line Windows

The east and west walls of the Building (F and G lines on the east side and A and B lines on the west side) are built on the property line adjacent to other properties to the east and the west. Characterization of a window as a lot line window generally means that depending on the proximity and height of the improvements on the adjacent properties, the lot line window is required by law to be protected against fire occurring in the improvements on the adjacent lots in a manner satisfactory to the NYC Department of Buildings. Such fire protection can include sealing the window completely, sprinklering it, using tempered glass or glass block instead of window glass, or using windows made of steel with wire glass. Because of their characterization as lot line windows, the windows identified above are constructed of wire mesh glass. In addition, Purchasers are advised that, if the private park to the east of the Building is developed and a building constructed thereon, the Residential Units on the east side of the Building likely will lose their lot line windows altogether and will have windows only on the north and south exposures of the Units. As of the date hereof, the cost to close a lot line window is approximately $800.00 per window, and such cost will be borne by the Condominium. If the lot line windows need to be closed, the bedrooms affected thereby will still be able to be legally used as bedrooms due to the fact that such bedrooms have sufficient light and air without the inclusion of the light and air from the lot line windows.

IV. LOCATION AND AREA INFORMATION

1. Location

The Building is centrally located in the midtown east area of Manhattan on the North side of 51st Street, directly adjacent to the Green Acre Park. Its address is 209-211 East 51st Street, New York, New York 10022. The area is a well-established residential area, with a mix of hi-rise condominiums and brownstones on tree-lined streets and is also home to many business and financial institutions.

The Building is surrounded by low-density neighborhoods, such as Sutton Place and Turtle Bay, and as such residential goods and services abound. Grand Central station, home to Metro North railroad, the MTA subway and a variety of shopping, restaurants and crafts fairs is just a few minutes walk from the building. 211 East 51st Street also provides for easy access to the FDR Drive and the East River esplanade, as well as the Upper East Side, the West Side and virtually all neighborhoods via the convenient NYC subways.

2. Transportation

Public transportation in the area is convenient and abundant. Subways run in a north-south direction along Lexington Avenue and Avenue of the Americas. Entrances to the subway service in the vicinity of the Condominium are located at 51st Street and Lexington Avenue which services the 6 line and on 53rd Street and Madison which services the E and V lines. Bus service travels south along 5th and Lexington Avenues and north along Madison and Third Avenues. Cross-town service is available at 49th Street and Third Avenue. The Building is also centrally located to Grand Central Station, which houses Metro-North and also services the 4, 5, 6, and 7 lines as well as the Shuttle to Time Square. Pennsylvania Station, home to the Long Island Railroad is approximately 2 miles southwest of the Building. New York City is serviced by three major airports all within approximately 15 miles of the Property. Kennedy International Airport and LaGuardia Airports are located in New York and Newark International Airport is located is Newark, New Jersey.

3. Community and Cultural Services

The East Side of Manhattan has much to offer its residents as it is centrally located and easily accessible to numerous museums, including the Metropolitan Museum of Art and the Museum of Modern Art.

There is excellent shopping with many well-known stores, in addition to supermarkets (i.e. Food Emporium on 52nd Street) and a variety of local markets, bakeries and specialty shops. Other neighborhood services, such as dry cleaners, banks and parking garages are readily available. There are many stores in the area, and Lexington and Third Avenues is a retail district with movie theaters, stores and

restaurants. The Condominium is easily accessible to upscale shopping on Fifth and Madison Avenue and is within walking distance of Bloomingdale's.

4. Recreational Facilities

There are many recreational activities to engage in around the neighborhood. Green Acre Park, which is directly next door, offers a respite from the pace of the city. Many area residents and workers enjoy lunch in the park while being soothed by the waterfall and lush plantings. Central Park, is easily accessible by foot or bus and provides a broad spectrum of activities including dog walks, Central Park Zoo, playgrounds, running paths, tennis courts, ice skating, athletic fields, a boat pond, theatrical performances and musical concerts. Several upscale fitness centers/spas in the area, including New York Sports Club, Equinox, Be-Yoga, NY Health and Racquet, the YWCA & YMCA, Bliss Spa and Okeanos (health spa) are all within easy walking distance.

5. Libraries

There is a branch of the New York Public Library located at 58th Street between Lexington and Park Avenue.

6. Medical Facilities

New York City contains some of the country's finest and best known medical facilities. New York Presbyterian/ Columbia is located on East 60th Street between 5th and Madison Avenues, Lenox Hill Hospital is located at 100 East 77th Street, NYU Medical Center is located at 560 1st Avenue. Animal medical care can be obtained at The Animal Medical Center, 510 East 62nd Street

7. Schools

The East side is noted for its access to excellent public and private schools. Children residing at the Condominium may be assigned to the following public schools in District #2, which include PS 59 Beekman Hill International School at 228 East 57th Street, PS R.L. Stevenson School at 419 East 66th Street and PS 116 Mary Lindley Murray School at 210 East 33rd Street, Vanguard High School at 317 East 67th Street, Jacqueline Kennedy-Onassis High School at 120 West 46th Street, Professional Performing Arts High School at 328 West 48th Street, Ella Baker School at 317 East 67th Street, Art and Design High School at 1075 Second Avenue.

There are many excellent private schools in the area for grade and high school levels including Cathedral High School, The Browning School, St. Vincent Ferrer High School, Daytop Prep School, The Churchill School and The Buckley School.

Columbia University, located at 116th Street and Broadway is a member of the Ivy League, featuring Columbia College, Barnard College for Women and the Columbia University Schools of Law, Business and International Affairs. New York University is

located in Greenwich Village. Fordham Law School and John Jay College of Criminal Justice and the Julliard School are located in the Lincoln Center vicinity.

The above information regarding community services has been obtained from sources believed to be reliable; however, Sponsor is not responsible for any errors, omissions or inaccuracies contained in the foregoing information.

8. Religious Facilities

There are numerous houses of worship, of virtually all religions and denominations, within the neighborhood surrounding the Condominium. For instance, Sutton Place Synagogue is located two doors east of the Building, Christ Church New York City at 317 East 50th and St. Bartholomew's at 109 East 50th. The Kabbalah Centre is located at 155 East 48th Street.

9. Municipal Services

Police, fire, water, sanitation, snow removal and road maintenance services are all provided by the City of New York.

The local police station is the 17th Police Precinct located at 167 East 51st Street

The local fire station is Engine Company No. 8 and Ladder Co. 2 located at 165 East 51st Street.

10. Zoning and Permitted Uses

The Property is located in a split zone, R8-B and C6-6 zoning district allowing for residential use and commercial use as of right. Previous commercial uses are permitted as non-conforming uses under Section 52-00, *et seq.*, of the New York City Zoning Resolution.

SECTION E.
OFFERING PRICES AND RELATED INFORMATION
(SCHEDULE A)

211 East 51st Street Condominium

The projections in this SCHEDULE A assume that the first year of Condominium Operation will be from January 1, 2008 to December 31, 2008

Unit (1)	Number of Bedrooms/ Bathrooms (2)	Approximate Square Footage (2)		Offering Price (3)	Percentage of Common Interest (4)		Projected First Year's Common Charges (5)		Projected First Year 2008 / 2009 Real Estate Taxes (6)		Projected First Year's Total Charges (7)	
		Unit*	Terrace				Annual	Monthly	Annual	Monthly	Annual	Monthly
Residential Units:												
2A	1B/1	680	0	$805,000	0.969	%	$6,140.93	$511.74	$4,369.57	$364.13	10,510.49	875.87
2B	1B/1	868	0	$955,000	1.236		$7,838.71	$653.23	$5,183.77	$431.98	13,022.48	1,085.21
2C	1B/1	581	0	$688,000	0.828		$5,246.88	$437.24	$3,734.49	$311.21	8,981.37	748.45
2D	1B/1	505	0	$605,000	0.719		$4,560.54	$380.05	$3,283.96	$273.66	7,844.50	653.71
2E	2B/2	1,198	0	$1,425,000	1.706		$10,818.87	$901.57	$7,734.95	$644.58	18,553.81	1,546.15
2F	1B/1	842	0	$915,000	1.199		$7,603.91	$633.66	$4,966.65	$413.89	12,570.56	1,047.55
2G	1B/1	834	0	$955,000	1.188		$7,531.67	$627.64	$5,183.77	$431.98	12,715.44	1,059.62
3A	1B/1	680	0	$810,000	0.969		$6,140.93	$511.74	$4,396.71	$366.39	10,537.63	878.14
3B	1B/1	868	0	$965,000	1.236		$7,838.71	$653.23	$5,238.05	$436.50	13,076.76	1,089.73
3C	1B/1	581	0	$695,000	0.828		$5,246.88	$437.24	$3,772.48	$314.37	9,019.36	751.61
3D	1B/1	505	0	$620,000	0.719		$4,560.54	$380.05	$3,365.38	$280.45	7,925.92	660.49
3E	2B/2	1,198	0	$1,450,000	1.706		$10,818.87	$901.57	$7,870.65	$655.89	18,689.51	1,557.46
3F	1B/1	842	0	$940,000	1.199		$7,603.91	$633.66	$5,102.35	$425.20	12,706.26	1,058.86
3G	1B/1	834	0	$965,000	1.188		$7,531.67	$627.64	$5,238.05	$436.50	12,769.72	1,064.14
4A	1B/1	680	0	$850,000	0.969		$6,140.93	$511.74	$4,613.83	$384.49	10,754.75	896.23
4B	1B/1	868	0	$1,010,000	1.236		$7,838.71	$653.23	$5,482.31	$456.86	13,321.03	1,110.09
4C	1B/1	581	0	$725,000	0.828		$5,246.88	$437.24	$3,935.32	$327.94	9,182.20	765.18
4D	1B/1	505	0	$650,000	0.719		$4,560.54	$380.05	$3,528.22	$294.02	8,088.76	674.06
4E	2B/2	1,198	0	$1,530,000	1.706		$10,818.87	$901.57	$8,304.89	$692.07	19,123.76	1,593.65
4F	1B/1	842	0	$985,000	1.199		$7,603.91	$633.66	$5,346.61	$445.55	12,950.52	1,079.21
4G	1B/1	834	0	$1,010,000	1.188		$7,531.67	$627.64	$5,482.31	$456.86	13,013.98	1,084.50
5A	1B/1	680	0	$855,000	0.969		$6,140.93	$511.74	$4,640.97	$386.75	10,781.89	898.49
5B	1B/1	868	0	$1,020,000	1.236		$7,838.71	$653.23	$5,536.59	$461.38	13,375.31	1,114.61
5C	1B/1	581	0	$730,000	0.828		$5,246.88	$437.24	$3,962.46	$330.21	9,209.34	767.45
5D	1B/1	505	0	$660,000	0.719		$4,560.54	$380.05	$3,582.50	$298.54	8,143.04	678.59
5E	2B/2	1,198	0	$1,555,000	1.706		$10,818.87	$901.57	$8,440.59	$703.38	19,259.46	1,604.95
5F	1B/1	842	0	$1,005,000	1.199		$7,603.91	$633.66	$5,455.17	$454.60	13,059.08	1,088.26
5G	1B/1	834	0	$1,020,000	1.188		$7,531.67	$627.64	$5,536.59	$461.38	13,068.26	1,089.02
6A	1B/1	680	0	$860,000	0.969		$6,140.93	$511.74	$4,668.11	$389.01	10,809.03	900.75
6B	1B/1	868	0	$1,030,000	1.236		$7,838.71	$653.23	$5,590.87	$465.91	13,429.59	1,119.13
6C	1B/1	581	0	$735,000	0.828		$5,246.88	$437.24	$3,989.60	$332.47	9,236.48	769.71
6D	1B/1	505	0	$670,000	0.719		$4,560.54	$380.05	$3,636.78	$303.07	8,197.32	683.11
6E	2B/2	1,198	0	$1,580,000	1.706		$10,818.87	$901.57	$8,576.29	$714.69	19,395.16	1,616.26
6F	1B/1	842	0	$1,025,000	1.199		$7,603.91	$633.66	$5,563.73	$463.64	13,167.65	1,097.30
6G	1B/1	834	0	$1,030,000	1.188		$7,531.67	$627.64	$5,590.87	$465.91	13,122.54	1,093.54
7A	1B/1	680	0	$865,000	0.969		$6,140.93	$511.74	$4,695.25	$391.27	10,836.17	903.01
7B	1B/1	868	0	$1,060,000	1.236		$7,838.71	$653.23	$5,753.71	$479.48	13,592.43	1,132.70
7C	1B/1	581	0	$740,000	0.828		$5,246.88	$437.24	$4,016.74	$334.73	9,263.62	771.97
7D	1B/1	505	0	$685,000	0.719		$4,560.54	$380.05	$3,718.20	$309.85	8,278.74	689.90
7E	2B/2	1,198	0	$1,605,000	1.706		$10,818.87	$901.57	$8,711.99	$726.00	19,530.86	1,627.57
7F	1B/1	842	0	$1,045,000	1.199		$7,603.91	$633.66	$5,672.29	$472.69	13,276.21	1,106.35
7G	1B/1	834	0	$1,060,000	1.188		$7,531.67	$627.64	$5,753.71	$479.48	13,285.38	1,107.12
8A	1B/1	680	0	$895,000	0.969		$6,140.93	$511.74	$4,858.09	$404.84	10,999.02	916.58
8B	1B/1	868	0	$1,100,000	1.236		$7,838.71	$653.23	$5,970.83	$497.57	13,809.55	1,150.80
8C	1B/1	581	0	$775,000	0.828		$5,246.88	$437.24	$4,206.72	$350.56	9,453.61	787.80
8D	1B/1	505	0	$695,000	0.719		$4,560.54	$380.05	$3,772.48	$314.37	8,333.02	694.42
8E	2B/2	1,198	0	$1,630,000	1.706		$10,818.87	$901.57	$8,847.69	$737.31	19,666.56	1,638.88
8F	1B/1	842	0	$1,070,000	1.199		$7,603.91	$633.66	$5,807.99	$484.00	13,411.91	1,117.66
8G	1B/1	834	0	$1,100,000	1.188		$7,531.67	$627.64	$5,970.83	$497.57	13,502.50	1,125.21
9A	1B/1	680	0	$899,000	0.969		$6,140.93	$511.74	$4,879.80	$406.65	11,020.73	918.39
9B	1B/1	868	0	$1,125,000	1.236		$7,838.71	$653.23	$6,106.54	$508.88	13,945.25	1,162.10
9C	1B/1	581	0	$785,000	0.828		$5,246.88	$437.24	$4,261.00	$355.08	9,507.89	792.32
9D	1B/1	505	0	$705,000	0.719		$4,560.54	$380.05	$3,826.76	$318.90	8,387.30	698.94
9E	2B/2	1,198	0	$1,660,000	1.706		$10,818.87	$901.57	$9,010.53	$750.88	19,829.40	1,652.45
9F	1B/1	842	0	$1,085,000	1.199		$7,603.91	$633.66	$5,889.41	$490.78	13,493.33	1,124.44
9G	1B/1	834	0	$1,125,000	1.188		$7,531.67	$627.64	$6,106.54	$508.88	13,638.20	1,136.52
10A	1B/1	680	0	$910,000	0.969		$6,140.93	$511.74	$4,939.51	$411.63	11,080.44	923.37
10B	1B/1	868	0	$1,144,000	1.236		$7,838.71	$653.23	$6,209.67	$517.47	14,048.38	1,170.70
10C	1B/1	581	0	$795,000	0.828		$5,246.88	$437.24	$4,315.29	$359.61	9,562.17	796.85
10D	1B/1	505	0	$720,000	0.719		$4,560.54	$380.05	$3,908.18	$325.68	8,468.72	705.73
10E	2B/2	1,198	0	$1,685,000	1.706		$10,818.87	$901.57	$9,146.23	$762.19	19,965.10	1,663.76
10F	1B/1	842	0	$1,110,000	1.199		$7,603.91	$633.66	$6,025.12	$502.09	13,629.03	1,135.75
10G	1B/1	834	0	$1,144,000	1.188		$7,531.67	$627.64	$6,209.67	$517.47	13,741.33	1,145.11
11A	2B/2	1,218	142	$1,725,000	1.755		$11,127.72	$927.31	$9,363.35	$780.28	20,491.08	1,707.59
11B	2B/2	1,139	236	$1,700,000	1.656		$10,499.18	$874.93	$9,227.65	$768.97	19,726.83	1,643.90
11C	1B/1	840	328	$1,350,000	1.243		$7,882.06	$656.84	$7,327.84	$610.65	15,209.90	1,267.49
11D	2B/2	1,166	422	$1,800,000	1.721		$10,910.98	$909.25	$9,770.46	$814.20	20,681.44	1,723.45
12A	2B/2	1,218	0	$1,575,000	1.735		$10,999.48	$916.62	$8,549.15	$712.43	19,548.63	1,629.05
12B	2B/2	1,139	0	$1,475,000	1.622		$10,286.05	$857.17	$8,006.35	$667.20	18,292.40	1,524.37
12C	1B/1	840	0	$1,075,000	1.197		$7,585.85	$632.15	$5,835.13	$486.26	13,420.99	1,118.42
12D	2B/2	1,166	0	$1,535,000	1.661		$10,529.88	$877.49	$8,332.03	$694.34	18,861.91	1,571.83
PHA	3B/2	1,789	550	$2,500,000	2.627		$16,652.75	$1,387.73	$13,570.08	$1,130.84	30,222.83	2,518.57
PHB	3B/3.5	2,405	2,411	$4,500,000	3.769	%	$23,896.33	$1,991.36	$24,426.14	$2,035.51	48,322.48	4,026.87
Total Residential Units:	**73 Units**	**62,492**	**4,089**	**$81,780,000**	**89.599**	**%**	**$568,043.90**	**$47,336.99**	**$443,904.44**	**$36,992.04**	**$1,011,948.33**	**$84,329.03**

Unit (1)	Number of Bedrooms/ Bathrooms (2)	Approximate Square Footage (2)		Offering Price (3)	Percentage of Common Interest (4)		Projected First Year's Common Charges (5)		Projected First Year 2008 / 2009 Real Estate Taxes (6)		Projected First Year's Total Charges (7)	
Storage Units:		Unit*	Terrace				Annual	Monthly	Annual	Monthly	Annual	Monthly
1		13.5		$18,900	0.019	%	$121.92	10.16	$102.59	$8.55	$224.51	$18.71
2		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
3		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
4		17.6		$24,640	0.025		$158.94	13.25	$133.75	$11.15	$292.69	$24.39
5		15.0		$21,000	0.021		$135.46	11.29	$113.99	$9.50	$249.45	$20.79
6		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
7		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
8		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
9		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
10		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
11		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
12		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
13		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
14		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
15		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
16		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
17		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
18		15.0		$21,000	0.021		$135.46	11.29	$113.99	$9.50	$249.45	$20.79
19		17.2		$24,080	0.025		$155.33	12.94	$130.71	$10.89	$286.04	$23.84
20		17.2		$24,080	0.025		$155.33	12.94	$130.71	$10.89	$286.04	$23.84
21		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
22		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
23		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
24		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
25		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
26		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
27		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
28		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
29		16.3		$22,820	0.023		$147.20	12.27	$123.87	$10.32	$271.07	$22.59
30		14.2		$19,880	0.020		$128.24	10.69	$107.91	$8.99	$236.15	$19.68
31		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
32		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
33		21.0		$29,400	0.030		$189.65	15.80	$159.58	$13.30	$349.23	$29.10
34		13.5		$18,900	0.019		$121.92	10.16	$102.59	$8.55	$224.51	$18.71
Total Storage Units	**34 Units**	**484.50**		**$678,300**	**0.690**	**%**	**$4,375.41**	**$364.62**	**$3,681.83**	**$306.82**	**$8,057.24**	**$671.44**
Commercial Units:												
Commercial Unit 1												
First Floor		2,719										
First Floor Roof		1,080										
Front Yard		98										
Unit 1 Total		3,897		$2,600,000	3.139		$3,613.40	$301.12	$19,792.93	$1,649.41	$23,406.33	$1,950.53
Commercial Unit 2												
First Floor		2,312										
Front Yard		185										
Unit 2 Total		2,497		$2,300,000	2.641		$3,040.37	$253.36	$17,509.13	$1,459.09	$20,549.50	$1,712.46
Commercial Unit 3												
Cellar		4,595										
Front Yard		108										
Unit 3 Total		4,703		$2,600,000	3.931		$4,525.36	$377.11	$19,792.93	$1,649.41	$24,318.29	$2,026.52
Total Commercial Units:	**3 Units**	**11,097**		**$7,500,000**	**9.711**	**%**	**$11,179.13**	**$931.59**	**$57,094.99**	**$4,757.92**	**$68,274.12**	**$5,689.51**
GRAND TOTALS		74,073.50		$89,958,300	100.00	%	$583,598.43	$48,633.20	$504,681.26	$42,056.77	$1,088,279.69	$90,689.97

* Indoor area

Footnotes start after end of SCHEDULE A.

FOOTNOTES TO SCHEDULE A

(1) Reference should be made to the Floor Plans in Part II of this Plan for the layout of each type of Unit. Purchasers are advised, however, that the dimensions shown on the Floor Plans are only approximations and are subject to change should site conditions so necessitate. In addition, due to the fact that the dimensions of the Units are measured from the area enclosed horizontally by the hidden (unexposed) surface of the plaster walls (or, to the extent applicable with regard to a Commercial Unit, the exterior side of the glass windows) enclosing such Unit, the dimensions exceed the actual amount of usable space. Each Unit should be physically inspected to determine its actual usable dimensions, layout and condition. In preparing the room count in Schedule A, Sponsor counted each bedroom identified as a bedroom on the Floor Plans as one bedroom, and each bathroom containing a toilet, sink and shower facilities as one bathroom. If a bathroom did not contain a shower or bath facilities, it was counted as a half-bath. As more fully described in the "Architect's Description of Property and Specifications" contained in Part II of the Plan, in calculating the approximate square foot area of the Unit as shown in Schedule A, Sponsor's Architect measured horizontally from the exterior side of the exterior walls (perimeter columns and mechanical pipes/ducts/shafts are not deducted) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. Any Common Elements located within a Unit shall not be considered a part of such Unit. As is customary in New York City square foot areas exceed the usable floor area of each Unit.

Each Unit should be inspected prior to purchase to determine its useable dimensions, layout and physical condition.

(2) The number of rooms and bathrooms in each Residential Unit set forth in Schedule A has been computed by Sponsor in accordance with the guidelines established by the Real Estate Board of New York, Inc.

(3) A total of seventy-three (73) Residential Units, three (3) Commercial Units and thirty-four (34) Storage Units are being offered for sale under this Plan.

(4) Square footages indicated are approximate calculations based upon the area enclosed horizontally by the hidden (unexposed) surface of the plaster walls (or, to the extent applicable with regard to a Commercial Unit, the exterior side of the glass windows) enclosing such Unit. Since the measurements are of the unexposed (hidden) surfaces of the plaster walls (or exterior sides of the glass) enclosing such Unit, the measurements exceed the usable area of each Unit. Floor plans for the Units appear in Part II of the Plan.

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

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

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

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

(8) These estimates were based upon "Schedule B: Projected Budget for the First Year of Condominium Operation" (Schedule B), which was prepared for the year January 1, 2008. This period is used only for purposes of projection and illustration. Sponsor does not warrant that condominium operation will commence on January 1, 2008. The estimated Common Charges are based upon the estimates of income and expenses set forth in Schedule B. The actual amounts of income and expenses may differ from the estimates thereof and may change in subsequent years. Because of the possibility of unforeseeable changes in the economy or increase or decrease in the amount of income and/or expenses of operation, the projections are not intended to be taken as guarantees or warranties of any kind whatsoever or as any assurance that the actual expenses or income of the Condominium for any period of operation may not vary from the amounts shown. In fact, it may be expected, based on current trends, that the operating expenses, including fuel costs, utilities, maintenance and repairs, labor and other related expenses, will increase in the future.

In addition to these estimated charges, each Unit Owner will be responsible for paying: (i) the costs of electricity, which will be separately metered for each Unit; (ii) mortgage payments under any loan or loans obtained to finance the acquisition of his Residential Unit, including any refinancing, thereof; (iii) the cost of interior repairs to, and the maintenance, painting and decoration of, his Unit (including, without limitation,

the equipment and appliances contained therein); and (iv) the cost of any insurance covering (a) furniture, belongings, equipment and other personal property and (b) liability to others for personal or property damage as a result of occurrences in his Unit.

(9) After the Property is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes. A Unit Owner will not be responsible for the payment of, nor will the Unit Owner be subject to, any lien arising from the non-payment of taxes on other Units. See Section XXI of the Plan entitled "Real Estate Taxes".

These real estate tax estimates are based upon the letter dated June 20, 2007 from the law firm of Marcus & Pollack, LLP, the real estate tax attorneys engaged by Sponsor, which provides an opinion as to the assessed valuation for the Units for the fiscal year July 1, 2008 through June 30, 2009. Following conversion, the Units will be divided into individual tax lots and each Unit will be taxed as a separate tax lot for real estate tax purposes. A Unit Owner will not be responsible for payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other units. In rendering its opinion, Marcus & Pollack, LLP has advised Sponsor that for tax assessment purposes, the seventy-three (73) Residential Units will be classified as a "Class 2" residential condominium. The real estate taxes payable by a Unit Owner may be deductible for income tax purposes. For a discussion of the deductibility of real estate taxes for income tax purposes, see Section XXI of the Plan entitled "Real Estate Taxes".

In the opinion of counsel to Sponsor, each Residential Unit Owner who occupies a Residential Unit as a primary residence and who itemized deductions may, under present income tax laws, deduct from his or her income, for the purposes of Federal, State and City income taxes, any real estate taxes paid with respect to such Residential Unit and interest on the Residential Unit mortgage, subject to certain limitations, as set forth in counsel's opinion (set forth in the Plan). The projected income tax deductions may vary in future years due to changes in the interest rate on the Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal or due to changes in real property taxes resulting from the expiration of real estate tax benefits or from changes in the assessed value, the tax rate or the method of assessing real property.

A Unit Owner's proportionate share of taxes will be adjusted with Sponsor from the midnight preceding the date of the Unit Closing through the end of the tax period within which the closing date occurs.

If on the date of the First Unit Closing, the Units have not been separately assessed as independent tax lots, then until such time as an independent tax assessment is made and in effect for each Unit Owner, including Sponsor, the tax liability of each Unit Owner will be determined by multiplying the percentage of Common Interest attributable to his Unit by the aggregate real estate taxes assessed against the Property.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, and such First Unit Closing occurs during a tax payment period, Sponsor will have paid the real estate taxes through the end of such tax payment period. For example, if the First Unit closing occurs on March 15, 2008, Sponsor will have paid the real estate taxes for the Property through at least June 30, 2008. Thereafter, until a separate assessment for each Unit has occurred, each Unit Owner, or such Unit Owner's mortgagee, if his mortgagee is maintaining an escrow for the payment of real estate taxes, shall, on January 1st and July 1st of each year, pay to the Condominium Board, for the purpose of paying such Unit Owner's share of the real estate taxes for the ensuing six months, an amount determined by multiplying such Unit Owner's percentage of Common Interest by the aggregate real estate taxes assessed against the tax lot comprising the Property for the six-month time period. The Condominium Board shall keep all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. Sponsor shall also pay into this special account with respect to any Units owned by it.

If a subsequent adjustment needs to be made when the tax lots are apportioned, it will be made at that time.

No warranties or assurances are given that the governmental authorities involved will assess the Units in the manner stated above or that the law on which same is based will not change. The amounts of tax deductions available to Unit Owners attributable to real estate taxes may vary in future years, due to changes in tax laws, tax rates, or assessed valuations.

Sponsor is authorized to continue tax certiorari proceedings to protest the assessed valuation of the Property, and to litigate or settle same in its sole discretion whether before or after the First Unit Closing. Provided the closing to Purchaser's Unit occurs within the said tax year, the net refund, if any, received by Sponsor for Real Estate taxes paid for said tax year shall be adjusted between each such Purchaser and Sponsor as set forth above, after deducting all expenses, including, without limitation, counsel fees incurred in obtaining such reduction. Each Unit Owner shall be responsible, at his sole cost and expense, to review the real estate tax assessment of his Unit and to take any steps necessary to review and/or challenge such assessments subsequent to the year in which his Unit purchase closing shall occur.

Projected income tax deductions may vary in future years due to changes in the interest rate on the Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate, or the method of assessing real property.

Sponsor anticipates the First Unit Closing to occur on January 1, 2008. If such date is delayed by twelve (12) months or more, Purchasers will be offered a right of rescission.

(10) The Projected Total Monthly Carrying Charges consist of the sum of Projected Monthly Real Estate Taxes and Projected Monthly Common Charges.

SECTION VI

SCHEDULE B

PROJECTED BUDGET

211 East 51st Street
NEW YORK, NEW YORK

ESTIMATED SCHEDULE OF RECEIPTS AND EXPENSES
FOR FIRST FULL YEAR OF OPERATION

(Beginning January 1, 2008)

RECEIPTS		**Receipts**
COMMON CHARGES - RESIDENTIAL	(Note 1)	$ 572,420
COMMON CHARGES - COMMERCIAL	(Note 2)	$ 11,179
TOTAL RECEIPTS		**$ 583,599**

EXPENSES		**Total**	**Residential Allocation**	**Commercial Allocation***
WAGES & BENEFITS	(Note 3)	$ 252,153	$ 249,726	$ 2,428
NATURAL GAS	(Note 4)	$ 56,704	$ 56,704	$ -
ELECTRICITY	(Note 5)	$ 65,668	$ 65,668	$ -
WATER & SEWER	(Note 6)	$ 38,115	$ 38,115	$ -
SERVICE CONTRACTS	(Note 7)	$ 13,581	$ 13,581	$ -
REPAIRS, MAINTENANCE & SUPPLIES	(Note 8)	$ 20,000	$ 20,000	$ -
INSURANCE	(Note 9)	$ 42,880	$ 38,716	$ 4,164
MANAGEMENT FEE	(Note 10)	$ 60,000	$ 57,087	$ 2,913
LEGAL & ACCOUNTING	(Note 11)	$ 12,500	$ 11,893	$ 607
ADMINISTRATIVE	(Note 12)	$ 5,000	$ 4,757	$ 243
CONTINGENCY	(Note 13)	16,998	$ 16,173	$ 825
TOTAL OPERATING EXPENSES		**$ 583,599**	**$ 572,420**	**$ 11,179**

* *Commercial Allocation represents 9.711% of Insurance. Commercial allocation for Wages & Benefits is based on Superintendent's base salary ($50,000) only. Other categories (Management Fee, Legal & Accounting, Administrative and Contingency) half or 4.855% has been allocated to Commercial.*

FOOTNOTES FOR SCHEDULE B

		Total
(1)	**Common Charges – Residential**	**$ 572,420**
(2)	**Common Charges – Commercial**	**$ 11,179**

(3) **Wages & Benefits**

Total	Residential	Commercial
$252,153	$249,726	$2,428

The figure shown includes wages, workers' compensation and disability insurance, payroll taxes and payroll processing. This amount includes pay for vacation and sick/personal time, but does not include holidays. The building staff shall consist of three (3) full-time Concierge, each working 8 hours a day, 5 days a week, earning $16.00/hour; two (2) part-time Concierge, each working 12 hours a day, Saturday-Sunday, earning $16.00/hour; one (1) full-time Superintendent, earning $50,000 a year, and one (1) Porter, earning $25,000 a year. Only the Superintendent will have medical coverage.

The level of staffing complies with all applicable housing and labor laws. As shown below, the labor budget includes benefits required by local, state, or federal law. The budget reflects current wage rates and payroll tax rates applicable for the budgeted year. No increases to the labor budget are included as there is no applicable labor contract which mandates increases. The labor wages meet state minimum wage laws.

The projected expenses, labor wages, salary, as well as assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert, Taube Management Realty LLC, in managing comparable buildings. However, such projections and actual labor and related expenses are not assured or warranted.

Wage and Payroll Tax Details:

4.855% of the cost of the Superintendent's base salary ($50,000) is shared by the Commercial Unit; the remaining Wage and Payroll is shared by all the Unit Owners in proportion to their common interests.

Superintendant (Full-time)	$	50,000
(3) Doormen (Full-time)	$	103,680
(2) Doormen (Part-time)	$	41,472
Porter	$	25,000
GROSS ANNUAL WAGES	**$**	**220,152**
FICA	$	16,842
FUTA	$	392
SUI	$	2,440
Disability	$	320
Worker's Compensation	$	12,008
TOTAL WAGES & BENEFITS	***$***	***252,153***

(4) **Natural Gas**

Total	Residential	Commercial
$56,704	$56,704	$0

1. Common Charges: The estimated annual cost of gas is as follows:

   Heating: Make-up air heating (entire residential portion of building)
   200,000 BTU/HR (1000 hrs at full load during 3 month winter season)
   2,000 therms per yr

   Hot Water: (entire residential portion of building; 73 apartments)
   100 gals/apt/day (bathrooms, kitchen w/dishwasher)
   28,908 therms per yr

   Cooking: per apartment
   52,000 BTU/HR (3 hrs/day at 50% of full capacity) per apartment
   73 apartments x 365 days in year
   285 therms per yr

   Dryers: 4 dryers each 330,000 BTU/HR
   (8hrs/day at 25% of full capacity) per dryer per year
   9,636 therms per yr

Total Common Area natural gas charges = $56,704/yr

The estimated cost for natural gas was provided by the engineer, Paul Denis Associates, MEP Engineering Services, 201 Cacciola Place, Westfield, NJ 07090.

*No inflation percentage added to calculations in engineer's report.

(5) **Electricity**

Total	Residential	Commercial
$65,668	$65,668	$0

Common charges have been calculated based on the Service Classification #9 - Commercial (Based on October 2007 rates).

Common area electricity includes lighting for stairs and hallways, mechanical rooms and general common elements; water booster pumps, exhaust fan motors, make up air unit, elevators, lobby air conditioning, public space heating and miscellaneous mechanical loads and washer and dryers.

Residential common electrical charges = $65,668/yr

All Units are directly metered and Unit Owners will be responsible to pay the electric bills for their individual units (see Schedule B-1).

The estimated cost for electricity was provided by the engineer, Paul Denis Associates, MEP Engineering Services, 201 Cacciola Place, Westfield, NJ 07090.

* Engineer's estimate already includes 1.2 multiplier over base rate.

(6) **Water & Sewer**

Total	Residential	Commercial
$38,115	$38,115	$0

Water & Sewer Charges: Cost estimates are based upon the combined water and sewer rate of $4.28 per 100 cu. ft. (effective July 1, 2005) and the average of 250 gallons/day per apartment; Annual water consumption is estimated to be 6,661,250 gallons of consumption (approximately 890,541 cubic feet).

Residential common water & sewer charges = $38,115/yr

The estimated cost for water & sewer was provided by the engineer, Paul Denis Associates, MEP Engineering Services, 201 Cacciola Place, Westfield, NJ 07090.

*No inflation percentage added to calculations in engineer's report.

(7) **Service Contracts**

Total	Residential	Commercial
$13,581	$13,581	$0

a. This figure is intended to cover annual service contracts for monitoring, services, repair and maintenance of the following systems in the Condominium:
   i. Exterminating $3,398
   ii. Fire Alarm, Inspections & Annual Tests $2,380
   iii. Elevator (2) $7,803

b. Estimate on the service contract above were provided by the following sources:
   - Exterminating estimate provided by Assured Environments, Division of RAMAC, 45 Broadway, 8th Floor, New York, NY 10006.
   - Fire alarm monitoring estimate provided by AFA Protective Systems Inc., 519 Eighth Avenue, New York, NY 10018.
   - Elevator maintenance estimate provided by Pro Elevator Services, Inc., 171 West Street, Suite 311, Brooklyn, New York, NY 11222.

c. No service contracts currently exist between the Condominium and any service provider as of the date of the Plan. The amounts budgeted are based on estimates received from contractors and other vendors or the experience of the Sponsor's budget expert, Taube Management Realty LLC, in operating similar buildings. Estimates do not include applicable taxes. No warranty is made that the actual cost for these or other services will be in accordance with this projection. In the opinion of Taube Management Realty LLC, the amount of this budget item appears reasonable and adequate under existing circumstances to meet the reasonably anticipated cost of service contracts to operate the Common Elements and provide Building services to Units.

(8) **Repairs, Maintenance & Supplies**

Total	Residential	Commercial
$20,000	$20,000	$0

a. Includes normal repairs, maintenance and supplies with respect to Common Areas of the Building including lighting, public walkways and stairways, maintenance and painting of entrances, roof and building structure, and all building supplies. No amount is included for items covered by construction warranties or for the cost of any major capital expenditure in the Building. The budgeted number does not include repairs, painting, maintenance or supplies (including appliances) for individual Units, which are the responsibility of the individual Residential Unit owner.

b. During the first year of operation, major repairs are not expected to be necessary, as the Condominium will have been substantially reconstructed.

(9) **Insurance**

Total	Residential	Commercial
$42,880	$38,716	$4,164

The budget number is projected on the basis of a preliminary quotation of insurance costs provided by Fillmore Agency Inc., 3128 Avenue U., Brooklyn, NY. 11229.

Coverages	
Building	$13,900,000
Replacement Cost	Included
Common Charges/Business Income	$1,300,000
Deductible	$5,000
Building limit based on 14 story, non-combustible, non-sprinklered building with 73 residential condo units and three (3) commercial units.	
Flood & Quake	$1,000,000 - $25,000 deductible
Demolition & Increased	
Cost of Renovation	$500,000
LIABILITY:	
General Aggregate	$2,000,000
Each Occurrence	$1,000,000
Personal & Advertising Injury	$1,000,000
Hired & Non-Owned Autos	$1,000,000
Medical Payments	$5,000
Fire Damage Legal Liability	$50,000
Directors and Officers	$1,000,000
Deductible	$2,500
Employee Dishonesty (Fidelity)	$250,000
Deductible	$1,000
Umbrella	$50,000,000
Boiler & Machinery	Building Limit

NY State Disability	(Not Included)
Workers Compensation	Based on payroll & Number of Employees, not included
Medical Insurance for Super	$6,480 per annum
The Annual Estimated Premiums Would Be:	***$42,880.00***

NOTE: Premium and coverages can change due to market conditions.

NOTE: This proposal is for Illustration Purposes Only. There is NO COVERAGE BOUND AT THIS TIME. Coverages are subject to the terms and conditions as set forth by the Insurance Company.

By carrying $13,900.000 (this would be at a replacement cost of $200 per square foot), the hazard insurance company will include a provision known as an "Agreed Amount & Replacement Cost" endorsement, whereby the carrier agrees to reimburse the insured for property losses up to the full amount of the policy regardless of the actual replacement value of the Building. This clause has the effect of "waiving" any co-insurance penalty that the insurer might otherwise invoke. This clause does not mean that the Condo Association would receive sufficient proceeds to actually rebuild the entire building in the event of a substantial loss or total destruction of the Building. The Condo Association should periodically review the amount of insurance for the building to insure that the amount of coverage carried is sufficient.

The above insurance will meet the requirements of any mortgage lender procured by Sponsor including Sponsor's construction lender. The fire, casualty and general liability insurance will be on terms that provided that each Unit Owner is an Additional Insured; that there will be no cancellation without notice to the Board of Managers; a waiver of subrogation; a waiver of invalidity because of acts of the Insured and Unit Owners; and a Waiver of pro-rate reduction if Unit Owners obtain additional coverage

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

1. Fire or casualty losses to the contents of his Unit including replacements, additions, upgraded fixtures and improvements therein; and
2. Liability for personal injury or property damage as a result of occurrences in his Unit, including water damage legal liability to cover damage arising from leaks or other conditions within the Unit.

(10) Management Fee

Total	Residential	Commercial
$60,000	$57,087	$2,913

The Condominium will be managed by H. Justin Realty Services, LLC, an affiliate of the Sponsor, having principal offices at 115 West 30th Street, Suite 208, New York, NY 10001. The period of the initial management agreement shall be three (3) years at a fee of $60,000 per annum. This management fee reflects the prevailing cost for similar services. It is based on the size of the building, number of Residential Units, and the level of service to be provided. The management agreement provides that it is assignable to another professional management company.

(11) Legal & Accounting

Total	Residential	Commercial
$12,500	$11,893	$607

All Condominium Unit Owners are entitled to receive annually from the Condominium at the Condominium's expense an annual audited statement prepared by an independent certified public accountant. Estimates have been obtained with respect to professional fees as follows:

- The amount set aside for Accounting services is $7,500 based on a proposal received from Steven Beer, Czarnowski & Beer LLP, CPAs, 554 Fifth Avenue, New York, NY 10036.
- An amount of $5,000 will also be set aside, both to engage counsel on retainer and to cover miscellaneous legal matters which may arise during the first year of operation.

(12) Administrative Expenses

Total	Residential	Commercial
$5,000	$4,757	$243

Administrative costs cover photocopying, faxing and postage, fees, permits and filings as well as messenger services as required. Bank fees and charges are also included.

(13) Contingency

Total	Residential	Commercial
$16,998	$16,173	$825

The Contingency (3%) provides a fund for possible expenses not included in the projected budget, or possible increases in one or more categories of operating expense beyond the projected amounts. There can be no assurance that such fund will be sufficient to pay for major capital repairs or replacement items which may be needed within the first five years of the Condominium's operation. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all unit owners.

IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF THE FIRST YEAR OF CONDOMINIUM OPERATION IS TO BE DELAYED MORE THAN 6 MONTHS FROM JANUARY, 2008, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25% OR MORE, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT TO RESCIND FOR A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN 15 DAYS AFTER THE DATE OF PRESENTATION TO EXERCISE THEIR RIGHT. DOWN PAYMENTS WILL BE REFUNDED AFTER SPONSOR RECEIVES PURCHASER'S TIMELY RECISSION NOTICE.

SCHEDULE B-1

211 East 51st Street
NEW YORK, NEW YORK
PROJECTED UTILITY COSTS
For Residential Units

Estimated Electrical Consumption per Residential Unit
(Individually Metered)

A total of 73 apartments are in the building. Electric usage is individually metered per unit. Each unit contains air conditioning, heating, other electrical loads (lighting and appliances). A majority of the units will contain a dishwasher, refrigerator, TVs, radios and other appliances. Domestic hot water is produced by the building's central hot water heater.

Estimated air conditioning cost based on average electrical demands of 1.5 KW per ton of refrigeration. Each unit is assumed to operate 500 equivalent full load hours a year. All rooms are air conditioned with 1 ton of refrigeration covering 350 sq. ft. of floor area.

Summary of the apartment types and estimated annual electrical cost per apartment is as follows (Based on October 2007 rates):

Apartment Type	Size- SF	Electric Usage/Yr
Units 2A thru 10A	680	$2,293
Units 2B thru 10B	868	$2,827
Units 2C thru 10C	581	$2,012
Units 2D thru 10D	505	$1,796
Units 2E thru 10E	1,198	$3,842
Units 2F thru 10F	842	$2,752
Units 2G thru 10G	834	$2,730
Units 11A thru 12A	1,218	$3,833
Units 11B thru 12B	1,139	$3,607
Units 11C thru 12C	840	$2,747
Units 11D thru 12D	1,166	$3,672
Unit PH-A	1,789	$5,441
Unit PH-B	2,405	$7,206

MARCUS & POLLACK LLP

ATTORNEYS AT LAW

INCLUDING PROFESSIONAL CORPORATIONS

708 THIRD AVENUE

11TH FLOOR

NEW YORK, NY 10017-4112

(212) 490-2900

FAX: (212) 599-3167

JOEL R. MARCUS

ROBERT M. POLLACK

PHILIP H. AZARIAN

BRUCE A. BRASKY

taxappeal@marcuspollack.com

January 3, 2008

211-51 Property, LLC
c/o HJ Development LLC
115 West 30th Street, Suite 208
New York, New York 10001

Re: 211 East 51st Street
Manhattan, Block 1325 Lot 6
(Tax Lot to be Subdivided and Condominium Tax Lots be Created)
Projection of Estimated Real Estate Taxes for the Residential Condominium Apartment for the First Year of Operation
Without any Tax Exemption Benefits

Dear Sir/Madam:

You have requested us to project the real estate tax liability for the Residential and Retail/Commercial Condominium Apartments at the above referenced premises for the first year of condominium operation estimated for tax year 2008/2009.

211-51 Property, LLC will rehabilitate and renovate the property at 211 East 51st Street. Upon completion of the rehabilitation and renovation, the property will be converted to a condominium. This letter addresses the residential and commercial retail condominium units in its entirety. Upon conversion to condominium ownership, the individual units will thereafter be apportioned by the Department of Finance into individual condominium tax lots with separate assessed values.

The Total Actual (target), and transitional assessed valuations for the subject property for the most recent tax years are set forth as follows:

Tax Year		Land	Total
2006/07	Actual	$1,647,000	$3,888,000
2006/07	Transitional	$3,004,200	$4,783,600
2007/08	Actual	$1,647,000	$1,930,500
2007/08	Transitional	$2,613,600	$4,219,700

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

1. 211-51 Property, LLC will rehabilitate and renovate the property at 211 East 51st Street for conversion to a condominium. As a result of the conversion there will be seventy-three (73) residential units, thirty-four (34) storage units and three (3) commercial units. Each unit will have a separate condominium tax lot.

2. The site which comprises the subject property consists of a single tax lot identified on the New York City Department of Finance records as Manhattan, Block 1325 Lot 6.

3. Renovation of the building and vacant units will commence on or about June 25, 2007 and the completion of all renovation is anticipated by February 1, 2008.

4. The property will be one building with separate condominium tax lots for each unit.

5. The first tax year of the condominium operation is planned for tax year 2008/2009 with fiscal period July 1, 2008 through June 30, 2009. Real estate taxes due for the first year of condominium operation will be based on fiscal period July 1, 2008 through June 30, 2009 tax year 2008/2009.

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

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

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

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. However, the addition of sale prices of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation (see New York State Real Property Tax Law §581, and Real Property Law §339-y).

Since tax year 1982/83, Real Property Tax Law §1805(3) has mandated that increases in assessed valuation must be phased in over a five year period, resulting in a transitional assessment. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitations, or additions of square footage to existing structures) changes directly into the taxable assessed valuation without the five-year phase-in. The actual assessment is the target value which will be reached at the end of the five year period, assuming the assessment is not increased in the interim. Taxes are payable based upon the lower of the two values.

In arriving at the assessed valuation for each unit in the Condominium, the building is first assessed in its entirety. This overall assessment is then apportioned among the respective units, each of which will be assigned a tax lot designation once the condominium Declaration has been recorded and the floors plans are filed with the office of the City Register. In the past, the apportionment was based in part upon the proportion of the projected selling price presented in the Offering Plans for each residential units bears to the gross sellout price for all residential units available for purchase in the project (hereinafter, "Proportionate Valuation"), and in part upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases, if any, on particular units. However, the Department of Finance may allocate assessed values for the residential unit within a condominium by taking into consideration each units respective percent interest in the common elements.

We make no representation that the Department of Finance will use any particular method to apportion assessed valuation among the units for the purpose of computing the portion of the condominium assessment that will be allocated to the residential units or to apportion the residential assessments among the individual residential condominium units.

Reconciliation of the three approaches to valuation discussed above, including review of the Final 2007/2008 assessed valuations of comparable recently renovated residential apartment building in the vicinity of the subject, justifies an estimated overall actual assessed valuation for the entire Residential and Commercial Condominium Apartments (including "land" and "building") of $5,400,000 or approximately $78.18 psf and a transitional assessed value of $4,733,700 upon completion of renovation in tax year 2009/2010 (taxable status date of January 5, 2009). In the tax year 2008/2009 (Taxable status date of January 5, 2008) when the property is still being renovated, we project an estimated 2008/2009 total assessed value to be $4,320,000 or approximately $62.54 psf and the transitional assessed value is estimated at $4,933,700.

After an analysis of comparable recently constructed or renovated residential buildings, adjusted for age and location, we believe that the estimated total assessment $5,400,000 for tax year 2009/2010 is justified (for a renovated residential condominium of this type).

The most recent and currently available tax rate for tax year (2007/2008), for residential real property is 11.928% and for commercial property the current tax rate is 10.059%. For purposes of the following projections, these same tax rates have been utilized for the residential units and for the commercial units for tax years 2008/2009 and 2009/2010. You have advised us that 60,000 square feet is used for residential and 9,073 square feet is used for commercial, for a total of 69,073 sqft. Taxes payable during tax year 2008/2009 and 2009/2010 by the Condominium Units as defined above, are projected as follows:

<u>Projected Total Taxes Payable During Tax Year 2008/2009:</u>	
Projected Residential Condominium Apartments (Inclusive of all Storage Units) Estimated Actual Total Assessed Values:	$3,752,400
Estimated Transitional Total Assessed Value:	$4,292,319
Estimated Taxable Assessed Value:	$3,752,400
Assumed Tax Rate:	11.928%
Estimated Aggregate Total 2008/2009 Real Estate Taxes Payable for all Residential Condominium Units inclusive of all storage units in the building:	$ 447,586.27
Projected Commercial Condominium Units Estimated Total Assessed Value:	$ 567,600
Estimated Transitional Total Assessed Value:	$ 641,381
Estimated Taxable Assessed Value Assumed Tax Rate:	10.059%
Estimated Aggregate Total 2008/2009 Real Estate Taxes Payable For All Commercial Units in the Building:	$ 57,095

Projected Total Tax Payable During Tax Year 2009/2010:

Residential Condominium Apartments inclusive of all storage units. Estimated Actual Total Assessment:	$4,698,000
Estimated Transitional Total Assessed Value:	$4,118,319
Estimated Taxable Assessed Value:	$4,118,319
Assumed Tax Rate:	11.928%
Estimated Residential and Storage Units Aggregate Total 2009/2010 Real Estate Taxes:	$ 491,233.00

Projected Total Tax Payable During Tax Year 2009/2010:

Commercial Condominium Units Estimated Actual Total Assessment:	$702,000
Estimated Transitional Total Assessed Value:	$615,381
Estimated Taxable Assessed Value:	$615,381
Assumed Tax Rate:	10.059%
Estimated Aggregate Total 2009/2010 Real Estate Taxes Payable for all Commercial Units in the Building:	$ 61,901.17

1st Tax Year Estimated Tax Liability For the Residential Condominium Apartments and all Storage Units for Tax Year 2008/2009 is $447,586.27:

1st Tax Year Estimated Tax Liability for the Commercial Condominium Units for Tax Year 2008/2009 is $57,095.

It is our projection that upon completion of renovation by tax year 2009/2010, the Residential and Commercial Condominium Apartments will have the estimated aggregate taxes at $553,134.17.

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

Prospective Purchasers are advised that while there is a formula which has been utilized by the Real Property Assessment Department in assessing such properties in the past, it has not be employed consistently, and it is therefore not possible to estimate or determine the post-construction assessed valuation of this property with any degree of certainty. However, the estimates presented below are based upon current policies and practices of that department. All prospective purchasers are further advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be less or more than as estimated herein.

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

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

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

Very truly yours,

Marcus & Pollack LLP

By: Joel R. Marcus
Joel R. Marcus

JRM/ak
Enclosures

TAUBE MANAGEMENT Realty, LLC
LICENSED REAL ESTATE BROKER
767 Third Ave., 8th Floor • New York, NY 10017
Tel 212.288.0757 • Fax 212.288.1947

January 4, 2008

211 East 51st Street, LLC
c/o H.J. Development, LLC
115 West 30th Street, Suite 208
New York, New York 10001

RE: 211 East 51st Street (the "Premise")
New York, NY 10022

Opinion Pursuant to Real Property Law Section 339-i;

Ladies and Gentlemen:

This letter is written with respect to the Plan of Condominium Ownership of the Premise, and the allocation of the Percentages of Common Interest to the Units located therein.

We have reviewed the allocation of Common Interests shown on Schedule A to be included in the Offering Plan for the Premises. It is our opinion that the Percentages of Common Interest allocated to Units as set forth in Schedule A comply with the method of allocation contained in Section 339-i (1) of the New York Condominium Act and that such allocations have been based upon floor space, subject to the locations of such space and additional factors of relative value to other units in the Condominium, the uniqueness of the Unit, the availability of the Common Elements for exclusive or shared use, and the overall dimensions of the particular unit in accordance with subsection (iv).

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

Taube Management Realty, LLC. is licensed as a real estate broker under the laws and regulations of the State of New York and has been actively engaged in the management and sales of residential property since 1976, including cooperative and condominium apartments, for the past 10 years.

This firm will act as the Managing Agent of the property. We have no beneficial interest in the Sponsor and no interest in the profits of this Offering Plan other than the fee for the management and the preparation of this letter.

Sincerely,
Taube Management Realty, LLC

By: _____
Joseph Taube, President

Sworn before me this 4th
day of January, 2008

_____
Notary Public

ANNETTE JENNINGS
Notary Public, State of New York
No. 01JE6056335
Qualified in Queens County
Commission Expires March 19, 2011

VIII. COMMERCIAL UNITS

1. Commercial Units

The Condominium will contain three (3) Commercial Units which are being offered for sale. Two of the Commercial Units are currently vacant; one is occupied by a tenant that utilizes the premises as a health club and is currently leased to such tenant. In addition, the Commercial Units may be used as restaurants. The use of the Commercial Units as a restaurant may result in increased noise, traffic and odors.

Notwithstanding anything to the contrary contained herein, the Commercial Units may be used for any lawful purpose, except that the Commercial Unit Owners shall not use, or permit the use of the Commercial Units or any part thereof, including any appurtenant storage space, without the prior written consent of the Board of Managers for (i) the sale, storage, handling or furnishing of any materials which are flammable or explosive and the storage of which would cause the rate of insurance for the Building to be increased; or (ii) any obscene or pornographic purposes or any sort of commercial sex establishment; or (iii) for use as a facility for alcoholics, homeless persons or mentally ill and/or deranged persons; (iv) as an abortion clinic; or (v) office, an embassy, consulate or for use by any tenant entitled to diplomatic or sovereign immunity, except as a commercial patron thereof.

The Common Interest percentages allocated to the Commercial Units are based on their respective square footage areas, as well as exclusive use of Limited Common Elements.

The Common Charges payable with regard to the Commercial Units are sufficient to cover the expenses fairly attributable to such Commercial Units.

As more fully set forth in the By-Laws, the Commercial Unit Owners will have the right jointly to designate one member of the Condominium's Board of Managers.

2. Commercial Unit Owners Easements

The Commercial Unit Owners shall have an easement to erect, maintain, repair and replace, from time to time, one or more signs in the Building, subject to restrictions contained in the By-Laws, for the purposes of advertising the sale or lease of all or any portion of the Commercial Unit and the operation of any business of the Commercial Unit Owner or of a tenant or other occupant of all or any portion of the Commercial Unit.

The Commercial Unit Owner (and a tenant of all or part of such Unit if permitted by the lease therefor), shall have an easement, subject to the consent of the Board, which should not be unreasonably withheld, conditioned or delayed, without payment or restriction except as provided in the by-laws of the Condominium, to erect and install one or more signs on the outside of the applicable Commercial Unit (including without limitation, the outside portions of windows, door and the exterior walls enclosing the Unit), and on the sidewalks immediately adjacent to the Unit, and thereafter to maintain,

repair, alter and otherwise operate such signs, which signs may be of any size, content, composition, color, material, design, illumination, character or appearance deemed appropriate by the Board of Managers in connection with the sale, rental, promotion, operation, management, use, business, identity or other disposition of the Commercial Unit, and must in all events be in keeping with the first-class character of the Building. Any such signage by the Commercial Unit Owner (or tenant of the Unit, as applicable), may not impair or threaten the structural integrity of the Building, violate applicable laws, or constitute a nuisance or otherwise serve as an unreasonable interference with the peaceful and proper possession of the Residential Units for their intended or permitted purposes.

The Commercial Unit Owners shall have an easement for access through, and use of, corridors and areas in and through the lobby of the Building and, if necessary, the passenger/freight elevator, comprising part of the Residential Common Elements, in order to access and use any mechanical rooms or areas that contain equipment or meters serving the Commercial Units, which are located in the cellar.

The Commercial Unit Owners shall have the exclusive right to install equipment and ducts on the roof comprising part of the Commercial Unit, to the extent permitted by applicable zoning, law and code. The Commercial Unit Owner also will have an easement and right to install duct work along the rear of the Building from the Commercial Unit to the main roof of the Building, for purposes of exhausting or ventilating the Commercial Unit, and to maintain, service and operate such duct work.

The Commercial Unit Owners shall have an easement for access through the rear yard for emergency egress.

IX. CHANGES IN PRICES AND UNITS

1. Changes in Price and Terms of Sale

Subject to the conditions hereinafter set forth, Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without prior notice or prior amendment to the Plan and without the consent or approval of the Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party, to change the Purchase Price, the manner of payment and any other term of sale of any Unit as permitted by the terms of this Plan, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect and with respect to which Purchaser is not in default may be made without the consent of Purchaser.

Changes in the Purchase Prices set forth in Schedule A will be made pursuant to a duly filed amendment to the Plan when such change in price is an across-the-board change affecting one or more lines of Units or Unit models or is to be advertised or is a price increase for an individual Unit. As set forth in the Footnotes to Schedule A, Purchase Prices are negotiable. Accordingly, unless it would constitute a prohibited discriminatory inducement, Sponsor may enter into a Purchase Agreement with an

individual Purchaser to sell one or more Units at prices less than those set forth in Schedule A without filing an amendment.

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

2. Changes of Size, Layout 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 to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size or number of Unsold Units, by subdividing one or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and the By-Laws. Subject to the terms of the last two paragraphs of this subsection, such right may be exercised by Sponsor from time to time, both before and after the recording of the Declaration, without the consent or approval of the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party. Sponsor, however, will first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by Applicable Law. In addition, if a Purchase Agreement has been signed with respect to a Unit and Purchaser thereunder is not in default, Sponsor will not materially change the size of such Unit (beyond three percent (3 %)) or its Common Interest without the written consent of Purchaser. Further, Sponsor will not cause any material change to be made in the size or quality of the Common Elements unless Purchasers who are not then in default under their Purchase Agreements are given the right to rescind their Purchase Agreements subsequent to the date of presentation of such right. In the event Purchaser elects to rescind his Purchase Agreement pursuant to the above, Sponsor will promptly return any Down Payment that is being held with interest, if any.

As long as the layout and dimensions of a Unit conform to the Floor Plans, subject to minor inaccuracies, Purchaser will not be excused from purchasing his Unit for such reason and will not have any claim against Sponsor as a result of such deviation. A discrepancy in the square footage of up to 3% from that represented in the Offering Plan shall be deemed "minor" and shall not excuse Purchaser from Purchaser's obligation to purchase a Unit.

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

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

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

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls, or otherwise, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendment is duly recorded. As more particularly provided in the Declaration, Sponsor or any Sponsor Successor, as the owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, provided the Common Element space is not decreased, without the Condominium Board, the other Unit Owners or any mortgagee consenting to, or executing, such amendment. No change of a Unit's Common Interest will be made, however, without the prior written consent of the owner of such Unit having been obtained.

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

No change will be made in the size or number of Units, or to their respective Common Interest percentages, and no material change will be made in the size or quality of Common Elements, except in each case by an amendment to this Plan and, when applicable, to the Declaration.

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 Sponsor for that Unit and Purchaser is not in default.

X. INTERIM LEASES

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

An Interim Lease shall be prepared on a form of lease that will be available for inspection at the office of Sponsor or Selling Agent and shall contain the default provisions (including failure of the tenant to comply with its obligations under his Purchase Agreement) described below. The term of each such Interim Lease shall expire on the earliest to occur of: (i) the date of closing of title to the Unit covered by such Interim Lease; (ii) the date fixed in the Interim Lease for the expiration of the term; (iii) the date upon which the Interim Lease is terminated at the option of Sponsor by reason of a default by Purchaser-tenant under the Interim Lease or a casualty or condemnation affecting the Unit; or (iv) the date upon which the Interim Lease is terminated by Purchaser-tenant or Sponsor as provided below. The rent payable under the Interim Lease shall be negotiated by the parties but shall in no event exceed the maximum legal rent, if any, permitted under Applicable Laws.

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

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

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

The right of Sponsor, or any Sponsor Successor, or a Commercial Unit Owner, to rent or lease any Unsold Unit will not be subject to any right of first refusal in favor of the Condominium Board to lease such Unsold Unit from Sponsor or such Sponsor Successor on the same terms offered to the prospective tenant or occupant.

In the event the Plan is abandoned, a Unit occupied pursuant to an Interim Lease shall be subject to the provisions of any Applicable Laws that may be in effect with respect to such Unit at the time of such abandonment. Additionally, Purchaser-tenant under an Interim Lease may, if the Plan is abandoned, cancel such lease and vacate

the premises upon ninety (90) days' written notice to Sponsor, or Sponsor Successor if applicable, sent to the address set forth on the cover page of this Plan.

XI. PROCEDURE TO PURCHASE

1. General

Any Person interested in purchasing a Unit must apply at the Sales Office for an Offering Plan. Upon receipt of the Plan, the potential Purchaser must tender a check in the amount of $150 payable to "211-51 Property, LLC" as a deposit for the Offering Plan. The deposit is a non-binding expression of interest and does not constitute a reservation or obligation. The deposit will be fully refunded, without interest, upon return of the Plan (in good condition) to Selling Agent, within fifteen (15) days after a recipient's receipt of the Plan, or upon execution of a Purchase Agreement, whichever is earlier. However, if within the 15-day period following receipt of the Plan the recipient does not execute a Purchase Agreement and does not return the Offering Plan, the $150 deposit becomes non-refundable and may be retained by Sponsor.

A prospective Purchaser will be required to execute, in quadruplicate, a Purchase Agreement in the form set forth in Part II of this Plan. The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and, before being executed, should be read carefully by the prospective Purchaser and his legal or financial representative.

The prospective Purchaser desiring to purchase a Unit shall have three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement.

As of the date of this Plan, Sponsor has not entered into any Purchase Agreement, written or oral, for the sale or transfer of any of the Units offered in the Plan.

No deposits or advances of funds have been taken by or on behalf of Sponsor in connection with reservation, sale or transfer of such Units, prior to submission of the Plan to the Department of Law.

2. Delivery of Purchase Agreement

A prospective Purchaser should deliver four (4) copies of the executed Purchase Agreement, together with his unendorsed personal check, drawn on a New York City Clearing House Association member bank, in a sum equal to ten percent (10%) of the purchase price (the "Down Payment"), to the Sponsor, 211-51 Property, LLC in care of H. Justin Realty Services, LLC, 115 West 30th Street, Suite 208, New York, New York 10001, Attn: Ian Y. Fishkin, Esq. Said check is to be made payable to the order of "Belkin Burden Wenig & Goldman, LLP, as Escrow Agent for 211-51 Property, LLC/[Name of Purchaser]". If the prospective Purchaser comprises two or more parties, all parties comprising Purchaser shall execute and deliver simultaneously with the Purchase Agreement, a statement designating one of the parties to receive the interest

earned on the Down Payment. Form W-9 or applicable Form W-8, as appropriate, for Purchaser or the designated interest-recipient, as applicable, must be executed and delivered simultaneously with the Purchase Agreement as well.

3. Acceptance of Purchase Agreement

Within twenty (20) days after delivery to the Selling Agent by the prospective Purchaser of four (4) copies of the Purchase Agreement, together with the requisite Down Payment, Sponsor shall either accept the Purchase Agreement by returning a fully executed counterpart thereof to the prospective Purchaser or reject the Purchase Agreement and refund the full Down Payment previously tendered. If Sponsor takes no action to accept or reject the Purchase Agreement within said twenty (20) day period, the Purchase Agreement shall be deemed cancelled and the prospective Purchaser shall be entitled to receive immediately a full refund of the Down Payment. Upon such refund being made, neither party will have any further rights, obligations or liabilities hereunder with respect to the other or any other party connected with the Plan. Sponsor has the right, without incurring any liability, to reject any Purchase Agreement without cause or explanation, so long as such rejection is not prohibited by law.

After this Plan is declared effective, Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (within the City of New York) for the transfer of title to his Unit, as provided in §20.3(o)(11) of Part 20 of Title 13 NYCRR. Purchasers shall be permitted to waive this thirty (30) day notice provision by written notice to Sponsor from Purchaser or Purchaser's attorney. At the closing of title, such Purchaser shall pay the balance of the Purchase Price by his unendorsed, certified personal check or by official cashier's check, in either event drawn on a New York City Clearing House Association member bank.

4. Not Contingent on Financing

Although Purchaser is free to apply for a loan to finance the purchase of a Unit, the Purchase Agreement that Purchaser shall be required to sign is not contingent upon Purchaser obtaining such financing. Accordingly, if Purchaser applies for and is denied a loan, Purchaser shall still be obligated to close under the Purchase Agreement. If Purchaser fails to close under the Purchase Agreement, Purchaser may forfeit the Down Payment paid under the Purchase Agreement as liquidated damages. In addition, at Sponsor's discretion, the Purchaser will be charged a late fee based on the following formula for each day that the closing is delayed for reasons other than Sponsor's failure or refusal to close: Purchase Price x 14% / 365.

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

making a loan. It then may be difficult for a purchaser to resell and apartment if prospective buyers are unable to obtain a loan to due to such minimum sale requirements.

XII. EFFECTIVE DATE OF THE PLAN

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

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

2. The Plan may not be declared effective until written Purchase Agreements have been executed and delivered for at least fifteen percent (15%) of all Residential Units by bona fide Purchasers, including investors. The Plan will not be declared effective based on Purchase Agreements:

A. signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or

B. with any Purchaser who is Sponsor, Selling Agent or the Managing Agent, or who is a principal of Sponsor, Selling Agent or the Managing Agent, or is related to the Sponsor, Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, or an employee, a shareholder, a member or a limited partner, except that such Purchaser other than Sponsor or a principal of Sponsor may be included to the extent permissible under the applicable Regulations promulgated by the Department of Law. When Purchase Agreements have been executed and accepted for the sale to Purchasers of at least eighty percent (80%) of the Residential Units offered under the Plan, Sponsor must declare the Plan effective.

Pursuant to existing law and regulation Sponsor may declare the Plan effective by selling a minimum of fifteen percent of the Units in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to convert the Building with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Unit.

3. After the Plan is declared effective or so required to be declared effective, but before the First Unit Closing, the Plan may not be abandoned except in the event of: (a) the existence of one or more defects in title or violations that cannot reasonably be

cured without litigation or cannot be cured for less than $100,000 in the aggregate (as reasonably estimated by Sponsor); or (b) any substantial damage to or destruction of the Building by fire or other casualty; or (c) the taking of any material portion of the Property by condemnation or eminent domain. The aforementioned $100,000 relied upon as a basis for abandonment after this Plan is declared effective does not include any attorneys' fees or any title defect, violation or determination of any authority or regulatory association that exists on the date of presentation of this Plan and either is known to Sponsor or is a matter of public record. Sponsor will not, however, be obligated to cure any defect in title (including, without limitation, liens and violations of record) that are to be cured by, or that result from the acts and omissions of, any tenants of the Building.

Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever, provided the Plan neither has been declared effective nor is required to be declared effective as set forth above. If the Sponsor declares the Plan abandoned, then, within thirty (30) days after abandonment, all monies paid by Purchasers shall be refunded to them in full, with any interest earned, if any. Sponsor shall promptly file an amendment with regards to the abandonment with the Attorney General.

4. Subsequent to the First Unit Closing, this Plan may not be abandoned unless at least eighty percent (80%) of the Unit Owners, both in number and in Common Interest, vote to terminate the Condominium. Sponsor will not vote the aggregate Common Interest appurtenant to its Unsold Units for such termination unless at least eighty percent (80%) of the other Unit Owners, both in number and in Common Interest, elect to terminate, in which event Sponsor may choose to vote its Common Interest either in favor of or against termination of the Condominium, as it sees fit. For further discussion, see the Declaration of Condominium, contained in Part II of this Plan.

5. If this Plan is withdrawn or abandoned, all Purchasers will be so notified in writing. Within twenty (20) days thereafter, all monies (including but not limited to Down Payments) paid to Sponsor pursuant to Purchase Agreements then in effect (together with any interest earned thereon) will be returned to Purchasers.

6. After this Plan has been declared effective, Sponsor will, from time to time, fix one or more dates for closing title to Units for which Purchase Agreements are in effect. The First Unit Closing will be held no later than one hundred eighty (180) days after the Plan is declared effective, unless adjourned by Sponsor, but in no event sooner than thirty (30) days, unless waived by Purchaser but not sooner than ten (10) days after the date upon which notice is given that the Plan is declared effective. The closing of title to each Unit will take place in accordance with the terms of the applicable Purchase Agreement. See Section XIII, below, entitled "Closing of Title to Units and Terms of Sale" for a more complete discussion of the events that will occur at each such closing of title.

No Purchase Agreements have yet been entered into and no deposits or advances of funds have been accepted by the Sponsor.

XIII. CLOSING OF TITLE TO UNITS AND TERMS OF SALE

1. Prerequisites to Closing of Title

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

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

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

(3) The issuance of requisite temporary or permanent Certificates of Occupancy and any other necessary permits or certificates.

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

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

(6) Delivery to Purchaser, in proper form for recording, of a duly executed bargain and sale deed with covenants against grantor's acts conveying title to such Unit (the "Unit Deed").

2. State of Title

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

(1) Any state of facts which an accurate survey and inspection made on the date of closing of title to such Unit would show, provided such state of facts (except as set forth below) is not otherwise disclosed in this Plan and does not prohibit the existence and use of the Unit;

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

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

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

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

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

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

(8) Agreements, covenants, restrictions and easements of record;

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

(10) Rights, if any, to maintain vaults and chutes under the sidewalk;

(11) The lien of any Common Charges, real estate taxes, water frontage and/or meter charges, sewer rents, vault charges and assessments, provided that apportionment of such items is made as provided in this Plan;

(12) Service, labor, concessionaire and maintenance agreements contemplated under this Plan;

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

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

(15) The lien of any assessment or assessments which are or may become payable in annual installments of which any installment is then a charge or a lien, provided that apportionment thereof is made as provided below;

(16) Party wall agreements, if any;

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

(18) Uniform Commercial Code financing statements or conditional bills of sale provided that (i) such statements were filed on a date more than five years prior to the closing of title to the Unit, (ii) Sponsor executes and delivers to the Condominium an affidavit setting forth that the property covered thereby is no longer in the Unit or is fully paid for, or (iii) a person or entity other than Sponsor is the debtor thereunder;

(19) The printed exceptions set forth in the Certificate of Title to be issued by Northwoods Abstract Company, or in any title policy issued by a title company that is authorized to do business in the State of New York and that is a member of the Title Insurance Rate Service Association; and

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

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

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

3. Terms of Sale

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

(1) Incorporation of Plan

The Plan (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) as well as all amendments to the Plan duly filed by Sponsor (including, but not limited to, amendments involving any changes, modifications or updating of the estimated Common Charges, the estimated real estate taxes to be paid by Purchaser, or Section VI of the Plan entitled "Schedule B: Projected Budget for the First Year of Condominium Operation") are incorporated into each Purchase Agreement by reference. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan. The execution and submission of a Purchase Agreement constitutes the Purchaser's acceptance of this Plan and his agreement to be bound by the terms of the Plan, including all duly filed amendments thereto. Any such amendments shall not excuse Purchaser from performing Purchaser's obligations hereunder, nor shall they entitle Purchaser to any offset or credit against the performance of Purchaser's obligations hereunder, nor shall they entitle Purchaser to any offset or credit against the Purchase Price. Any such amendments may be made by Sponsor without Purchaser's consent or approval, subject to Purchaser's right to rescind in the event of a material amendment to the Plan or the Condominium Documents that adversely affects in any material respect Purchaser's rights, obligations or liabilities under his Purchase Agreement or under the Plan as more specifically set forth in Section XXVII of the Plan entitled "General."

Moreover, if, prior to the First Unit Closing, Sponsor amends the terms and conditions contained in this Plan to be more favorable to Purchasers, Purchaser who executed and submitted a Purchase Agreement before Sponsor amended the

terms may elect to benefit from the more favorable terms and conditions, in which event the Purchase Agreement may be amended to reflect such more favorable terms.

Nothing contained in this Plan, the Purchase Agreement or any modifications thereto shall be deemed to constitute a waiver of Purchaser's rights or an abrogation of Sponsor's obligations under Article 23-A of the GBL.

(2) Payment of purchase price

Each Purchaser shall deliver his personal or unendorsed certified or bank check, drawn in either case on a member bank of the New York Clearing House Association, made payable to the order of "Belkin Burden Wenig & Goldman, LLP, as Escrow Agent for 211-51 Property, LLC/[Name of Purchaser]" in the amount of the Down Payment, subject to collection, simultaneously with the execution and delivery of the Purchase Agreement. The balance of the Purchase Price will be paid to Sponsor at the Closing.

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

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

(3) No Financing Contingency

Each Purchaser is free to seek financing from any lender of Purchaser's choice. However, Purchaser's obligations under the Purchase Agreement will not be conditioned upon his obtaining financing.

Sponsor cannot and does not represent, assure or guarantee that any Purchaser will be able to obtain mortgage financing and further cannot and does not represent what the terms or costs of such financing will be. It is noted that most lenders currently require a specified minimum percentage of units in a condominium be sold to Purchasers for owner-occupancy as one of their loan prerequisites. Sponsor cannot,

and does not, represent, warrant, assure or guarantee the percentage of Units that will be owner-occupied at any given time or that such percentage will meet the requirements of Institutional Lenders or other lenders at any time, or whether Purchaser will succeed in arranging such financing. Please consult the Section of the Plan entitled "Special Risks" and Section XIII of the Plan entitled "Closing of Title to Units and Terms of Sale."

(4) Trust Funds

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

A Down Payment will be deemed to have been unconditionally tendered when it is delivered to Sponsor or the Selling Agent together with a Purchase Agreement in the form agreed to by Sponsor and signed by Purchaser, without any request for a change in such form or the terms of the Purchase Agreement. Each Down Payment will be placed, within five (5) business days after the date on which such Down Payment has been unconditionally tendered, in a special escrow account of Belkin Burden Wenig & Goldman, LLP (the "Escrow Agent"), whose address is 270 Madison Avenue, New York, New York 10016, and whose telephone number is (212) 867-4466. The signatories on this escrow account, who are each members of the Escrow Agent, and any one of whom is authorized to withdraw funds, are: Daniel Altman, Edward Baer, Sherwin Belkin, Joseph Burden, Jeffrey L. Goldman, Martin Heistein, Craig Ingber, Robert Jacobs, Lewis Lindenberg, Aaron Shmulewitz, David M. Skaller, and Howard Wenig. The name of the escrow account is "Belkin Burden Wenig & Goldman, LLP, as Escrow Agent for 211-51 Property, LLC/[Name of Purchaser]" (the "Escrow Account"), and such Escrow Account is located in Hudson Valley Bank, 60 East 42nd Street, New York, New York (the "Bank"). The Bank is covered by federal bank deposit insurance generally to a maximum of $100,000 in the aggregate with respect to all funds deposited by any person in one or more deposit accounts (including, without limitation, amounts deposited directly by such person and the Down Payment held in escrow for such person by the Escrow Agent).

If Purchaser makes a Down Payment in excess of $100,000 for the purchase of a Unit, or if the amount of such Purchaser's deposits at the Bank and such Down Payment exceed $100,000, the aggregate of such Down Payment and all other such deposits will generally not be federally insured in excess of $100,000. No representation or guaranty is made by the Escrow Agent or Sponsor that the Federal

Deposit Insurance Corporation will insure any depositor's funds, if and when called upon to do so.

The Escrow Account will be interest bearing, and any interest earned on the Down Payment shall be delivered to Purchaser at the closing of title to his Unit or other termination of the Purchase Agreement, unless the Purchaser has defaulted thereunder beyond any applicable grace periods, in which event Sponsor shall be entitled to retain the Liquidated Sum. The interest rate to be earned on the Down Payment will be the rate paid from time to time by the Bank for the same type of account as the Escrow Account, which was 4.25% as of August 1, 2007. Interest will begin to accrue when the check for a Down Payment is collected, and provided there is no charge back or debit by the Bank against the amount deposited. Each Purchaser must indicate his or her social security or federal taxpayer identification number on the Purchase Agreement. If there is more than one Purchaser, the social security or federal taxpayer identification number of each Purchaser who will be receiving any interest earned on a Down Payment must be noted on the Purchase Agreement. Purchaser's failure to provide this information with the Purchase Agreement will be deemed a waiver of such Purchaser's right to receive interest on such Down Payment.

All checks for Down Payments under the Plan shall be made payable to the order of "Belkin Burden Wenig & Goldman, LLP, as Escrow Agent for 211-51 Property, LLC/[Name of Purchaser]". Within ten (10) business days after unconditional tender and delivery by Purchaser to Sponsor of a check for a Down Payment submitted with such Purchaser's Purchase Agreement on account of the Purchase Price thereunder, the Escrow Agent will notify Purchaser that such funds have been deposited into the Escrow Account and will provide the account number and the initial interest rate. Subject to the provisions of the next sentence, if such Purchaser does not receive notice of such deposit within fifteen (15) business days after unconditional tender and delivery to Sponsor of such Down Payment, then such Purchaser may cancel such purchase and rescind such Purchaser's Purchase Agreement, so long as such right to rescind is exercised within ninety (90) days after such Purchaser's unconditional tender and delivery of such Down Payment to Sponsor. Purchaser shall not, however, be entitled either to rescind such Purchaser's Purchase Agreement or to receive a refund of such Purchaser's Down Payment where proof satisfactory to the Attorney General is submitted establishing that such Down Payment was timely deposited and notice as provided above was timely mailed to such Purchaser in conformity with the Attorney General's Regulations. Additionally, Purchaser understands that receipt of the Down Payment by the Escrow Agent and deposit of the Down Payment in the Escrow Account by the Escrow Agent will not be deemed acceptance of this Agreement by Sponsor, which acceptance can only occur as provided for herein in this Section.

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

such Down Payment; (d) such Down Payment is paid by the Escrow Agent into a court of competent jurisdiction; (e) such Down Payment is paid to Sponsor as provided below; or (f) such Down Payment is paid to such Purchaser as provided below.

If there is no written agreement between Sponsor and Purchaser to release the Down Payment paid by such Purchaser, the Escrow Agent will not pay such Down Payment to Sponsor until after ten (10) business days following the date that the Escrow Agent has given such Purchaser written notice that the Escrow Agent intends to pay such Down Payment to Sponsor. Thereafter, such Down Payment may be paid to Sponsor unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's Regulations, and the Escrow Agent has received, within such ten (10) business-day period, notice from such Purchaser that such application has been made.

Sponsor will not object to the release of the Down Payment paid by any Purchaser to such Purchaser, provided such Purchaser has not defaulted and has timely and validly rescinded such Purchaser's Purchase Agreement in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

Purchaser or the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment paid by any Purchaser. Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved between Sponsor and Purchaser of a Unit under the Plan relating to such Purchaser's Down Payment and, in the case of any Purchaser, such Purchaser has given notice of objection to the Escrow Agent within the ten (10) business day period described above. A form for this purpose is attached as an exhibit to the Purchase Agreement in Part II of the Plan. The party applying for a determination must send all other parties a copy of the application.

In the event of a dispute, Sponsor shall apply, and Purchaser or the Escrow Agent may apply, to the Department of Law for a determination on the disposition of the Down Payment and any interest earned thereon. Applicable forms for this purpose will be available from the Department of Law. The party making such application shall contemporaneously send to all other parties a copy of such application.

Pending the determination of the Department of Law whether to grant or deny the application, Sponsor, Purchase and the Escrow Agent shall abide by any interim directive issued by the Department of Law.

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

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

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

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

(2) a judgment or order of a Court of competent jurisdiction is served on the Escrow Agent, or

(3) the Escrow Agent deposits the disputed amount into Court.

In no event shall the Escrow Agent release funds in dispute, other than a payment of such funds into Court, until any dispute is finally resolved either by determination of the Department of Law or by order or judgment of a Court of competent jurisdiction or by written agreement of Sponsor and Purchaser.

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

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

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

After this Plan is declared effective, Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (within the City of New York) for the transfer of title to his Unit. At the closing of title, such Purchaser shall pay the balance of the Purchase Price by his unendorsed, certified personal check or by official cashier's check, in either event drawn on a New York City Clearing House Association member bank. Sponsor shall make a written demand for payment after a default at least thirty (30) days before forfeiture of the Down Payment shall be declared.

Under no circumstances shall Sponsor apply for release of an escrowed Down Payment of a defaulting Purchaser until after the Plan has been declared effective. Nevertheless, Sponsor's obligations will not be relieved pursuant to GBL § 352-h.

At the Closing of a purchase, Purchaser shall be obligated to execute a Unit Owner power of attorney in favor of the Condominium's Board of Managers, in the form set forth in Part II of this Plan. Should Purchaser fail to execute such Unit Owner power of attorney at such Closing, the Closing will not be able to occur, and the Purchase shall be in default under his/her Purchase Agreement.

Any conflict between the Plan and the Purchase Agreement will be resolved pursuant to the Plan.

Neither the Plan nor the Purchase Agreement may contain or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under the GBL.

Any provision of the Purchase Agreement or any other agreement, whether oral or in writing, by which Purchaser purports to waive or indemnify any obligation of the Escrow Agent is absolutely void. The provisions of the applicable sections of the regulations adopted by the Department of Law shall prevail over any conflicting or inconsistent provision in the Plan or in the Purchase Agreement.

Nothing herein contained shall diminish or impair Sponsor's statutory obligation to each Purchaser pursuant to GBL § 352-h to hold in trust all Down Payments, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. The Down Payment, and any interest accrued thereon, remains the property of Purchaser until consummation of the transaction. Such funds shall not be part of the estate of Sponsor or the Escrow Agent upon any bankruptcy, incapacity or death.

5. Events of Default

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

If a Purchase Agreement is cancelled, both Sponsor and 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 Person as though such Purchase Agreement had never been made and without accounting to Purchaser for the proceeds received on such sale.

6. Pre-Closing Inspection of Unit

Sponsor will advise Purchaser of a date and time prior to the Original Scheduled Closing Date when Purchaser may inspect the Unit being purchased by Purchaser. Due to ongoing construction at the Building, Purchaser may not inspect a Unit until Sponsor has notified Purchaser that the Unit is ready for inspection. Purchaser shall attend such inspection with Sponsor's representative and/or Sponsor's Selling Agent, and shall together with Sponsor's representative and/or Sponsor's Selling Agent date and sign an inspection statement, a form of which is contained in Part II of the Plan (the "Inspection Statement") at the conclusion of the inspection. If, however, during the inspection, Purchaser notes certain Punchlist Items that Sponsor, through its inspection representative, agrees to complete, repair or replace, these Punchlist Items shall be itemized on a list attached to the Inspection Statement (the "Punchlist"). The Punchlist must be initialed by Sponsor's Representative and/or Sponsor's Sales Agent and Purchaser, signed and dated by all parties at the time of inspection to be binding on Sponsor. The only Punchlist Items Sponsor shall be obligated to complete shall be those items contained in such initialed and dated Punchlist. Except as set forth in the Subsection entitled "Repair of Defects" in Section XV of this Plan, Purchaser's acceptance of title to the Unit shall not be deemed acknowledgement that an item listed in an Inspection Statement has been complied with by Sponsor. In the event work itemized in reasonable detail on an Inspection Statement has not been completed prior to closing, Sponsor shall endeavor to correct remaining Punchlist Items within one hundred twenty (120) days of Purchaser's Unit Closing. The above is conditioned on Purchaser providing access to the Unit within three (3) days after Sponsor or its agent or contractor has notified Purchaser of Sponsor's intention to complete a Punchlist Item in the unit. If Purchaser fails to provide access to the Unit within this time frame, than Sponsor shall have no further obligation to complete that Punchlist Item.

Purchaser's failure to attend the inspection appointment as described above, or to initial, sign and deliver the completed Inspection Statement and/or Punchlist, shall not excuse Purchaser from paying the balance due at Closing and shall constitute Purchaser's full and unconditional acceptance of the Unit in its "as-is" condition.

7. Closing of Title

The Closing of title to each Unit will be held at the offices of Belkin Burden Wenig & Goldman, LLP, 270 Madison Avenue, New York, New York 10016, on such day and at such hour as Sponsor shall designate to Purchaser of such Unit on not less than thirty (30) days' prior written notice, which said notice can be waived by Purchaser by sending written notice to Sponsor and/or Sponsor's attorney. The scheduled closing

date listed in that notice is referred to as the "Original Scheduled Closing Date". Such notice shall inform Purchaser of his obligation to pay the balance of the Purchase Price as set forth in the subsection entitled "Payment of Purchase Price," above, and shall state when Common Charges will be due and payable. Sponsor shall have the right to postpone the Closing date and to fix a new Closing date. In such event, Sponsor shall give Purchaser not less than five (5) business days' prior notice of the new date and time of Closing.

The foregoing shall not act to extend Sponsor's time to declare the Plan effective as set forth in Section XII of the Plan entitled "Effective Date of the Plan" and shall not affect Sponsor's right to abandon or withdraw this Plan as set forth in such Section. If the Plan is so abandoned or withdrawn, the Purchase Agreement will be deemed cancelled, and all monies paid by Purchaser thereunder, together with interest earned thereon, if any, shall be disbursed as discussed in the subsection entitled "Trust Funds," in Section XI of the Plan entitled "Procedure to Purchase". After the funds are so disbursed, neither Purchaser nor Sponsor shall have any claims against each other in connection with the Purchase Agreement or this Plan, and all of the same shall be released and discharged from all obligations and liabilities under the Purchase Agreement and this Plan.

8. Delivery of Deed

Upon delivery to Sponsor of (i) the balance of the Purchase Price, (ii) a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, and (iii) transfer tax returns, and other ancillary closing instruments, in the form required to be filed with the City and State of New York, which documents must be executed and acknowledged by Purchaser, Sponsor will execute, acknowledge and deliver to Purchaser a bargain and sale deed with covenant against grantor's acts, conveying title to the Unit subject only to the Permitted Encumbrances and such other title conditions as consented to by Purchaser, if any. The deed and the Unit Owner's Power of Attorney will be substantially in the forms set forth in Part II of this Plan.

9. Risk of Loss or Damage to Units Prior to Closing

If Purchaser is or becomes the tenant or occupant of a Unit before the Closing of title thereto pursuant to an Interim Lease and before such Closing the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts or omissions of such Purchaser or other occupant of the Unit or such Purchaser's or other occupant's guests, invitees or workers. Except as set forth in the preceding sentence, all other risk of loss or damage prior to Closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the same. If Sponsor or (in the event the Declaration has been filed) the Unit Owners do not elect to repair the damage (except for damage that is Purchaser's obligation to repair as provided above), the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the Down Payment, together with interest

earned thereon, if any, shall be disbursed as discussed above in the subsection entitled "Trust Funds" in Section XI of the Plan entitled "Procedure to Purchase". If Sponsor (or the Unit Owners, if the Declaration has been filed) elects to repair or replace the loss or damage so as to restore the Unit substantially to its condition immediately preceding such loss or damage, the Purchase Agreement shall continue in full force and effect; in which event 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 (or the Unit Owners) shall be entitled to a reasonable period of time to complete such repairs or replacement.

10. Broker

Purchaser will represent to Sponsor that he has not dealt with any broker, other than with the Selling Agent and a recognized co-broker, if any, in connection with the acquisition of his Unit and will indemnify Sponsor against the claims of any other broker.

11. No Lien

Neither the Purchase Agreement nor any monies deposited thereunder shall constitute a lien against the Property, including the Unit.

12. Agreement May Not Be Assigned

The Purchase Agreement may not be assigned or transferred by Purchaser without his first obtaining the express written consent of Sponsor. Any applications for assignment of a Purchase Agreement will be considered by Sponsor on an objective and non-discriminatory basis. If Sponsor gives his written consent to the assignment, Purchaser will be responsible for the $1,000 assignment fee that is to be payable to Sponsor's Counsel and paid at Closing. The Plan will not be declared effective based on Purchase Agreements assigned or transferred, except as set forth in Section XII of the Plan entitled "Effective Date of the Plan." Notwithstanding any consent to an assignment of the Purchase Agreement agreed to by Sponsor, no Purchaser shall be released from any liability under his Purchase Agreement by reason of such assignment.

Sponsor hereby represents that no contracts or agreements for the sale or transfer of any of the Units have been entered into, and no deposits or advances of funds have been accepted by Sponsor as of the date the Plan is accepted for filing.

XIV. UNIT CLOSING COSTS AND ADJUSTMENTS

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

At the Closing of title to each Unit, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the closing: (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal tax year for which assessed, including water charges and sewer rents (if separately assessed) and any escrows for real estate taxes; (ii) Common Charges for the month in which title closes; and (iii) rent and other charges, if any, pursuant to any Interim Lease for, or tenancy of, such Unit. In the event the Unit has not been separately assessed for the then current fiscal tax year as of the 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. Installments for tax assessments due after delivery of the deed (if any) shall be paid by Purchaser and shall not be considered a defect in title.

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

1. If Purchaser of a Unit elects to obtain fee title insurance, he will pay a premium therefor which will vary depending upon the amount of insurance requested. The premium for fee title insurance, if ordered from Northwoods Abstract LTD. will be in accordance with the schedule of rates set by the New York Board of Underwriters and filed with the New York State Insurance Department. At the present time, the rates are as follows:

$342 for the first $63,000.00; from $63,001.00 to $100,000, add $3.30 per thousand; from $100,001.00 to $200,000.00, add $2.59 per thousand; from $200,001.00 to $450,000.00, add $2.60 per thousand; from $450,001.00 to $500,000, add $2.58 per thousand; from $500,001.00 to $750,000.00, add $2.37 per thousand, and from $750,001.00 to $5,000,000.00, add $2.19 per thousand.

Thus, the cost of a policy of fee title insurance alone for a Unit priced at $1,000,000.00 would be $2,532.00.

2. If Purchaser elects to obtain mortgage title insurance simultaneously with a policy for fee title insurance (mortgage title insurance likely will be required if Purchaser is obtaining a mortgage loan to finance the purchase), the premium for the mortgage policy will be at the "simultaneous rate" as follows:

$73.00 for the first $35,000.00; from $35,001.00 to $50,000.00, add $1.17 per thousand; from $50,001.00 to $100,000.00, add $0.95 per thousand; from $100,001.00 to $500,000.00, add $0.77 per thousand; from $500,001.00 to $1,000,000, add $0.64 per thousand

Thus, the cost of a policy of mortgage title insurance for a mortgage loan of $500,000.00 would be $722.35

3. Each Purchaser is free to obtain title insurance from a title insurance company other than from Northwoods Abstract, LTD. (telephone - (212) 697-5625). However, in the interest of expediting the closings, Sponsor recommends that Purchasers utilize Northwoods Abstract, LTD. Sponsor makes no representation or warranty as to the cost, terms or availability of such other title insurance.

4. Each Purchaser will, in all events, pay a fee for recording the deed to the Unit and the Unit Owner's Power of Attorney of (at the present time) $42.00 for each instrument plus $5.00 per page, together with a service charge to the title company for such recording of approximately $20.00 per instrument.

5. If Purchaser obtains a mortgage loan, such Purchaser will pay a mortgage recording tax in the amount provided by Applicable Law (at present, the rate is 2.05% if the principal amount of the mortgage is less than $500,000.00, 2.175% if the amount of the mortgage exceeds $500,000 and is against a 1-, 2- or 3-family dwelling or an individual residential condominium unit, and 2.80% for mortgages of $500,000.00 against a different type of property other than an individual condominium Unit), and a fee and service charge to the title company for recording the mortgage at the same rates given above for recording the deed and Unit Owner's Power of Attorney.

Thus, on a mortgage loan of $500,000, Purchaser shall pay a mortgage tax of $10,250.00.

6. Each Purchaser will be required to pay the New York City Real Property Transfer Tax (the rates of which for residential property such as all of the Units being offered for sale herein are, at present, 1% of the purchase price if the purchase price is less than $500,000, and 1.425% of the total purchase price if the purchase price is $500,000 or more, and the rates of which for non-residential property such as the Commercial Units are, at present, 1.425% of the purchase price if the purchase price is less than $500,000, and 2.625% of the total purchase price if the purchase price is $500,000 or more), as well as the New York State Real Estate Transfer Tax (the rate of which is, at present, $2.00 per $500.00 of purchase price); it should be noted that, since, pursuant to the Purchase Agreement, each Purchaser will be obligated to pay these transfer taxes, the amounts thereof will be added to the Purchase Price before the appropriate tax rates are applied, in calculating the actual transfer taxes that will be due.

Thus, on a Unit purchase of $1,000,000, the amount paid on the New York City Real Property Transfer Tax will be $14,485.13, and the amount paid on the New York State Real Estate Transfer Tax will be $4,066.00.

7. If the purchase price of a Residential Unit is $1 million or more, Purchaser will also be obligated to pay an additional New York State "Mansion Tax" in an amount equal to 1% of the aggregate purchase price;

Thus on a Residential Unit purchase of $1,000,000, Purchaser will pay a New York State "Mansion Tax" in the amount of $10,000.00.

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

9. Each Purchaser shall pay a closing fee of $2,500.00 per Residential or Commercial Unit and $500 per Storage Unit to Sponsor's counsel, Belkin Burden Wenig & Goldman, LLP for services rendered in coordinating and attending the closing, preparation of the deed(s), the Power of Attorney and other closing documents. There shall be an additional fee of $300.00 payable to Sponsor's counsel if the closing of title occurs at a location within the City of New York other than the office of Sponsor's Counsel. Sponsor shall not be required to close at a location outside the City of New York. If Purchaser does not close on the date designated for the transfer of title to his or her Unit(s), and if Sponsor agrees to adjourn such closing date to a subsequent date, then Purchaser shall pay to Sponsor's Counsel an additional closing fee of $300.00, as well as an additional fee in the amount of $225.00 for each default letter that Sponsor's Counsel shall serve. Purchaser shall also be required to pay to Sponsor's attorneys a fee of $1,000.00, in advance for preparation of an assignment of this Agreement.

10. At the closing, each Purchaser shall either (i) reimburse Sponsor for the working capital contribution previously made by Sponsor to the working capital fund of the Condominium, in an amount equal to two months' common charges for the Unit(s) being purchased if previously made by Sponsor with respect to the Unit or (ii) pay to the Condominium Board an amount equal to two months' common charges for the Unit being purchased if not previously made by Sponsor with respect to the Unit.

11. If a Unit has been separately assessed but the closing of title occurs before the real estate tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed(s), if any, shall be paid by Purchaser and shall not be considered a defect in title.

If a Unit has not been separately assessed as of the Closing Date for the then current tax period, Sponsor shall collect from each Purchaser at closing, and will place in escrow with the Managing Agent in a separate account established by the Managing Agent for the purpose (the "Tax Escrow Account"), an amount equal to the Units'

estimated proportionate share of the real estate taxes projected to be due for the entire Property for the half of the year next commencing after the closing of said Unit, based on the method of allocation described above. If the tax assessor indicates that more that one half of a tax year may elapse before the Units are individually assessed, Sponsor shall collect at closing Purchaser's proportionate share of taxes for the upcoming half and shall deliver same to the Managing Agent for deposit in the Tax Escrow Account described above. With respect to the balance of the estimated taxes, the Board of Managers shall be obligated to collect monthly escrows from Unit Owners with their Common Charges based on the estimated tax bill for the entire Property and the then current tax rate (or a higher tax rate to hedge against a possible increase in rate at the beginning of a new tax year, if the new tax rate has not yet been set) and then deposit same in the Tax Escrow Account. At the time taxes are due and payable, Sponsor shall pay, out of Sponsor's own funds, Sponsor's proportionate share of the Property tax bill allocable to the Units Sponsor then owns, based on the allocation method described above, and the Board of Managers shall be obliged to cause the Managing Agent to release to Sponsor the appropriate amount of escrowed tax funds from the Tax Escrow Account for Sponsor's use in paying the share of taxes attributable to Units that have been sold and closed to other Unit Owners.

If the actual taxes due for any period for which Sponsor collected escrows are higher than the amount collected and held in escrow, the Board of Managers shall pay the difference and shall bill Unit Owners for their proportionate share of any necessary reimbursement, as a Special Assessment. If any Unit Owner fails to pay a Unit's pro-rata share of real estate taxes when due, by Common Charge billing, Special Assessment billing, or both, the Board of Managers will have a lien on such Unit for non-payment thereof, as if such charges where Common Charges. If the actual taxes due are lower than the amount collected and held in escrow by the Managing Agent, Sponsor shall pay the tax bill and shall direct the Managing Agent to return to Unit Owners their proportionate share of any excess. At such time as the Unit is separately assessed, the Unit Owner shall be obligated to pay taxes directly to the taxing authority. Thus, if the Units are separately assessed with payments to commence during a period for which the Managing Agent holds escrow funds, Sponsor shall direct the Managing Agent to return the funds to each Owner and the Owner will be responsible for paying said Unit Owner's own tax bill.

Purchaser hereby agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit(s), Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit(s) in question.

Mortgage Tax Credit

A Purchaser obtaining a mortgage loan may be entitled, pursuant to Section 339-ee(2) of the Condominium Act, to a credit against a portion of the mortgage recording tax that Purchaser ordinarily would be required to pay upon the recording of Purchaser's

mortgage. Purchaser will be required to pay to Sponsor an amount equal to the amount of credit previously paid on mortgages encumbering the Property, which prior payment is the basis for Purchaser's credit. Purchaser's credit will be equal to the product of the Unit's Common Interest multiplied by the mortgage tax previously paid on the Property. Purchaser shall not be required to pay more than the amount of mortgage tax Purchaser would have paid absent the statutory credit. That is, the aggregate of the amount to be reimbursed by Purchaser to Sponsor plus the reduced amount of mortgage tax to be paid by Purchaser (i.e.: the portion of the mortgage tax for which statutory credit is not available), will not exceed the amount that Purchaser otherwise would have been required to pay as the full unabated mortgage recording tax.

Note should be taken that the recording charges, fees and taxes above are based on rates in effect at the date of presentation of the Plan and are subject to change without notice. Premiums for title insurance will vary depending upon the Purchase Price and the amount of any mortgage loan. No representations are made as to the amounts of any charges, fees and taxes at the time of closing or as to the availability, cost or terms of financing.

Penalties for Delays

If Purchaser is not ready to close on the Original Scheduled Closing Date, any adjournment of the Closing granted by Sponsor at Purchaser's request will, at Sponsor's discretion, be on the condition that (i) all adjustments required to be made at Closing will be made as of the Original Scheduled Closing Date, and (ii) Purchaser shall pay Sponsor at closing, by unendorsed personal certified or bank check drawn on a bank that is a member of the New York City Clearinghouse Association, an amount derived by (a) multiplying the Purchase Price for the Unit by 14% (b) dividing that product by 365, and (c) multiplying the resulting amount by the number of says the actual Closing is delayed, beginning with the Original Scheduled Closing Date and ending with the actual Closing date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Closing date. However, the provisions shall apply to any postponements by Purchaser of an agreed-upon adjourned Closing date. Sponsor reserves the right to waive any or all of the provisions of this paragraph.

Sample Closing Costs

The following is an example of the type and estimated amounts of closing costs Purchaser buying for all cash (i.e.: without mortgage financing) might expect to pay in connection with the purchase of Residential Unit 2A and Storage Unit 1 under this Plan. All amounts are subject to change.

Purchase Price for both Residential and Storage Unit --	$744,450.00
Fee Title Insurance --	$ 2,397.00
State Transfer Tax --	$ 3,034.00
RPT Tax (including $75.00 filing fee) --	$ 10,877.02
Mansion Tax --	$N/A
Recording Fees --	$ 565.00
Working Capital Contribution --	$ 1,070.88
Sponsor Legal Fee --	$ 3,000.00
Total Estimated Closing Costs for #2A and #1	$765,393.90

XV. RIGHTS AND OBLIGATIONS OF SPONSOR

1. Sponsor shall have the following rights and obligation and makes the following representations under and with respect to this Plan:

a. Sponsor is obligated to defend any suits or proceedings arising out of Sponsor's acts or omissions and to indemnity the Board of Managers and the Unit Owners.

b. All representations under this Offering Plan, all obligations pursuant to the GBL, and such additional obligations under this Plan will survive the delivery of any deed conveying the Units by the Sponsor.

c. Sponsor agrees to pay all common charges, special assessment and real estate taxes with respect to Unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units and will fund its financial obligations to the condominium from proceeds of the sale of the Units, proceeds from the leasing of Unsold Units and contributions from its principals. No bond or other security has been furnished to secure Sponsor's obligations. See Section of the Plan entitled "Special Risks".

d. Sponsor believes that the acquisition and construction financing for the Project which Sponsor closed on May 4, 2007, together with the other funds to which Sponsor has access, will be sufficient to complete the Project. Before the First Unit Closing under this Plan, all liens and mortgages affecting the Unit, if any, shall be paid, bonded or satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by a release instrument to be recorded prior to recordation of the deed to the Unit, or Sponsor shall have provided sufficient security to Northwoods Abstract LTD. or another title company comprising the Title Company such that the Title Company will be willing to insure the Unit without exception for such lien.

2. Sponsor will renovate the Units and complete any construction in the Common Areas of the Building substantially in accordance with the plans and specifications filed with the New York City Department of Buildings by CMA Design Studio, P.C. described herein and will diligently perform all of its obligations set forth in this Plan. The Building has a permanent Certificate of Occupancy (CO N. 103548626F) issued March 20, 2006, and Sponsor does not expect to amend the Certificate of Occupancy in connection with the renovation of the Units but reserves the right to do so if desirable or as the need rises.

3. The quality of the renovation will be comparable to local standards customary in the particular trade and substantially in accordance with the plans and specifications. Sponsor makes no undertakings or warranties and has no obligation to make any repair or cure defects to the Units or the Common Elements, except as expressly set forth in this Plan or the Purchase Agreement, and none should be inferred.

4. Sponsor reserves the right to amend or modify from time to time said plans and specifications (including, without limitation, 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 plans and specifications, provided such substitutions are of equal or better quality and, provided further, that the required approvals of any governmental authorities having jurisdiction and the construction lender are first obtained. All the foregoing amendments, modifications and changes to the plans and specifications may be made without prior notice or amendment to this Plan, except that the Plan will be amended if changes are made in the size, layout, number of rooms or number of Units, their respective percentages of Common Interest, or in the amount or quality of Common Elements.

In no event, however, may Sponsor:

i. substitute equipment, fixtures, appliances or materials of lesser quality or design than those described in the Description of Property set forth in Part II of this Plan, or in the Plans and Specifications; or

ii. change the size and/or location of the Building, Units (beyond three percent (3%)), other improvements or Common Elements, if such changes affect

the percentage of Common Interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners consent in writing to such change and all affected Purchasers are given the right to rescind and receive a return of their Down Payment deposits.

5. Sponsor will deliver to Purchaser, and/or Board of Managers, if applicable, on behalf of the Unit Owners, upon the sale of each Unit in the Condominium, any manufacturer's or subcontractors warranties (or assignments thereof) in Sponsor's possession covering the kitchen appliances (if any), heating, electrical, plumbing, roofing system and other equipment or systems, as well as any subcontractors' warranties which may have been received by Sponsor relating to a Unit or the Common Elements respectively, if any, to the extent made by such manufacturers and subcontractors and to the extent such warranties or bonds are assignable, together with a Bureau of Fire Underwriters Certificate, if then available. All warranties relating to the Unit rather than the Common Elements which are not available at the closing of title will be delivered to Purchaser post closing.

6. Prospective purchasers should note that the New York State Housing Merchant Implied Warranty Law (Article 36-B of the General Business Law) (the "Warranty Law") does not apply to this offering as the Building is more than five (5) stories high. Therefore, Sponsor makes no representations or warranties regarding the condition of the Units or their inclusions, except as otherwise set forth elsewhere in this Offering Plan or the Purchase Agreement.

7. Repair of Defects

(1) Post-Closing Defects that Qualify for Remediation

(a) Sponsor shall not be obligated to correct or cause to be corrected any defects in renovation of a Unit or work in and to the Common Elements, or in the installation or operation of any mechanical equipment therein, except as set forth herein. In the event correction of a defect is covered under any guaranty or warranty given to Sponsor by the construction consultant, general contractor or construction manager (collectively the "General Contractor") engaged by Sponsor to complete construction of the Building (or by any contractor or subcontractor engaged by the General Contractor or Sponsor), Sponsor may, but shall not be obligated to, apply to the General Contractor to correct the defect. Sponsor shall, however, correct or cause to be corrected any defects in the construction of the Building and the Residential and Storage Units therein, or in the installation or operation of mechanical equipment installed by Sponsor therein, but only if (i) such defect is due to substantially improper workmanship or materials substantially at variance with the Plan and Specifications, and (ii) Sponsor is notified in writing (a) by the Unit Owner to whom Sponsor sold a Unit, within thirty (30) days following the Closing of the Unit, for Sponsor to be obligated to remediate same, assuming it is a defect as defined herein. If Sponsor is not notified within these time periods, Sponsor shall not have any obligation to remediate the defect

even if it would otherwise be eligible for remediation. In no event, however, shall Sponsor be obligated to compel or to take action to compel, the General Contractor (or any contractor or subcontractor) to perform under any guaranty or warranty given by it in connection with work performed at the Property. In no event shall a Punchlist Item be deemed a defect eligible for remediation pursuant to or otherwise covered by this section.

(b) Notwithstanding anything to the contrary contained in this Plan, the determination as to whether a problem of which Sponsor is given notice pursuant to the foregoing is a defect eligible for remediation by Sponsor, shall be made by Sponsor and/or, in Sponsor's sole discretion, its General Contractor, and/or pertinent subcontractor, in its or their sole judgment. Likewise, Sponsor and/or its General Contractor, and/or the pertinent contractor or subcontractor, in its or their sole discretion shall select the method of correcting any eligible defect to be corrected under this section. On prior notice from Sponsor and/or its General Contractor, and/or the pertinent contractor or subcontractor, the Unit Owner, Purchaser or the Board of Managers, as applicable, shall allow Sponsor, Sponsor's contractors, agents or licensee and/or the Managing Agent access to the Unit or area in question on any weekday to inspect and/or correct such eligible defect. The quality of construction shall be comparable to local construction standards customary in the particular trade in questions and in accordance with the Plans and Specifications.

(c) Sponsor shall be deemed to have discharged any commitment it may have made or be deemed to have made with respect to curing defects, if (i) the defect is not an eligible defect, or (ii) Sponsor is not timely notified of the defect, or (iii) the Unit Owner, Purchaser or Board of Managers, as applicable, prevents Sponsor, Sponsor's contractors, agents or licensees and/or the Managing Agent access to the Building and/or the Unit where corrective work for an eligible defect has been requested, or (iv) Sponsor shall have corrected or caused to be corrected the defect in accordance with the practice of the industry as said practice is determined by Sponsor's General Contractor or architect or engineer, in its sole discretion. Sponsor also shall not be obligated to remediate problems with equipment, appliances or systems installed by Sponsor which arise out of improper maintenance or operation by Unit Owners or the Board of Managers. Such problems shall not be eligible defects. Also, Sponsor's undertaking to correct eligible defects (inclusive of Punchlist Items) in a Unit, as described above, runs only to Unit Owners who purchased a Unit from Sponsor. It does not run to Owners who purchase Units on resale by other Unit Owners.

(d) Sponsor has no obligation to make any repair to the Units or the Common Elements, except as expressly set forth in this Offering Plan. Nothing contained in this Section or elsewhere in the Plan shall be construed to render Sponsor liable for consequential damages, whether based on negligence, breach of contract, warranty or otherwise (except as Sponsor may be liable for by law). Except as expressly set forth herein, Sponsor has no obligation to correct or repair any defect or condition in any Unit, the Common Elements, or the Building or in any installation,

apparatus, fixture or appurtenance. The foregoing provisions set forth Sponsor's entire responsibility with respect to corrections and repairs and none other shall be implied.

(e) Notwithstanding anything to the contrary in the foregoing discussion, both Unit Owners and the Board of Managers shall be obligated to permit Sponsor and its contractors and agents access to the Units and the Common Elements at the request of Sponsor and/or its contractors and agents, in order for Sponsor to complete its construction obligations pursuant to this Plan.

(f) Sponsor will not escrow any amounts in respect of incomplete or Punchlist Items.

(2) Appliances and Warranties

Notwithstanding anything to the contrary in this Plan, Sponsor shall not be responsible for correcting or repairing any defects in construction or defects in the installation or operation of any appliances (including, without limitation, kitchen appliances and washer and dryers), equipment or fixtures with respect to which warranties or other undertakings (however denoted) from manufacturers, contractors, materialmen, or others, are delivered and/or assigned to a Unit Owner or the Board of Managers.

Furthermore, the Sponsor shall not be responsible for paint touch-ups, repair of dented appliances, repair or chips, scratches, marks, breaks or other defects in window or window sashes, sliding glass doors, screens, electric fixtures, painted surfaces, sinks, tubs, basins, kitchen cabinets and counter tops, vanity tops and cabinets, ceramic tiles, saddle, wood flooring, appliances, woodwork and doors, or any defects of an insubstantial nature.

Finally, warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing and appliances installed or performed in the Unit, if any, will be available to Purchasers immediately following their Unit Closing, at the Building. Sponsor undertakes to provide such warranties to Purchasers only to the extent same are actually issued to such manufacturers and subcontractors and only to the extent same were provided to Sponsor by the manufacturer or subcontractor.

(3) Minor Construction Defects

In no event shall Sponsor have any responsibility to correct or repair minor construction defects, either as a Punchlist Item or otherwise. Minor construction defects shall include, without limitation, any condition resulting from normal use, wear and tear or natural deterioration or from the normal shifting or settling of the Building, and any minor condition or defect involving color, alignment, fit, noise, drafts, cracks, chips, scratches, breaks, warpage or other imperfections, and including, but not limited to partial or total death of any landscape improvements, nail pops, ridging on sheet rock walls, lumber

shrinkage, door sticking due to weather, door warpage, tile, marble an granite grouting, separation in joints of the tile, marble, granite or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settlement or normal plumbing, heating and air conditioning noises, or carpet discoloration and stretching. In addition, a discrepancy in the square footage of up to 5% from that represented in the Offering Plan shall be deemed minor and shall not excuse Purchaser from his obligations to purchase a Unit.

In addition, Sponsor shall not be responsible as a Punchlist Item or otherwise, for paint touch-ups, or repairs of chips, mars, breaks or other defects in window sashes, electric fixtures, interior painted surfaces, sinks, tubs, bowls, bidets (if any), cabinets, countertops, vanity tops and bases, doors, mirrors, hardware, flooring or appliance cabinets.

(4) Incidental and Consequential Damage

Nothing contained in this Plan shall be construed to render Sponsor liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty or otherwise), it being intended that Sponsor's sole obligations under the Plan shall be to repair or, at Sponsor's option, to replace any defective items of construction whether arising as a result of defects in material, improper workmanship or material substantially at variance with the Plans and Specifications, subject to the terms and conditions (and within the time limits) set forth herein. Sponsor shall not be responsible for any work or materials ordered by Purchaser directly from Sponsor's contractors or suppliers. Notwithstanding the foregoing, nothing contained in this Plan is intended to relieve Sponsor of liability for property damage, personal injury or wrongful death arising as a result of the gross negligence of Sponsor or its authorized agents or employees in connection with the transactions contemplated in the Plan.

8. Each Unit is to be sold unfurnished, and there will be no modifications or "extras" unless agreed to in writing by the parties. However, any and 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 Sponsor is included in the conveyance unless specifically excepted in the Plan.

9. Sponsor will pay all contractors, subcontractors, suppliers and all others involved in the construction of the Condominium who are engaged by Sponsor for authorized work performed and authorized fixtures, material and equipment supplied to or installed in the Condominium and will cause all mechanic's liens arising out of Sponsor's construction of the Condominium or the furnishing or installation of fixtures or equipment, to be discharged, bonded or otherwise handled so as to not encumber Purchaser's title, promptly after Sponsor has received actual notice that any such liens are filed.

10. Sponsor shall have a right of access to the Units and Common Elements to complete renovation of the Units and Common Areas. Prior to accessing any occupied Unit, Sponsor shall provide at least two (2) days notice of intention to access such Unit and obtain consent therefor from the Unit Owner. Sponsor agrees to use commercially reasonable efforts to minimize disturbance to any occupant of such Unit. Sponsor shall promptly repair or replace, at its expense, any damage caused to the Unit by virtue of such access.

11. Sponsor shall have an unqualified right of access to the Building and the Common Elements therein to remediate any defect timely brought to Sponsor's attention pursuant to the foregoing by a Unit Owner or the Board of Managers, as applicable, and/or otherwise to complete construction of the Project as described in this Offering Plan in accordance with the Plans and Specifications. Towards this end, Sponsor shall have an absolute right of access to the Common Elements for completion of rehabilitation, renovation and equipping the Building in accordance with the Plans and Specifications, for however long such work shall take. The Board of Managers shall have no right to limit Sponsor's access to the Building or the Common Elements for the foregoing purposes. If Sponsor is apprised of an alleged defect, Sponsor and/or its engineer, architect or contractors shall have the absolute right to enter the Building and the Common Elements to evaluate and if appropriate, thereafter remediate same. There shall be no limitation on Sponsor's right to enter the Building or the Common Elements pursuant to the foregoing.

12. Sponsor's Rights and Obligations With Respect to the Sale and Rental of Units

(a) Sponsor intends, and represents that it will endeavor in good faith, to sell all of the Units at the Property in a reasonably timely manner rather than rent them. However, Sponsor reserves the right, to be exercised in its unconditional discretion, to rent rather than sell Units. If Sponsor makes a bulk sale transfer of ten (10) or more Residential Units or twenty percent (20%) or more of the total number of Residential Units, whichever is less, the transferee shall be bound by Sponsor's representations regarding its commitment to sell the offered Residential Units. There are no objective conditions under which Sponsor reserves the right to rent rather than sell Units, and no objective conditions under which Sponsor shall resume sales. Sponsor reserves the right to sell Units to investors who intend to rent and not to occupy their Units personally. In addition, Sponsor and any Sponsor Successor may from time to time freely rent any Unsold Units in accordance with Applicable Law, without charge or limitation whatsoever and without the consent of the Condominium Board or any other Unit Owner. The Property is currently encumbered by a mortgage. *Accordingly, the mortgage may place limits on Sponsor's right to rent rather than sell Units*. Sponsor does not currently contemplate limiting its right to rent rather than sell based on objective, articulable criteria such as a significant decline in market prices of a specific percentage. Depending on market conditions, it is conceivable that Sponsor may find it more desirable to continue to rent one or more Units rather than to sell them. even if they are vacant. As a result, there is no commitment by Sponsor to, and it is

conceivable (although unlikely) that Sponsor will not, sell more than the minimum 15% of the Units necessary to declare the Plan effective, and that owner occupants may never gain effective control and management of the Condominium.

(b) As a result of the foregoing, some (and possibly many) of the Units may be occupied by renters and not Unit Owners. The occupancy of Units by renters instead of Unit Owners may limit or impair Purchaser's ability to obtain financing or refinancing (see paragraph 1 above in Special Risks), depending on the number of owner-occupied Units and the requirements of lenders at the time. Purchaser's ability to resell his Unit may similarly be limited or impaired if at such time many lenders have a higher minimum requirement of owner-occupied Units than may then exist in the Building.

(c) The By-Laws of the Condominium provide that, after the Initial Control Period, a majority of the Condominium's Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor or its principals.

13. Board of Managers

(a) Sponsor shall not be liable for or obligated to defend any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of closing of title to such Unit or the leasing thereof to any Purchaser, or with respect to the Common Elements, arising out of any occurrence taking place on or after the date of recording of the Declaration, or to indemnify the Board of Managers or Unit Owners, except with respect to claims arising out of the acts, omissions or representations of Sponsor, as limited in the Plan.

(b) Sponsor will pay all Common Charges for Units it owns (once Common Charges are assessed and collected as described below), as well as assessments that may be imposed by the Board of Managers on Units for Units which Sponsor owns, and real estate taxes attributable to Units Sponsor owns, while Sponsor owns these Units. Sponsor represents it has the financial resources to meet its obligations with respect to Units it owns and expects to fund its obligations from sale proceeds and/or reserves Sponsor maintains for these purposes.

(c) Once the Board of Managers has made a determination to assess and collect Common Charges (which point may arise after the First Unit Closing under this Plan, in the sole discretion of the Board of Managers as set forth in the By-Laws), Sponsor shall be obligated to pay all Common Charges, Special Assessments and real estate taxes with respect to Units owned by Sponsor and to perform other duties as a Unit Owner with respect to any Units owned by Sponsor for as long as same are owned by Sponsor.

14. General Obligations

(a) Sponsor represents that until it no longer controls the Condominium Board, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the Presentation Date of the Plan, reasonable wear and tear excepted, and subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which Sponsor is reasonably unable to exercise control. If Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make prior thereto.

(b) In the event of the dissolution or liquidation of Sponsor, or the transfer to a single transferee of ten (10) or more Units or twenty percent (20%) of the total number of Units in the Condominium, whichever is less, the principals of Sponsor will provide financially responsible entities or individuals who will assume with respect to those Units the status of, and all of the obligations of, Sponsor under the Plan and Applicable Law; and in the event of any such liquidation or dissolution of Sponsor, the principals of Sponsor shall guarantee the performance of such obligations.

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

(d) The foregoing sets forth the entire extent of the obligations of Sponsor and no other obligations will be implied, except that nothing contained herein will be deemed to limit the rights of Purchasers under their respective Purchase Agreements. Sponsor makes no representations or warranties other than as set forth in this Section. Sponsor will not be liable for any claims or obligated to defend any suits with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or the leasing thereof to any Purchaser or, with respect to the Common Elements, arising out of any occurrence taking place on or after the date of the closing of title to such Unit Closing, except suits or claims arising out of the acts of Sponsor or the representations made by Sponsor in this Plan.

(e) Obligations of Sponsor hereunder with respect to the Condominium and the Common Elements will be enforceable only by the Condominium Board on behalf of all Unit Owners. In no event will any obligations of Sponsor under this Section be enforceable by individual Unit Owner unless the Condominium Board 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 Condominium Board.

(f) Sponsor intends to meet its financial obligations to the Condominium under the Plan through profits generated from sales of, and income

generated from the rental of, Unsold Units. Sponsor has not furnished any bond or other security for the performance of its obligations under the Plan.

XVI. CONTROL BY SPONSOR

Sponsor or any Sponsor Successor will have the right to vote all of the Common Interest attributable to unsold Units owned by it, including unsold Residential Units and the Commercial Units. Sponsor will control the Condominium Board until the expiration of the Initial Control Period. At all elections held after the expiration of the Initial Control Period, not more than two members of the Condominium Board may be elected or designated by Sponsor or any Sponsor Successor. However, following the Initial Control Period: (i) Sponsor shall have the right, in addition to electing or designating such members of the Condominium Board as it shall be entitled to do, to vote its Common Interest with regard to the election of persons for the remaining seats on the Condominium Board, which persons are not to be designated or elected by Sponsor or Sponsor Successor, and (ii) as long as Sponsor or any Sponsor Successor owns at least one Residential Unit, Sponsor or such Sponsor Successor will have the right to elect or designate one member of the Condominium Board.

Sponsor shall relinquish automatic voting control of the Condominium Board at the election of Managers to be held at the first meeting of Unit Owners to occur following the expiration of the Initial Control Period (i.e., the period ending on the earlier of: (i) the closing of title with Purchasers under the Plan to Units having more than fifty percent [50%] of the aggregate Common Interests appertaining to all Units, or (ii) the second anniversary of the First Unit Closing).

The foregoing rights of Sponsor are in addition to any rights of Sponsor as owner of the Commercial Units. As more particularly set forth in the By-Laws, the owners of the Commercial Units will have the right jointly to designate one seat on the Condominium's Board of Managers. To the extent that Sponsor retains ownership of the Commercial Units, it is conceivable that Sponsor will be able to exercise effective control of the Board of Managers since Sponsor will be able to elect or designate up to two members of the Board of Managers (as owner of unsold shares), and a third seat (as owner of the Commercial Units).

The number of members of the Condominium Board may not be increased without the consent of Sponsor or any Sponsor Successor for so long as Sponsor or any Sponsor Successor owns any unsold Residential Units.

Until Sponsor or any Sponsor Successor no longer elects a majority of the members of the Condominium Board, Sponsor or any Sponsor Successor will, through its control of the Condominium Board, have control of the maintenance and operation of, and the services to be provided by, the Condominium and will indirectly determine the Common Charges to be paid by all Unit Owners. In no event, however, will Sponsor control the Condominium Board beyond the Initial Control Period.

As long as Sponsor or any Sponsor Successor continues to own Units constituting at least twenty-five percent (25%) of the common interests during the five years following the First Unit Closing, the Condominium Board will not be permitted, without the prior written consent of Sponsor or any Sponsor Successor, to:

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

(2) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency or surplus fund in excess of the lesser of: (i) five (5%) percent in the aggregate of the estimated Common Expenses for any one fiscal year of operation, or (ii) the maximum assessment permitted under Applicable Law;

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

(4) enter into any service or maintenance contracts for Work not covered in the First Year Budget;

(5) borrow money on behalf of the Condominium; or

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

Notwithstanding the foregoing, neither Sponsor nor any Sponsor Successor may exercise a veto over expenditures described in Schedule B, or expenses required (i) to comply with Applicable Law or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer which is the responsibility of the Condominium's Board of Managers to remedy.

The By-Laws of the Condominium provide that, after the Initial Control Period, a majority of the Condominium's Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. See generally Section XVII of the Plan below entitled "Rights and Obligations of Condominium Board/Summary of By-Laws."

XVII. RIGHTS AND OBLIGATIONS OF CONDOMINIUM BOARD/SUMMARY OF BY-LAWS

1. The Condominium Board

The affairs of the Condominium will be governed by the Condominium Board, which will consist initially of three members (who are Henry J. Justin, Ian Fishkin and Audrey Hallett) At the first meeting of the Unit Owners, which will be held not later than thirty (30) days after the earlier of: (i) the closing of title to Units whose aggregate

Common Interests exceed fifty percent (50%), or (ii) twenty four (24) months after the First Unit Closing, the three-member Condominium Board will resign in favor of a new five-member Condominium Board, to be elected by Unit Owners at such meeting. However, until the expiration of the Initial Control Period, Sponsor shall designate three members of the five-member Board of Managers. At all elections held after the expiration of the Initial Control Period, not more than two members of the Condominium Board may be elected or designated by Sponsor or any Sponsor Successor. Elections to the Condominium Board will be held at the regular annual meetings of Unit Owners in or before June of each succeeding year. In addition, the By-Laws provide that special meetings of Unit Owners may be called under certain circumstances. Each of the members of the five-member Condominium Board will serve until the next regular annual meeting of Unit Owners and until his successor is elected and qualified.

Except for members designated or elected by Sponsor or a Sponsor Successor, all members of the Condominium Board must be either: (i) individual Unit Owners, or spouses or domestic partners thereof; (ii) individual Permitted Mortgagees; or (iii) officers, directors, shareholders, partners, members, principals, employees or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees. Other than members designated as such by Sponsor or a Sponsor Successor, no member will continue to serve on the Condominium Board after he ceases to be a Unit Owner or an interested party in a Unit Owner, as specified in the preceding sentences. At least one member of the Board shall be an owner of one of the Commercial Units, which member shall be designated by Sponsor as long as it owns the Commercial Units or elected by the Commercial Units Owners if the units are sold.

Members of the Condominium Board are subject to removal, with or without cause, by vote of Unit Owners owning a majority of the aggregate Common Interest of the Condominium attending a duly called meeting at which a quorum is present, except that: (i) members designated, elected or appointed by Sponsor or any Sponsor Successor may be removed by the Condominium Board for cause only, or by Sponsor or such Sponsor Successor without cause, and (ii) members designated, elected or appointed by the Owners(s) of the Commercial Units may be removed by the Condominium Board for cause only, or by the owner(s) of the Commercial Units without cause. Sponsor or any Sponsor Successor will have the right to designate a replacement for any member that had been designated, elected or appointed by Sponsor or any Sponsor Successor who has been removed from the Condominium Board. The Commercial Units will have the right to designate a replacement for any member that had been designated, elected or appointed by the owner(s) of Commercial Units who have been removed from the Condominium Board.

All members of the Condominium Board will serve without compensation.

The By-Laws of the Condominium include a provision that, after the Initial Control Period, a majority of the Condominium's Board of Managers must be owner-occupants

or members of an owner-occupant's household who are unrelated to Sponsor and its principals.

2. Powers and Duties of the Condominium Board

The Condominium Board will have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (subject to the limitations set forth in the By-Laws), including, without limitation, the operation, care, upkeep and maintenance of the Common Elements, determination and collection of the Common Charges and Special Assessments, employment and dismissal of the personnel necessary for the maintenance and operation of the Condominium, adoption and amendment of the Rules and Regulations, maintaining bank accounts on behalf of the Condominium, purchasing, leasing or otherwise acquiring Units in the name of the Condominium Board or its designees, selling, leasing, mortgaging or otherwise dealing with (but not voting the Common Interests appurtenant to) Units acquired or leased by the Condominium Board, making repairs, additions and improvements to, or alterations of, the Property and the Common Elements, and generally managing and supervising the Condominium pursuant to the Declaration and the By-Laws. See the By-Laws for further details.

As more fully set forth in the By-Laws, all determinations required to be made by the Condominium Board will be by majority of the votes cast at any duly called meeting at which a quorum is present, subject to certain approval and veto rights of Sponsor and any Sponsor Successor as set forth in Section XVI of the Plan entitled "Control by Sponsor."

3. Officers of the Condominium

The officers of the Condominium will consist of the President, the Vice President, the Secretary, the Treasurer, Trustee #1 and Trustee #2, all of whom will be elected annually by a majority vote of the Condominium Board. The Condominium Board may also appoint additional officers. All officers will serve without compensation. None of the officers need be Unit Owners until the five-member Condominium Board is elected at the first meeting of the Unit Owners. Thereafter, both the President and the Vice President must be members of the Condominium Board and Unit Owners (or officers, directors, shareholders, partners, members, employees or beneficiaries, or their Family Members, of corporations, partnerships, limited liability companies, fiduciaries or Mortgagees that are Unit Owners). Any officer may be removed, without cause, by vote of a majority of the Condominium Board at a meeting duly called for such purpose.

4. Meeting and Votes of the Unit Owners

Except for the first meeting, the Unit Owners will hold annual meetings in or before June of each year. At each annual meeting, the Unit Owners will elect successors to the members of the Condominium Board. 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. At the annual meeting of the Unit Owners, the Commercial Unit Owner(s) will hold a separate election for the election of the member of the Board representing the Commercial Units.

Each Unit Owner, including Sponsor and any Sponsor Successors, will be entitled to cast one vote at all meetings of the Unit Owners for each 0.0001% of Common Interest attributable to his Unit. The presence, in person or by proxy, of Unit Owners having a majority of the votes of all Unit Owners will 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 a quorum is present will be binding upon all Unit Owners. However, elections of members of the Condominium Board will be determined by plurality vote.

5. Repairs, Alterations and Improvements to Common Elements

All painting, decorating, maintenance, repairs, and replacements to the Common Elements (other than to any Limited Common Elements, if any), whether located inside or outside of Units, will be made by the Condominium Board, which need not obtain the approval of Unit Owners or of any mortgagees of Units (regardless of the cost thereof), and the cost shall be a Common Expense, unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such Unit Owner will bear the entire cost thereof.

The cost of snow and ice removal from sidewalks will be a Common Expense, except that the removal of snow and ice in front of the Commercial Units shall be the responsibility of the Commercial Unit Owners. All maintenance and repairs to the Common Elements will be performed by employees of the Condominium or by independent contractors.

Whenever, in the judgment of the Condominium Board, the Common Elements (other than any Limited Common Elements, if any) shall require any addition, alteration or improvement (in contrast to painting, decorating, maintenance, repairs, or replacements) costing more than one hundred thousand dollars ($100,000.00) in the aggregate in any calendar year, such addition, alteration or improvement will not be made unless approved by a Majority of Unit Owners (including Sponsor or any Sponsor Successor, if either then owns any Unit) at a duly constituted Unit Owners' meeting and by the Mortgage Representatives, if any. If approved, the Condominium Board may, in its discretion, assess each Unit Owner its pro-rata share of the cost of any such addition, alteration or improvement, according to its Common Interest, as part of, or as a Special Assessment in addition to, the Common Charges. Any addition, alteration or improvement costing one hundred thousand dollars ($100,000.00) or less, in the aggregate, in any calendar year may be made by the Condominium Board without the approval of the Unit Owners or the Mortgage Representatives, if any, and the cost thereof will constitute a Common Expense. Notwithstanding the foregoing, no addition, alteration or improvement will be made to the Common Elements, regardless of the cost thereof, unless the written consent of Sponsor and any Sponsor Successor (so long as

Sponsor or any Sponsor Successor or both shall collectively own Units constituting at least twenty-five percent (25%) of the common interests during the five years following the First Unit Closing, required (i) to comply with Applicable Law or regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer which is the responsibility of the Condominium's Board of Managers to remedy.

6. Insurance

The Condominium Board will maintain fire insurance policies with all-risk extended coverage, insuring the Property (including the Property's Systems and 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 Condominium Board, all the Unit Owners (including Sponsor and any Sponsor Successor) and Permitted Mortgagees, as their respective interests may appear, in an amount equal to at least eighty percent (80%) of the full replacement cost of the Building (exclusive of foundation and footings), without deduction for depreciation. Each of such policies will contain a New York standard mortgagee clause in favor of each Permitted Mortgagee, which will provide that the loss proceeds thereunder, if any, will be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and any Insurance Trustee as set forth below.

All such policies will contain waivers of subrogation and of any defense based on coinsurance or on invalidity arising from any acts of the insured and of pro-rata reduction of liability, and will provide that such policies may not be canceled or substantially modified without at least ten (10) days' written notice to all the insureds, including Permitted Mortgagees. Each Unit Owner shall be deemed an additional insured under each such policy.

The Condominium Board will also maintain, to the extent practicable: (a) comprehensive general liability insurance as to personal injury and property damage in such limits and amounts as the Condominium Board may from time to time determine, covering each member of the Condominium Board, the Managing Agent (if any) and each Unit Owner; (b) rent insurance in an amount equal to the Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) water damage legal liability insurance; (f) umbrella liability insurance; (g) officers' and directors' liability insurance; and (h) such other insurance as the Condominium Board may from time to time determine to be appropriate. Such public liability policies will also cover cross-liability claims of one insured against another. However, such insurance will not cover the individual liability of a Unit Owner arising from any occurrence within his own Unit or any Limited Common Elements appurtenant thereto.

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

The net insurance proceeds payable under insurance policies maintained by the Condominium Board by reason of damage to or destruction of any part of the Building by fire or other casualty will be payable either to the Condominium Board, if one hundred thousand dollars ($100,000.00) or less in the aggregate, or to the Insurance Trustee, if in excess of one hundred thousand dollars ($100,000.00) in the aggregate.

Such proceeds will be applied for the purpose of repairing, restoring or rebuilding the Property, unless otherwise determined by Unit Owners. In no event will 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 the By-Laws, there is a determination not to rebuild the Property. The Insurance Trustee will be a bank or trust company, having any office in the City and State of New York, designated by the Condominium Board in accordance with the By-Laws.

Until the first meeting of the Condominium Board elected by the Unit Owners, the insurance coverage will be in the amounts and with the deductibles set forth in Schedule B. The Condominium Board will review the insurance coverage on the Building annually. See Schedule B and its Footnotes for full details of the projected insurance coverage to be maintained by the Condominium Board during the first year of condominium operation.

Unit Owners are not prohibited from carrying other insurance for their own benefit, provided that such policies contain waivers of subrogation and that the liability of the carriers issuing insurance procured by the Condominium Board will not be affected or diminished by reason of any Unit Owner's other insurance. Unit Owners are encouraged to consider maintaining, at their own individual expense: (a) separate insurance on the contents (i.e., furniture and other personal property and belongings) in Units, in such amounts 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 Units or any appurtenant Limited Common Elements.

7. Repair or Restoration After Fire or Other Casualty

Except as set forth in the next paragraph, if the Property or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board 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 and restorations, the Condominium Board may assess all Unit Owners for any deficit as a Common Expense. Any surplus insurance proceeds will be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment will be made to a Unit Owner until there has first been paid, out of his share of the funds, the amount 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 percent (75%) or more of the Property is destroyed or substantially damaged and if seventy-five percent (75%) 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 Property will not be repaired and will 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 the resulting sale, together with the net proceeds of insurance policies, will be divided among all Unit Owners in proportion to their respective Common Interests. No payment, however, will be made to a Unit Owner until there has first been paid, out of his share of such funds, such amounts as may be necessary to discharge all unpaid liens on his Unit (other than mortgages that are Permitted Mortgages) in the order of the priority of such liens. If Sponsor or any Sponsor Successor 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 Property.

8. Units Acquired by the Condominium Board

All Units acquired or leased by the Condominium Board or its designee will be held by the Condominium Board or its designee on behalf of all Unit Owners. Any rent, purchase price, closing costs and closing adjustments payable in connection therewith will be assessed against all Unit Owners as a Common Expense. No Units acquired by the Condominium Board or its designee will carry voting rights.

9. Liability of the Condominium Board and the Unit Owners

The members of the Condominium Board shall act in accordance with their fiduciary obligations to all Unit Owners. The members of the Condominium Board will have no liability to Unit Owners for errors of judgment, negligence or otherwise, except that individual members will be liable for their own bad faith, willful misconduct or gross negligence. The Condominium Board may contract or effect other transactions with any member thereof, with any Unit Owner, with Sponsor, any Sponsor Successor or with any Affiliate of any of them at competitive rates without incurring any liability for self-dealing.

Every contract made by the Condominium Board, by an officer of the Condominium, or by the Managing Agent will contain a statement (if obtainable) that: (a) the contract is made only as agent for all Unit Owners, and the members of the Condominium Board or such officers, or Managing Agent will have no personal liability thereon (except in their capacities as Unit Owners), and (b) the liability of any Unit

Owner with respect to such contract will be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of the Unit Owner bears to the aggregate Common Interests of all Unit Owners, and (ii) the Unit Owner's ownership interest in his Unit and its appurtenant Common Interest, unless otherwise provided by Applicable Law.

All Unit Owners will severally indemnify each member of the Condominium Board 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 Applicable 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 the Unit Owner bears to the aggregate Common Interests of all Unit Owners and the Unit Owner's ownership interest in his Unit and its appurtenant Common Interest, unless otherwise provided by Applicable Law.

10. General Indemnification Obligations

Subject to any specific limitation on the liability of Unit Owners set forth elsewhere in the By-Laws or in the Declaration, pursuant to the By-Laws each Unit Owner (including Sponsor and any Sponsor Successor) will indemnify and hold harmless all other Unit Owners (including Sponsor and any Sponsor Successor) and the Condominium from and against all Claims which may be imposed upon or incurred by any of the foregoing by reason of: (i) any Work performed or required to be performed by such Unit Owner on or about the Property; (ii) any negligence, wrongful acts or omissions on the part of such Unit Owner or any of his Family Members, officers, directors, shareholder, partners, tenants, agents, contractors, servants, employees, licensees, or invitees; or (iii) any failure on the part of such Unit Owner to perform or comply with any of the terms or conditions contained in the Declaration or the By-Laws on its part to be performed or complied with. Notwithstanding anything to the contrary contained herein, in no event will Sponsor be liable for the acts or omissions of any Sponsor Successor, except as specifically provided in the Plan or otherwise required by Applicable Law.

Subject to any specific limitation on the liability of the Condominium Board set forth elsewhere in the By-Laws or in the Declaration, pursuant to the By-Laws, the Condominium will indemnify and hold all Unit Owners, including Sponsor and any Sponsor Successor, harmless from and against all Claims which may be imposed upon or incurred by any of the Unit Owners and/or Sponsor and any Sponsor Successor by reason of: (i) any Work performed by the Condominium or the Condominium Board on or about the Property; or (ii) any negligence or wrongful acts or omissions on the part of the Condominium Board or any of its members, officers, agents, contractors, servants, employees, licensees, or invitees. The costs and expenses of the foregoing indemnification by the Condominium shall be a Common Expense.

Except as provided elsewhere to the contrary, including, among others, exceptions regarding the rights of Sponsor, the Declaration or the By-Laws may be

amended, modified, supplemented or deleted by an affirmative vote of 66-2/3% in number and in Common Interest of the Unit Owners at a meeting of the Unit Owners duly held for such purpose, as more fully described in the Declaration and the By-Laws.

XVIII. RIGHTS AND OBLIGATIONS OF UNIT OWNERS

1. Sale and Lease of Residential and Storage Units: Right of First Refusal

EACH RESIDENTIAL UNIT OWNER OR STORAGE UNIT OWNER MAY SELL OR LEASE HIS RESIDENTIAL UNIT OR STORAGE UNIT BUT ONLY AFTER THE RESIDENTIAL UNIT OWNER AND STORAGE UNIT OWNER GIVES THE CONDOMINIUM BOARD PRIOR WRITTEN NOTICE OF HIS INTENTION TO DO SO, ACCOMPANIED BY A FULLY EXECUTED COPY OF THE CONTRACT OF SALE OR LEASE, CONTAINING ALL OF THE TERMS OFFERED IN GOOD FAITH BY THE PROSPECTIVE PURCHASER OR LESSEE. THE CONDOMINIUM BOARD, ON BEHALF OF ALL UNIT OWNERS, WILL HAVE THE EXCLUSIVE RIGHT TO ELECT, WITHIN TWENTY (20) DAYS AFTER RECEIPT OF THE NOTICE OF SALE OR LEASE (OR SUCH OTHER ADDITIONAL INFORMATION AS THE CONDOMINIUM BOARD SHALL REQUIRE) TO PURCHASE OR LEASE THE RESIDENTIAL UNIT (AND ANY STORAGE UNIT OWNED BY THE UNIT OWNER), ON THE SAME TERMS SET FORTH IN THE CONTRACT OR LEASE, AS MORE SPECIFICALLY SET FORTH IN THE BY-LAWS. If the Condominium Board does not notify the Residential Unit Owner and Storage Unit Owner of its election to purchase or lease the Residential Unit and/or Storage Unit within the aforementioned twenty (20) day period, the Residential Unit Owner and Storage Unit Owner will have sixty (60) days after the expiration of the twenty (20) day period to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease appended to the notice. Should such consummation not occur within such sixty (60) day period, the Residential Unit Owner and Storage Unit Owner will again be required to offer the Residential Unit and Storage Unit to the Condominium Board as provided above. The foregoing obligations and restrictions do not apply to Sponsor, any Sponsor Successor, or any Residential Units and Storage Units owned by Sponsor or any Sponsor Successor. The terms of any lease of any Residential Unit and Storage Unit, including the rent, are not subject to State or local law. A Residential Unit Owner who also owns a Storage unit shall not be obligated to sell the Storage Unit owned by that Unit Owner to the same person acquiring the Residential Unit, but may sell or convey the Storage Unit to another Residential Unit Owner in the Condominium, simultaneously with or before the date on which the Unit Owner closed on the sale of the Residential Unit. A sale of a Storage Unit to another Unit Owner shall be subject to a right of first refusal by the Board of Managers in the same manner as the sale of a Residential Unit. In any event, a Storage Unit may be owned only by the Sponsor, the Board of Managers or a party who also owns a Residential Unit. A Residential Unit Owner may, but shall not be obligated, to lease the Storage Unit owned by that Owner to the lessee of the Owner's Residential Unit, but instead may retain the use of the Storage Unit for himself or herself.

The Condominium Board may not exercise its option to lease or purchase any Residential Unit or Storage Unit without the prior approval of a Majority of Unit Owners. However, the Condominium Board has the right to release or waive any such option without prior approval of a Majority of Unit Owners. If such right is exercised, the Condominium Board 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. In addition, the Condominium Board may, subject to the By-Laws and to applicable law, borrow the funds necessary to effectuate the purchase. The Condominium Board may exercise its right to lease or purchase a Storage Unit, if, and only if, it is also exercising its right to lese or purchase the Residential Unit contemporaneously owned in common with such Storage Unit.

Notwithstanding the foregoing, the Condominium Board shall not have any right of first refusal with respect to any sale, lease or conveyance of a Unit, together with its Appurtenant Interest, by: (1) the Commercial Unit Owners; (2) the Unit Owner of any Residential Unit or Storage Unit to certain of his adult Family Members (individually or in any combination), as more particularly set forth in the By-Laws, or, in the case of a Unit Owner that is not an individual, to any Affiliate of such Unit Owner, in each case without consideration; (3) Sponsor or any Sponsor Successor, with respect to any unsold Residential Unit or Storage Unit owned by Sponsor or any Sponsor Successor or any of their Affiliates; (4) the Condominium Board; (5) virtue of the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; (6) any Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; or (7) the Unit Owner of such Unit by gift, will or intestacy; provided however, that, with regard to each of the foregoing exemptions (collectively, "Exempt Transactions"), each succeeding Unit Owner that is not otherwise exempt on his own merits shall be bound by, and his Unit shall be subject to, such right of first refusal.

The lease for any Residential Unit and Storage Unit (other than one included within the definition of Exempt Transaction) must be in substantially the form of lease then approved by the Real Estate Board of New York, Inc., except for such changes thereto as are approved in writing by the Condominium Board as provided in the By-Laws, and must expressly provide that such lease may not be amended, modified or extended without the prior written consent of the Condominium Board and that the tenant thereunder may not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board; and that the Condominium Board will have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the Unit Owner as landlord thereunder in the event of: (a) a default by the tenant in the performance of its obligations under such lease, or (b) a default by the Unit Owner in the performance of his obligations to the Condominium pursuant to the By-Laws, including but not limited to the payment of Common Charges or other amounts due to the Condominium, or (c) a foreclosure of the lien granted by § 339-z of the Condominium Act.

Each conveyance of a Unit by a Unit Owner will include, as part of the property to be conveyed, the Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) 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 will be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, in the form set forth in Part II of this Plan.

Upon accepting the deed to a Unit, each Unit Owner will under the terms of the Declaration be deemed to have consented to a building wide allocation to all Units of any and all real estate tax exemptions and/or tax abatement benefits pertaining to the Property pursuant to Applicable Law; same allocation to be apportioned in the same ratio that the Common Interest of such Unit Owner's Unit bears to the aggregate Common Interests of all Units; to have waived and relinquished any and all rights to challenge or contest such allocation in any manner or form; and to have released and discharged all other Unit Owners, their heirs, successors and assigns, the Condominium Board, Sponsor, any Sponsor Successor and the City of New York from any and all acts, claims, damages or demands of any nature whatsoever which such Unit Owner, his heirs, successors or assigns ever had, may have, or will have against the other Unit Owners, the Condominium Board, Sponsor, any Sponsor Successor or the City of New York, with respect to the aforesaid allocation.

Notwithstanding anything to the contrary contained in this Plan, neither Sponsor nor any Sponsor Successor will be obligated to pay any transfer fee (including, but not limited to a so-called "flip tax") or service fee, whenever enacted, to the Condominium or Managing Agent with respect to the sale or leasing in whole or in part of any Unsold Unit.

The Condominium 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.

2. Mortgages of Units

Each Unit Owner may mortgage his Unit, provided that the Unit Owner first complies with the conditions set forth in the By-Laws. As more fully set forth therein, these conditions include the requirements that: (a) the mortgage be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan; (b) the Condominium Board is notified in writing of the making of such mortgage and is given a copy thereof; and (c) the Unit Owner making such mortgage is not in arrears for Common Charges or other amounts payable to the Condominium and first satisfies all other unpaid liens against his Unit other than Permitted Mortgages. Notwithstanding the above, Sponsor or any

Sponsor Successor will have the right to mortgage their Units without any restriction or limitation, except that the Condominium Board must be notified in writing of the making of the mortgage and must be given a copy thereof.

3. Common Charges: Assessment, Collection and Lien for Non-Payment

The Condominium Board will prepare and distribute to all Unit Owners, at least annually, a budget setting forth its projection of the Common Expenses for the coming fiscal year of the Condominium. Such Common Expenses will include, among other things: (a) all costs and expenses in connection with the operation and maintenance of and performance of any work in and to the Common Elements; (b) water charges and sewer rents in connection with the Property (unless separately assessed to individual Units); (c) real estate taxes and assessments levied with respect to the Property (until separately assessed to individual Units); and (d) amounts for such other items as the Condominium Board may deem proper (such as amounts for working capital and general operating and replacement reserves, to make up deficits for prior years, to prepay indebtedness of the Condominium or to purchase or lease Units). Based upon this budget, the Condominium Board will promptly determine, and advise each Unit Owner of, the Common Charges payable by the Unit Owner during the ensuing fiscal year representing a portion of the projected Common Expenses of the Condominium assessed to the Unit Owner prorated according to the Common Interest of his Unit.

Pursuant to the By-Laws, the Condominium Board has the right to revise its projection of the Common Expenses at any time and from time to time during any fiscal year of the Condominium. Any revision may result in an increase or decrease in the amount of Common Charges payable by Unit Owners during the fiscal year. However, no such revision will have a retroactive effect on the amount of Common Charges payable by Unit Owners prior to the date of the new determination. Notwithstanding the foregoing, the Condominium Board will not reduce the Common Charges payable during any year occurring within the Initial Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed for the Property on the date of recording the Declaration, or eliminating or reducing any service or reducing the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the members of the Condominium Board elected by Unit Owners other than Sponsor or any Sponsor Successor.

In addition, the Condominium Board will have the right, subject to certain restrictions set forth in the By-Laws, to levy Special Assessments to meet the Common Expenses. All Special Assessments will be levied against all Unit Owners in proportion to their respective Common Interests and may be payable either in one lump sum or in installments, as the Condominium Board shall determine. The Condominium Board shall have all rights and remedies, pursuant to the By-Laws and Applicable Law, with regard to the non-payment of Special Assessments as it possesses with regard to the non-payment of Common Charges.

Unless otherwise determined by the Condominium Board, Common Charges will be payable in monthly installments, in advance, on the first day of each 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 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 his Unit.

Any Unit Owner may, by conveying his Unit, without consideration, to the Condominium Board and complying with certain conditions set forth in the By-Laws in connection therewith, exempt himself from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and Special Assessments then due and payable with respect to his Unit and the Unit's being free and clear of all liens and encumbrances other than Permitted Mortgages and any statutory lien for unpaid Common Charges.

On resale of any Unit, Purchaser will be required to pay unpaid Common Charges and/or Special Assessments assessed against the Unit prior to his acquisition, except that a mortgagee acquiring title to a mortgaged Unit or Purchaser at a mortgage foreclosure sale will not be liable, and the mortgaged Unit will not be subject to, a lien for the payment of any Common Charges and/or Special Assessments assessed subsequent to the recording of the mortgage and prior to the acquisition of title to the Unit by the mortgagee or Purchaser at a mortgage foreclosure sale. If the Condominium Board forecloses its statutory lien on any Unit for unpaid Common Charges and/or Special Assessments and the net proceeds of the foreclosure sale are not sufficient to pay the unpaid Common Charges and/or Special Assessments, or if such Unit is acquired by a mortgagee or Purchaser at a mortgage foreclosure sale, then, in either event, the defaulting Unit Owner will remain personally liable for the balance of the unpaid Common Charges and/or Special Assessments. The Condominium Board will have the right to assess the unpaid balance among all those who are Unit Owners at the time that the assessment is levied.

Under the provisions of § 339-z of the Condominium Act and under the By-Laws, the Condominium Board will have a lien, on behalf of all Unit Owners, on each Unit for unpaid Common Charges assessed against the 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 the Unit. Any lien for unpaid Common Charges and/or Special Assessments against a Unit will be effective from and after filing of a notice thereof in the Register's Office and until all sums secured thereby, with accrued interest, are fully paid, or until six years from the date of filing (unless foreclosure of the lien is started within such six-year period) whichever will be sooner. Such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Condominium Board to recover unpaid Common Charges and/or Special Assessments without foreclosing the lien. During the period in which Sponsor controls the Board of Managers, Sponsor designees

to the Board will be responsible for causing the Board to take actions consistent with the By-Laws against Unit Owners who are in arrears in paying Common Charges including, without limitation, Sponsor, with respect to Units it owns.

Under § 339-kk of the Condominium Act, the Condominium will have the right to demand that, with regard to any Unit occupied by a tenant whose Unit Owner is in arrears in the payment of Common Charges or assessments to the Condominium, such tenant pay his/her rent directly to the Condominium to be credited against the Common Charges or assessments owed by such Unit Owner to the Condominium, in addition to all other rights and remedies that the Condominium may have against the Unit Owner.

4. Restrictions on the Use of Units

As more fully set forth in the Declaration and in the By-Laws, each Residential Unit may be used only as a residence (except as otherwise described herein, and subject to Applicable Law), and not more than one family may occupy a Residential Unit at one time. Notwithstanding the foregoing, Sponsor and any Sponsor Successor (or, when Sponsor and any Sponsor Successor no longer owns any Residential Units, the Condominium Board) may, in their sole discretion, consent to the use of any Residential Unit as a professional or business office, or for any home occupation use or for any purpose, provided that the nature and manner of such use complies with Applicable Law. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Unit Owner shall be required to obtain the prior written consent of Sponsor, Sponsor Successor or the Condominium Board (as the case may be) before using such Residential Unit for any purpose other than as a residence.

The Storage Units may only be used for the storage and keeping of personal effects and are available to Purchasers of Residential Units. A Storage Unit may be owned only in conjunction with a Residential Unit. Storage Units are available on a first-come-first-served basis. The Storage Units may not be used for Combustible Items as defined in the New York City Buildings Code. No storage of clothing, furniture, books, papers or any other combustible items will be permitted. The Storage Units may not be used for any type of occupancy including, but not limited to, dining, sleeping, living room, recreational room, office, etc. To do so may result in a violation against the Building being issued by the New York City Department of Buildings.

The Commercial Units may be used by the owners of Commercial Units for any lawful purpose except that the Commercial Unit Owners shall not use, or permit the use of the Unit(s) or any part thereof, without the prior written consent of the Condominium Board for (i) storage, handling or furnishing of any materials which are flammable or explosive and the storage of which would cause the rate of insurance for the Building to be increased; (ii) any obscene or pornographic purposes or any sort of commercial sex establishment; (iii) for use as a facility for alcoholics, homeless persons or mentally ill and/or deranged persons; (iv) as an abortion clinic; or (v) office of a political party, an

embassy, consulate or for use (other than as a commercial patron thereof) by any person or entity entitled to sovereign or diplomatic immunity.

Sponsor and any Sponsor Successor may, for so long as either own any Units in the Condominium, without the consent of either the Condominium Board or any other Unit Owners, use or grant permission for the use of any unsold Residential Unit as a professional or business office or for any other purpose, including, without limitation, use of any one or more unsold Residential Units as model units and offices for the sales, promotions, management and operation of its Units, or lease its Units to third parties for their occupancy, provided only that the nature and manner of such use complies with Applicable Law and does not violate the then existing certificate of occupancy for the Property.

A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other Person may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by an individual member of such limited liability company or an officer, director, stockholder, partner or employee or individual member of any corporate, partnership or limited liability company member of such limited liability company, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries and members or employees of limited liability company fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other Person, respectively, or by Family Members or guests of any of the foregoing; however, nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Residential Unit by such Family Members or guests. Notwithstanding the foregoing, the Condominium Board may, in its sole discretion, permit Persons other than those set forth above to occupy a Residential Unit. In no event, however, shall only a portion of a Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this paragraph) may be accommodated therein.

No nuisance, or immoral, improper, offensive or unlawful use will be allowed in the Building or any portion thereof. All Applicable Laws relating to any portion of the Property will be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever has the obligation to maintain or repair such portion of the Property under the terms of the Declaration and the By-Laws. No Unit Owner will cause or permit any Hazardous Materials to be used, stored, transported, released, handled, produced or installed in, on or from its Unit or the Property other than substances used in de minimis quantities in household cleaning products and generated, stored, handled and used in compliance with Applicable Law. It will be the obligation of each Unit Owner to comply (at its sole cost and expense) with all Applicable Laws with respect to Hazardous Materials in its Unit or in connection with any Work performed by or on behalf of such Unit Owner at the Property.

The sidewalks, entrances, lobby, passages, public halls, vestibules, corridors, stairways or any other part of the Common Elements (except for those areas designated as storage areas) must not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a Family Member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee or agent of a Unit Owner may be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Property.

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

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

5. Special Restrictions with Regard to the Residential Units

No velocipedes, bicycles, scooters, baby carriages, or similar vehicles are allowed to stand in the public halls, passageways or other public areas of the Property.

No public hall, lobby, vestibule, corridor, stairway or any other part of the Common Elements (other than any area designated as a Limited Common Element) may be decorated or furnished by any Unit Owner in any manner.

No article (including, but not limited to, garbage cans, bottles or mats) may be placed or stored in any of the passages, halls, vestibules, corridors, or on any of the staircases or fire stair landings of the Property, or any other part of the Common Elements, nor may any fire exit thereof be obstructed in any manner.

All service and delivery persons are required to use any service entrance or such other entrance of the Property as shall be designated by the Condominium Board.

Trunks and heavy baggage must be taken in or out of the Property only in the manner, and at the times, designated by the Condominium Board or the Managing Agent for that purpose.

To the extent that they may exist in the Building, the laundry and drying facilities in any laundry room of the Property are to be used in such manner and at such times as the Condominium Board or the Managing Agent shall direct. No clothes, sheets, blankets, laundry, or other articles of any kind may be hung on or out of a Unit or shall be dried or aired on any terrace, balcony or patio.

To the extent that they may exist in the Building, storage areas, if any, that are not part of, or attached to, or made a Limited Common Element appurtenant to any, particular Unit may be used by all Unit Owners, in common, only for the storage of trunks, bags, suitcases and packing cases, all of which must be empty, and for the storage of such other articles as the Condominium Board, in its sole discretion, may determine from time to time. Supervision, management and control of the use of any such storage areas will be vested in the Condominium Board. The use of any such storage areas will be at the sole risk of the Unit Owner or other Person using them, and the Condominium Board, its agents or the Managing Agent will not be liable for any injury to person, loss by theft or otherwise, or damage to property, whether due to the negligence of the Condominium Board, its agents, the Managing Agent or otherwise.

All refuse from Units must be deposited by Unit Owners in those areas of the Property provided for that purpose at such times and in such manner as the Condominium Board or the Managing Agent shall direct. Nothing may be hung or shaken from any doors, windows or open terraces, or placed upon the window sills of the Property, and no Unit Owner may sweep or throw or permit to be swept or thrown, any dirt, debris or other substance therefrom. All Applicable Laws relating to recycling must be complied with; in the event that the Condominium shall incur any fine, penalty or expense as a result of non-compliance by a Unit Owner (or an occupant of his Unit) with any such Applicable Law relating to recycling, the cost thereof shall be paid or reimbursed by such Unit Owner to the Condominium Board.

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

The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements used for storage, recreational or service purposes in the Property, without any diminution in the Common Charges payable by any Unit Owner.

Nothing may be done or kept in any Unit or in the Common Elements that shall increase the rate of insurance on the Property, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner may permit anything to be done or kept in his Unit or in the Common Elements that will result in the cancellation of insurance on the Property, or the contents thereof, or that would be in violation of any Applicable Law.

No Residential Unit Owner or any of his Family Members, agents, servants, employees, licensees or guests may at any time bring into or keep in a Residential Unit or Storage Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as is necessary and appropriate for the permitted uses of such Residential Unit.

No barbecuing or open-flame cooking shall occur in any Residential Unit, or in any Common Element, including but not limited to any Limited Common Element.

No Unit Owner may make, cause or permit any unusual, disturbing or objectionable noises, activities or odors to be produced upon or to emanate from his Unit or any appurtenant Limited Common Element or permit anything to be done therein that interferes with the rights, comforts or conveniences of the other Unit Owners. No construction, repair work, or other installation involving noise may be conducted in any Unit except on weekdays (excluding Holidays) and only, between the hours of 8:00 a.m. and 5:00 p.m., without prior written consent of the Condominium Board, unless such construction or repair work is necessitated by an emergency.

No bird, reptile or other animal shall be permitted in any Common Element of the Building unless caged, carried or on a leash. No pigeons or other birds or other animals may be fed from the window sills, patios, terraces, or other public portions of the Property, or on the sidewalk or street adjacent to the Property.

No Unit Owner may install any plantings on any roof, terrace, balcony or patio without the prior written approval of the Condominium Board, pursuant to any applicable Rules and Regulations as may be adopted by the Condominium Board from time to time. All plantings and planters must comply with all Applicable Laws governing weight, size and soil composition.

In the event that any Residential Unit shall be used for home occupation purposes in conformity with the Declaration and the By-Laws and pursuant to Applicable Law, no patients, clients or other invitees of the Unit Owner thereof shall be permitted to wait in any lobby, public hallway or vestibule.

Unless expressly authorized by the Condominium Board in each instance, not less than eighty (80%) percent of the floor area of each Residential Unit (excepting only kitchen and bathroom areas, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.

No window guards or other window decorations may be used in or about any Residential Unit, except such as will have been approved in writing by the Condominium Board or the Managing Agent, which approval will not be unreasonably withheld or delayed. In no event, however, may any exterior glass services of any windows at the Property be colored or painted.

No ventilator or air-conditioning device may be installed in any Residential Unit without the prior written approval of the Condominium Board, which approval will not be unreasonably withheld or delayed.

No radio or television aerial, satellite dish or other signal-receptive device may be attached to or hung from the exterior of the Property, and no sign, notice, advertisement or illumination (including, without limitation, "For Sale", "For Lease" or "For Rent" signs)

shall be inscribed or exposed on or at any window, door, or other part of the Property, except as such are permitted pursuant to the terms of the Declaration and/or the By-Laws or as are approved in writing by the Condominium Board or the Managing Agent. The foregoing restrictions shall not apply to the Commercial Units, or to Sponsor or any Sponsor Successor with regard to unsold Residential Units. Nothing may be projected from any door or window of a Residential Unit without similar approval.

All radio, television, computer or other electrical equipment of any kind or nature installed or used in each Unit must fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction. The Unit Owner alone will be liable for any damage or injury caused by any radio, television or other electrical equipment in his Unit or any appurtenant Limited Common Element.

Water-closets and other water apparatus in the Property may not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article may be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit will be repaired and paid for by the Unit Owner of such Unit.

Each Unit Owner must keep his Unit and any appurtenant Residential Limited Common Element in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws and Applicable Law.

The agents of the Condominium Board or the Managing Agent, and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any Unit or any appurtenant Limited Common Element 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 extermination will be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes. However, in the event that any access to a Unit or any appurtenant Limited Common Element shall be necessary in the event of an emergency of any nature, no prior notice shall be required.

The Condominium Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the 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 the Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter

such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care under the circumstances is given to such Unit Owner's property).

If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his agent, servant, employee, licensee or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key will be at the sole risk of such Unit Owner, and neither the Condominium Board nor the Managing Agent will be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

No occupant of the Property may send any employee of the Condominium or of the Managing Agent out of the Property on any private business.

Corridor doors must be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

No common roof-top areas of the Property may be used at any time or for any reason by Unit Owners, their Family Members, guests, servants, employees, agents, guests or licensees, other than with the prior written consent of the Condominium Board in each instance.

No rescission, alteration, waiver or addition of any Rule or Regulation in respect of one Unit Owner or other occupant will operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

6. Repairs and Maintenance of Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, in or to any Unit (other than the Common Elements contained therein) will be performed by the Unit Owner at his sole cost and expense, or if in or to the General Common Elements will be performed by the Condominium Board as a Common Expense, or if in or to any Limited Common Element will be performed either by the Condominium Board as a Common Expense, if involving structural or extraordinary maintenance, repair or replacement, or by the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if involving painting, decorating and non-structural ordinary maintenance, repairs and replacements.

In connection with the foregoing, it should be noted that each Unit Owner is responsible at his own cost and expense for washing and cleaning the exterior glass surfaces of all windows of his Residential Unit. It is also noted that the Rules and Regulations require eighty (80%) percent of the floor area of each Residential Unit (except for kitchen and bathroom areas, closets and foyers) to be covered with rugs, carpeting or other equally effective noise reducing material.

Notwithstanding the foregoing, all maintenance, repairs and replacements to the Common Elements, whether structural or non-structural, ordinary or extraordinary, necessitated by the negligence, misuse or abuse of a Unit Owner, or by any agent, contractor, licensee, invitee, Family Member, tenant, co-occupant or guest of such Unit Owner, will be made by such Unit Owner at his sole cost and expense.

The By-Laws require that each Unit, any Limited Common Elements appurtenant thereto, and all portions of the Common Elements, be kept in first-class condition (and, with respect to any balcony or terrace or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof. The By-Laws further require that those public or other areas of the Building that are exposed to public view (whether they are required to be maintained by a Unit Owner or by the Condominium Board) be kept in good appearance in conformity with the dignity and character of the Property by such Unit Owner or the Condominium Board, as the case may be. In the event that any Unit Owner shall fail to keep his Unit or any appurtenant Limited Common Element in good condition, the Condominium Board may, at the expense of such Unit Owner, enter the Unit or any such appurtenant Limited Common Element to perform any acts necessary to cure the default. See the subsection below entitled "Rights of Access."

7. Regulations on Lead-Based Paint

Lead-Based Paint Regulations recently adopted by the United States Department of Housing and Urban Development and the Environmental Protection Agency, and the City of New York, apply to the Units under current law.

8. Alterations and Improvements of Units and Common Elements

No Residential Unit Owner (except Sponsor and any Sponsor Successor) may perform any structural Work in or to his Residential Unit or any appurtenant Limited Common Element without the prior written approval of the Condominium Board. Such approval may be conditioned, in the discretion of the Condominium Board, upon any reasonable condition, including but not limited to the execution of an agreement by the Residential Unit Owner, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions upon which such Work may be performed. Except as otherwise provided in the By-Laws, no Unit Owner may perform any Work in or to the Common Elements.

Notwithstanding the foregoing, Sponsor and any Sponsor Successor, and the owner(s) of the Commercial Units will have the right, without the approval of the Condominium Board, the Managing Agent, other Unit Owners or Permitted Mortgagees, Mortgage Representatives or any other mortgagees to: (a) perform Work in or to any unsold Residential Unit, the Commercial Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of unsold Residential Units, the Commercial Units, provided,

however, that these actions comply with Applicable Law and do not impinge upon the Common Elements appurtenant to a Unit. See Section XIX of the Plan entitled "Changes in Prices and Units."

At the request of Sponsor or any Sponsor Successor, or of the owner(s) of the Commercial Units, the Condominium Board will execute any application or other document required to be filed with any Governmental Authority having or asserting jurisdiction in connection with any Work proposed to be performed by Sponsor or any Sponsor Successor, or by the owner(s) of the Commercial Units, at which time Sponsor or any Sponsor Successor or such owner(s) of the Commercial Units will indemnify and hold harmless the Condominium Board and the Unit Owners from any expense or liability by virtue of the execution of such application or other document.

9. Rights of Access

As more fully set forth in the By-Laws, the Condominium Board, the Managing Agent, the superintendent and other Person authorized by the Condominium Board will have a right of access to any Unit (and to any Limited Common Element appurtenant thereto) for the purposes, among others, of making inspections of, or removing violations of Applicable Law against any part of, the Property, curing defaults committed by a Unit Owner under the Condominium Documents or correcting any conditions originating in any Unit and threatening another Unit or any Common Element. In addition, Sponsor and any Sponsor Successor, and their respective contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for purposes of performing certain Work in or about unsold Residential Units and in fulfilling Sponsor's obligations under the Plan.

10. Self-Help

If any Unit Owner shall fail to maintain or repair any part of the Property required to be maintained or repaired by such Unit Owner, or in the event of any breach of any requirement set forth in the Condominium Documents, then, as set forth in the By-Laws, the Condominium Board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at the Unit Owner's expense.

11. Insurance

See Section XVII of the Plan entitled "Rights and Obligations of Condominium Board/Summary of By-Laws" for a description of the insurance coverage provided by the Condominium Board and a Unit Owner's rights and obligations with regard to obtaining supplemental or additional insurance. Schedule B contains a summary of the insurance coverage which will be in effect at the First Unit Closing.

XIX. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following summary is for informational purposes only and is based upon information provided by Sponsor's Counsel, Belkin Burden Wenig & Goldman, LLP, set forth in Section XX of the Plan entitled "Opinion Letter of Counsel".

Each Unit Owner will own his Unit, together with its appurtenant Common Interest, 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 mortgage such Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Sponsor's Counsel that, under present law, under certain circumstances Unit Owners who use their Units for residential purposes will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the taxable year in which the same are paid or accrued. It is also the opinion of Sponsor's Counsel that, under present law, under certain circumstances each Unit Owner who uses their Unit for residential purposes will, for New York State and New York City income tax purposes, be entitled to the same deduction that is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year.

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

Under §528 of the Internal Revenue Code, a condominium association may be eligible to elect for a condominium to be exempt from Federal income tax on Common Charges collected from the Unit Owners provided that the requirements of §528 are met. In the opinion of Sponsor's Counsel, it appears that the Condominium will qualify for election under §528, whereby the income of the Condominium will be exempt from taxation. However, because of certain tests for qualification, including the composition of the Condominium's receipts and expenditures, and because of certain ambiguities in the language of §528 which are not clarified by the legislative history, rulings, or regulations, Sponsor cannot warrant the application of §528 to the Condominium. Accordingly, while a §528 election may be contemplated, such an election may not be applicable to the Condominium. If an election under §528 is not available or in effect for a taxable year, the income of the Condominium will be not be exempt from taxation and governed by the tax laws and rules without regard to the effect off §528. Purchasers should note that, if the Condominium does not qualify for the election under § 528, no monies have been set aside for possible taxes arising therefrom. Please see Section XX of the Plan entitled "Opinion Letter of Counsel."

Common Charges will be borne by the Unit Owners and assessed and collected by the Condominium Board. See the income tax opinion in Section XX of the Plan entitled "Opinion Letter of Counsel" for a further discussion of the tax status of the Condominium.

No representations or warranties are made that the Internal Revenue Service, the New York State Department of Taxation and Finance or the New York City Department of Finance will allow any of the aforementioned deductions or that the tax laws, or the regulations or rulings issued thereunder, or any judicial interpretation thereof upon which Sponsor's Counsel has based its income tax opinion will not change. In no event will Sponsor, the Managing Agent, Sponsor's Counsel, or any other person connected with this offering be liable if, at any time or for any reason, it is held that the Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid make any representations or warranties with respect to the tax consequences of this Plan or the tax consequences or ownership of any Units offered under the Plan, and no one has been authorized to make such representations or warranties.

NO WARRANTIES ARE MADE THAT THE INTERNAL REVENUE SERVICE, THE DEPARTMENT OF TAXATION AND FINANCE OF THE STATE OF NEW YORK OR THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK WILL ALLOW INCOME TAX DEDUCTIONS. FURTHER, NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE TAX LAWS UPON WHICH SPONSOR'S COUNSEL BASES ITS OPINION WILL NOT CHANGE AND IN NO SUCH EVENT WILL SPONSOR, THE SELLING AGENT, THE MANAGING AGENT, SPONSOR'S COUNSEL, THE CONDOMINIUM BOARD, COUNSEL TO THE CONDOMINIUM BOARD OR ANY OTHER PERSON CONNECTED WITH THIS OFFERING BE LIABLE IF FOR ANY REASON IT SHALL BE DETERMINED THAT UNIT OWNERS DO NOT MEET OR AT ANY FUTURE TIME CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE, THE NEW YORK STATE TAX LAW, THE NEW YORK CITY ADMINISTRATIVE CODE OR ANY AMENDMENT TO ANY OF THEM. MOREOVER, NONE OF THE AFORESAID MAKES ANY REPRESENTATIONS, GUARANTEES OR WARRANTIES WITH RESPECT TO THE TAX CONSEQUENCES OF THE OWNERSHIP OF ANY UNIT OFFERED UNDER THE PLAN EXCEPT AS EXPRESSLY SET FORTH HEREIN, AND NO ONE ELSE HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS, GUARANTEES OR WARRANTIES OTHER THAN THOSE CONTAINED HEREIN. EACH PURCHASER SHOULD CONSULT HIS OWN TAX ADVISOR AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF UNIT OWNERSHIP.



Belkin Burden Wenig & Goldman, LLP

ATTORNEYS AT LAW

270 Madison Avenue
New York, NY 10016
Tel 212. 867. 4466
Fax 212. 297. 1859

125 Main Street
Westport, CT 06880
Tel 203. 227. 1534
Fax 203. 227. 6044

www.bbwg.com

Robert A. Jacobs
Partner
212. 867. 4466 Ext 359
rjacobs@bbwg.com

January 8, 2008

The 211 East 51st Street Condominium
c/o H.J. Justin Realty Services, LLC
115 West 30th Street, Suite 208
New York, New York 10001

Re: The 211 East 51st Street Condominium

Dear Ladies and Gentlemen:

You have requested our opinion concerning: (i) the availability of certain deductions for Federal, New York State and New York city income tax purposes to persons who purchase for residential use ("Unit Owners") residential units ("Units") in The 211 East 51st Street Condominium (the "Condominium"), at 211 East 51st Street, New York, New York (the "Property"), which Property is being converted to condominium regime pursuant to an offering plan to be filed with the New York State Department of Law (the "Plan"), (ii) the treatment for such income tax purposes of the common charges to be paid or borne by such Unit Owners, and (iii) compliance with Real Property Law Section 339-i in the allocation of Common Interest percentages to each Unit in the Condominium.

In connection with rendering this opinion, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986 (the "Code"), the New York State Tax Law (the "State Tax Law"), the New York State Real Property Law (the "RPL"), the Administrative Code of the City of New York (the "City Code"), the regulations promulgated under each of the foregoing, regulations promulgated by the New York State Department of Law, and such other materials as we have deemed relevant. Except where otherwise indicated, the terms used in this opinion have the same meanings as in the Plan.

I. DEDUCTIBILITY OF MORTGAGE INTEREST AND REAL ESTATE TAXES

A purchaser will have the right to place an individual mortgage on his separate unit and will be liable to the local taxing authority for any real property tax assessment with respect to his interest in the Property. Under these circumstances, the Internal Revenue Service has ruled that an owner of a condominium unit may deduct interest paid on his mortgage indebtedness and the real estate taxes assessed and paid on his interest in the Property. Rev. Rul. 64-31, 1964-1 C.B. 300.

Accordingly, based upon our review of the Plan and related documents and assuming the Condominium is validly created pursuant to Article 9-B of the RPL, we are of the opinion that each owner of a Unit should be entitled to deduct for Federal, New York State and New York City income tax purposes, the amount paid by him during his tax year for real property taxes assessed against his interest in the Property and to deduct interest, if any, paid on any mortgage indebtedness secured by his unit provided he occupies his unit as a primary or secondary residence.

In the course of preparing this opinion we have reviewed Sections 163 and 164 of the Code, Section 615 of the State Tax Law and Section T46-115.0 of the City Code. However, it should be noted that such interest deductions may be subject to limitation (i) if an owner does not use his unit as his principal or secondary residence or (ii) if such indebtedness otherwise is not "qualified residence interest" under the Revenue Act of 1987. An owner who does not occupy his unit for personal residential purposes, but who holds it for rental purposes may be subject to the "passive activity loss rules." Under such rules, losses with respect to a unit are deductible only to the extent of the owner's passive activity income from other sources. This rule may not apply to owners with adjusted gross income of less than $150,000 who may be entitled to deduct up to $25,000 of losses with respect to their units without regard to the passive activity loss rules.

Pursuant to Section 458 of the RPL, certain owners of residential condominium units who are veterans of the United States armed forces, or certain relatives of such veterans may be entitled to exemptions with respect to part of the real property taxes otherwise assessed against their interests by taxing authorities.

II. COMMON CHARGES

The Internal Revenue Service has ruled that an organization formed by owners of condominium units to provide for management, maintenance and care of the common areas of the project does not qualify for exemption from Federal income tax and therefore would be treated as a corporation subject to Federal income tax. Rev. Rul. 74-17, 1974-1 C.B. 130. However, if the Condominium qualifies as a "homeowners association" under Section 528 of the Code, the Condominium can elect a partial exemption from Federal income tax. The term "homeowners association" includes condominium management associations which are organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, substantially all of whose units are homes for individuals (including property commonly held by members of the association). Under Section 528 of the Code, in order to qualify for, and be taxed as, a homeowners association, the Condominium must

meet the following tests: (i) the "income" test under which 60% or more of the gross income of the association for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of Units; (ii) the "expenditure" test, under which 90 % or more of the expenditures of the association for the taxable year must be expenditures for the acquisition, construction management, maintenance and care of association property; (iii) the "lack of benefit test" whereby no part of the net earnings of such organization inures (other than by acquiring, constructing or providing management, maintenance and care of association property) to the benefit of any private shareholder or individual; (iv) and the "substantially residential" test, under which at least 85% of the association property must be used by individuals for residential purposes (Regs. §1.528-4[b]). If the Condominium meets the preceding tests it may elect to have Section 528 apply for a taxable year. Qualifying associations that make this election are not taxed on their exempt function income, but would be taxed at a rate of 30% with respect to income, other than from membership dues, fees or assessments from owners of condominium housing units, less expenses attributable thereto. In the case of the proposed Condominium, in the opinion of the undersigned, it appears that it will qualify for election under Section 528 due to the fact that more than 85% of the association property is used for residential purposes.

If the Condominium does not qualify for or fails to make an election under Section 528, its status for Federal income tax purposes is unclear. Because the Condominium By-Laws provide that the Condominium Board will act as an agent of the Unit Owners, the Internal Revenue Service may take the position that the Board is merely a conduit for the Unit Owners and not a separate tax entity. In such event, all income earned by the Board (less applicable expenses) would be deemed income to the Unit Owners and taxable to them.

Examples of potentially taxable, "unrelated income" include any Common Charges collected in excess of Common Expenses, interest earned on reserves and other invested funds, income from concessions and income from dues or fees received from persons other than Unit Owners, assuming that assessments for capital purposes, including reserves, are properly treated as trust funds [Rev. 75-371, 1975-2 C.B.52; Rev. .Rul. 75-370, 1975-2 Cum. Bull 25.]

If the Internal Revenue Service, however, contends that the Unit Owners, acting through the Condominium Board, constitutes an association taxable as a corporation, then the Board would (a) not constitute a tax exempt organization [see Rev.Rul.74-17, 1974-1, Cum.Bull.130; Rev.Rul.74-99, 1974-1, Cum.Bull.131, clarified by Rev.Rul.80.63, 1980-1 Cum.Bull.116] and (b) be subject to Federal, State and City corporation income taxes (or NYC unincorporated business tax) on such portion of the

Common Charges and any other income earned from the sale or lease of Units owned or acquired by the Board which is deemed to constitute income of the Board. In the event Unit Owners were assessed to fund a tax liability of the Board, such further Common Chargers would probably be deemed to constitute still further gross to the Board subject to tax [see, Old Colony Trust Co. v. Commissioner, 279 U.S.716 (1922); Rev. Rul. 74-75, 1974-1 C.B. 19].

III. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

The Common Interest percentages allocated to each Unit in the Condominium have been allocated in the manner prescribed by RPL section 339-i(1)(iv): based on each Unit's floor space, subject to the location of such Unit, such Unit's relative value to other space in the Condominium, the uniqueness of such Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of such Unit. The foregoing method complies with RPL section 339-i(1)(iv) and, as such, it is our opinion that the allocation of Common Interest percentages is appropriate pursuant to such statute.

IV. GENERAL

We do not express any view as to any Federal, State or City tax consequences or as to any of the aspects of the Plan, other than those specifically set forth in the Plan. This opinion letter addresses only certain tax consequences of the Plan with respect to New York City residents who reside in a Unit and do not use it for the purpose of investment or the production of income. We strongly recommend that each person contemplating the purchase of a Unit consult with his own tax advisor as to tax matters affecting such purchase.

This opinion is not a guarantee; it is based on existing rules of law as applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which our opinion is based will not change. In no event will we, the Sponsor, the Board of Managers of the Condominium, the Selling Agent or any other person be liable if there are changes in the facts upon which we relied in issuing this opinion or if there are changes in the applicable statutes, regulations, or other authority upon which we relied and Unit Owners are not entitled to income tax deductions or other benefits described above. We have not issued any opinion upon which a Commercial Unit Owner may rely.

We understand that this opinion will be summarized in said Plan and a copy hereof will be appended as an exhibit to the Plan. We hereby consent to the inclusion of this opinion in the Plan in the foregoing manner.

You have not requested, nor do we express, an opinion on any matter other than those matters specifically discussed herein, nor do we express our opinion herein with respect to any facts other than those set forth in the offering Plan.

Very truly yours,

Belkin Burden Wenig & Goldman LLP

Belkin Burden Wenig & Goldman, LLP

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XXI. 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. A Unit Owner will not be responsible for unpaid taxes on other Units, nor will the Unit be subjected to any lien arising from the non-payment of taxes on other Units.

The New York City Department of Finance will determine the value of the Property annually and fix the "actual" assessment of the Property, based upon its market value. Changes in a property's "actual" assessed value from year to year due to changes in market value (and not due to new construction or alterations) are phased in over five (5) years at 20% per year, thereby producing a "transitional" assessed value. Real estate taxes are generally based on the lower of the "transitional" or "actual" assessed value. In the case of new construction, the two values are the same because the increases are not phased in.

Based on the findings contained in a letter from Marcus & Pollack LLP prepared on June 20, 2007, the estimated real estate tax obligations of the Unit Owners of Residential Units and Storage Units for the first year of operations are estimated to be approximately $447,586.27. The total assessed value of the Property following the completion of construction is estimated to be approximately $3,752,400.

The opinions expressed in the Real Estate Tax Letter, including the estimated real estate tax liability, are based on interpretations of Law, the Administrative Code of the City of New York and the applicable rules and regulations of the Department of Finance then in effect. They are not intended and should not be construed as representations or warranties.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, then at the Closing of the purchase of each Unit, the purchaser thereof will be required to deposit with the Condominium Board an amount equal to ONE HUNDRED AND TWENTY-FIVE PERCENT (125%) of the Unit's proportionate share, based on its Common Interest, of the aggregate real estate taxes assessed for the entire Property for the tax year during which such Closing shall occur, in a sum sufficient to permit the Condominium Board to pay the proportionate real estate taxes due for such Unit on the next-ensuing two quarterly, or one semi-annual, tax payment due dates (as the case may be) for the Property. In the event that the amount of such deposit shall be insufficient to pay such proportionate real estate taxes due for such period(s), or in the event that the Units shall not have been separately assessed for real estate tax purposes prior to the tax payment due date next following such period(s), then the Condominium Board shall impose on, and collect from, each Unit Owner a Special Assessment in an amount sufficient to enable the Condominium Board to pay the real estate taxes due for such Units on all ensuing real estate tax payment due dates until the Units shall have been separately assessed for real estate tax purposes.

The By-Laws provide that the Board of Managers shall be authorized by all Unit Owners to commence, prosecute and settle tax certiorari proceedings with regard to all Units for any tax year that shall commence following the First Unit Closing.

XXII. WORKING CAPITAL FUND; CLOSING ADJUSTMENTS WITH CONDOMINIUM BOARD; RESERVE FUND

1. Working Capital Fund

At the First Unit Closing, Sponsor shall establish a Working Capital Fund (the "Working Capital Fund") in an amount equal to $500 for each Residential Unit, currently projected to be $37,500. At the Closing of each Unit, Purchaser thereof shall reimburse Sponsor for the pro rata portion of the Working Capital Fund contribution theretofore made by Sponsor, in an amount equal to two months' Common Charges in respect of each Residential Unit and Storage Unit being purchased.

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

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 and/or to impose Special Assessments on Unit Owners pursuant to the By-Laws.

From and after such time as the Board of Managers has determined to commence the collection of Common Charges, and while Sponsor controls the Board, the Working Capital Fund will not be applied by the Board to effectuate a reduction in Common Charges.

THE PROPERTY IS OFFERED IN THE CONDITION AS SET FORTH IN THIS PLAN, WITHOUT ANY OBLIGATION ON THE PART OF SPONSOR OR THE SELLING AGENT OR MANAGING AGENT TO MAKE ANY REPAIRS OR IMPROVEMENTS. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND OR UPON THE PHYSICAL CONDITION OF THE BUILDING.

2. Reserve Fund

There is no provision made for a Reserve Fund to be established separate and apart from the Working Capital Fund. In light of the absence of any reserve fund, in the event that the Property or the Common Elements require significant expenditures for substantial repairs or replacements, it is likely that they will need to be funded through increases in Common Charges or Special Assessments, imposed on the Unit Owners.

Since there will be no reserve fund established, the funds of the Condominium are likely not to be sufficient to provide for needed capital expenditures within five years following the First Unit Closing. See the Section of Plan entitled Special Risks.

3. Closing Adjustments with Condominium Board

Immediately prior to the First Unit Closing, Sponsor shall apportion the following items (to the extent applicable) with the Condominium Board as of the day immediately preceding such closing:

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

(2) fees for assignable permits and licenses, if any;

(3) cost of fuel;

(4) charges for electricity and gas for the Common Elements;

(5) payments under service and maintenance contracts and concession agreements;

(6) real estate taxes, water charges and sewer rents on the basis of the tax year for which assessed (unless separately assessed to individual Units);

(7) cost of supplies on hand at Sponsor's cost; and

(8) premiums for transferable insurance policies provided coverage of the policies conforms to that set forth in Schedule B.

If the result of the closing adjustments is a net credit in favor of the Condominium, Sponsor shall pay or credit the amount thereof to the Condominium at the First Unit Closing. If, however, the result of the closing adjustments is a net credit in favor of Sponsor, the amount of such net credit shall be paid to Sponsor at the time of the First Unit Closing out of the Working Capital Fund. In no event, however, shall such payments be made to Sponsor to the extent that they would result in the reduction of the Working Capital Fund to an amount less than $5,000. If, because of the limitation set forth in the preceding sentence, Sponsor is not paid the full amount of the net credit to which it is entitled, at the time of the First Unit Closing, the unpaid balance of the net credit in favor of Sponsor shall be paid to Sponsor by the Condominium Board, without interest, in twelve equal consecutive monthly installments pursuant to the terms of a negotiable promissory note to be executed by the Condominium Board at the First Unit Closing. The Condominium Board will be entitled to prepay such promissory note in full only, at any time and without penalty. The promissory note in favor of Sponsor may result in an increase in common charges or a special assessment to the Unit Owners.

XXIII. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

1. Management Agreement

Prior to the First Unit Closing, the Condominium Board will enter into a management agreement with the Managing Agent for an initial term of three (3) years. Upon any renewal of the management agreement, either party shall have the right to cancel the same for the other party's default in performing a substantial material obligation under the management agreement, upon thirty (30) days' prior written notice (unless the defaulting party shall cure its default within such thirty (30) day period).

The Managing Agent will receive an annual fee of $60,000.00, payable in equal monthly installments. The Managing Agent will be entitled to certain additional fees, as discussed in the managing agreement between Managing Agent and the Condominium Board, commissions and reimbursement for certain special services performed by it. All such fees will either: (i) be paid by the Condominium Board and will be charged to all Unit Owners as a Common Expense, or, (ii) if appropriate, be paid by the Unit Owner, or the prospective purchaser or tenant, as the case may be, requesting the applicable special service.

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

(1) billing and collecting Common Charges;

(2) causing the Common Elements to be serviced, maintained, repaired and altered in the manner deemed advisable by the Condominium Board, except that the Managing Agent shall not enter into any written contract in the name of the Condominium Board in excess of $1,000 for repairs, replacements, alterations, improvements, utilities or services to or of the Property or equipment thereon, without the prior approval of the Condominium Board (other than in case of emergency);

(3) employing, training, supervising, and discharging such employees of the Condominium Board, as are necessary for the operation and management of the Condominium;

(4) maintaining, in full force and effect, all insurance required by the By-Laws, reasonably required by the Condominium Board;

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

(6) furnishing to the Condominium Board statements of operations of the Property and, if requested by the Condominium Board, an annual budget, setting

forth a detailed projection of cash receipts, cash receipts, cash expenditures, working capital and other necessary reserves and capital improvements and expenditures;

(7) attending meetings of the Condominium Board and Unit Owners; and

(8) paying, out of the Condominium Board's operating account, bills and invoices for the costs and expenses of operating the Condominium.

The annual certified financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Condominium Board, whose fees are to be paid by the Condominium Board and charged to the Unit Owners as a Common Expense.

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

If requested by the Condominium Board, the Managing Agent shall bond itself and all employees who handle, deal with or are responsible for monies of the Condominium Board under a fidelity bond in the amount of $100,000.00 for each loss. The cost of the bond will be borne by the Condominium Board and charged to the Unit Owners as a Common Expense, and has been provided for in the estimate of the Condominium's expenses contained in Schedule B.

The Managing Agent shall have no power or right to assign any monies due to it under the management agreement or to delegate any of its obligations or responsibilities thereunder to any other person, firm or corporation without the prior consent of the Condominium Board.

2. Other Contractual Agreements

Upon commencement of condominium operation, the Property will be subject to the then existing service and concession agreements (see the Footnotes to Schedule B for full details of the agreements in effect or proposed at the date of presentation of the Plan). The projected insurance coverage to be obtained for the first year of condominium operation is contained in the Footnotes to Schedule B.

Sponsor has reserved the right, prior to the First Unit Closing, to modify, renew and replace the existing agreements and to enter into new agreements that will be binding on the Condominium Board, provided Sponsor may not enter into any binding

service or maintenance, or concession agreement for longer than two (2) years, unless same contains a provision permitting the Condominium Board to cancel the agreement from and after the second anniversary of the First Unit Closing, upon giving not less than ninety (90) days' prior written notice.

XXIV. IDENTITY OF PARTIES

1. Sponsor

Sponsor is 211-51 Property, LLC, a New York limited liability company having an office at c/o H. Justin Realty Services, LLC, 115 West 30th Street, Suite 208, New York, New York 10001.

Sponsor was formed on April 30, 2007 and acquired the Property on May 4, 2007, from its prior owner.

The current members of Sponsor are: 211-51 Managing Member LLC and Henry Justin. The individual members of Sponsor have had many years of substantial and extensive experience in the construction, ownership, operation and management of real estate throughout Manhattan.

Neither Sponsor nor its principals have, during the past five years, offered properties for sale as cooperatives, condominiums, planned unit development homes or time shares. Neither Sponsor nor its principals own, as an individual, general partner, or principal, ten percent or more of the unsold shares or units in any cooperative, condominium or homeowners association within the State of New York other than the Property and:

The Cass Gilbert Condominium – 130 West 30th Street, New York, NY
The Heywood Condominium – 263 9th Avenue, New York, NY
The Parkwood Condominium – 31 East 28th Street, New York, NY

The offering plans for these prior offerings are available for inspection in the office of the Attorney General. All the units in these prior offerings have been sold by the Sponsor.

2. Sponsor's Attorneys

Sponsor has retained the law firm of Belkin Burden Wenig & Goldman, LLP, with offices at 270 Madison Avenue, New York, New York 10016, to represent it in connection with the Plan. Robert A. Jacobs, a member of that firm, prepared the Plan and the opinion rendered to Sponsor with respect to the availability of income tax deductions to Purchasers and possible application of § 528 of the Internal Revenue Code to the Condominium.

3. Selling Agent

H. Justin Realty Services, LLC, with an address at 115 West 30th Street, New York, New York 10001 is the Selling Agent. The Selling Agent is affiliated with or controlled by Sponsor or its principals. The Selling Agent has acted as the selling agent for other residential New York City condominium and cooperative properties.

4. Managing Agent

Sponsor anticipates causing the Board of Managers to enter into a management agreement with H. Justin Realty Services, LLC, which is a licensed real estate brokerage company controlled by Henry Justin, a principal of Sponsor. Said company's prior experience in residential condominium management includes The Cass Gilbert and The Parkwood. Neither the Managing Agent nor its principals own, as an individual, general partner, or principal, ten percent or more of the unsold shares or units in any cooperative, condominium or homeowners association within the State of New York other than the Property.

5. Sponsor's Architect CMA Design Studio, P.C.

The report on the physical condition of the Building included as part of the "Description of Property and Building Condition" contained in Part II of this Plan was prepared by CMA Design Studio, P.C. located at 148 West 24th Street, New York, New York 10011 (the "Architect"). The Architect has had extensive experience with the conversion of New York City properties to condominium ownership, and the offering of new construction condominiums in New York City. The Architect has no financial interest in the Property, Sponsor, the Managing Agent or any other party interested in this transaction, except for their fees for services rendered in connection with said report.

XXV. REPORTS TO UNIT OWNERS

It is the obligation of the Condominium Board pursuant to the By-Laws:

(1) To submit to all Unit Owners within four (4) months after the end of each fiscal year of the Condominium an annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant;

(2) To give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting prior to the date fixed for the meeting; and

(3) To prepare and distribute to all Unit Owners, at least annually, a proposed annual budget setting forth its projection of the Common Expenses for the coming fiscal year of the Condominium not later than ten (10) days prior to the date upon which the first installment of newly determined Common Charges is due. While

the Sponsor is in control of the Condominium Board, such budget shall be certified by an expert on the adequacy of the budget.

XXVI. DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all exhibits submitted to the Department of Law in connection with the filing of the Plan on file and available for inspection without charge, and for copying at a reasonable charge, at the office of the Managing Agent for a period of six years from the date of the First Unit Closing. Sponsor shall deliver to the Condominium Board a copy of all Condominium Documents filed with the appropriate recording office at the time of the First Unit Closing.

The Declaration and the By-Laws will be recorded in the Register's Office prior to the First Unit Closing. In addition, a set of the Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate Governmental Authority of the City of New York as conforming to the official tax lot number for each such Unit, will be filed with the Register's Office when the Declaration is recorded.

XXVII. GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. The Plan contains a summary of all the provisions of the various documents referred to herein, and prospective purchasers are urged to review the full text of each such document.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, against Sponsor that could materially affect this offering, the rights of Purchasers of Units, the Property, the Condominium, or the operation thereof.

In accordance with the provisions of the Applicable Laws of the State and City of New York, neither Sponsor nor any of its agents will discriminate against any person because of sex, race, creed, color, national origin, ancestry, or other ground proscribed by Applicable Law in the sale of the Units offered by Sponsor pursuant to this Plan or in the leasing of any such Units or any other portion of the Property.

The Property has not been the subject of any prior cooperative or condominium offering. As of the Presentation Date, neither Sponsor nor any representative or agent thereof have, in violation of Applicable Law, raised funds from, or made any preliminary offering to, or binding agreement with, tenants, subtenants, or non-occupant prospective Purchasers for the sale of Units in the Property.

No contracts or agreements have been entered into, and no deposits or advances of funds have been accepted, by Sponsor or any other person acting on behalf of Sponsor as of the date hereof.

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 such Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in case of uncured default), nor unilaterally change the Purchase Price or the payment terms contained in such a Purchase 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 in any material respect the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given the right to rescind their Purchase Agreements and be refunded all monies paid thereunder, with interest earned thereon, if any, within thirty (30) days after the presentation of the amendment. However, such rescission, as to Purchaser who first became a tenant of the Property after the Presentation Date of this Plan, will be conditioned on the cancellation of any Interim Lease and surrender of possession of his Unit within thirty (30) days thereafter.

All statements and representations made in this Plan with respect to items prepared by others have been made by Sponsor in reliance upon the Persons responsible for the preparation of such items and their authority as experts.

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

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

XXVIII. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor represents that to the best of its knowledge, the Architect's Description of Property and Specifications set forth in Part II, Section I of this Plan accurately summarizes the general nature of the systems, materials, equipment, appliances and fixtures to be contained in the Building on completion of the renovation and Sponsor hereby adopts said Description of Property and Specifications. Sponsor has no knowledge of any material defects or need for major repairs to the Property, except as set forth in said Description of Property and Specifications. The Description of Property and Specifications was prepared by CMA Design Studio, P.C. and in included in the Plan with the consent of that firm.

XXIX. DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting or selling pre-1978 housing, Seller/Lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Purchasers/Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

The Contract of Sale to purchase a Unit is contingent upon a risk assessment or inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards at Purchaser's expense until 5 p.m. on the tenth calendar day after a countersigned Contract of Sale has been returned to Purchaser or Purchaser's attorney. This contingency will terminate at the above predetermined deadline unless the Purchaser or Purchaser's agent delivers to the Seller or Seller's agent a written contract addendum listing the specific existing deficiencies and corrections needed together with a copy of the inspection and/or risk assessment report. The Seller may, at Seller's option, within five (5) business days after delivery of the addendum, elect in writing whether to correct the condition(s) prior to Closing. If the Seller will correct the condition, the Seller shall furnish Purchaser with certification from a risk assessor or inspector demonstrating that the condition has been remedied before the Closing date. If the Seller does not elect to make the repairs, or if the Seller makes a counter-offer, Purchaser shall have three (3) business days to respond to the counter-offer or remove this contingency and take the Property in "as is" condition or this contract shall become void and the Contract Deposit will be refunded to Purchaser. Purchaser may waive/remove this contingency at any time without cause, in their sole discretion.

Annexed to the Purchase Agreement is a copy of the Lead Disclosure Addendum indicating that Seller has no knowledge of or reports indicating the presence of lead paint in the Building.

PART II

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PURCHASE AGREEMENT

THE 211 EAST 51ST STREET CONDOMINIUM
211 EAST 51ST STREET
NEW YORK, NEW YORK 10022

AGREEMENT, dated _____, between **211-51 Property, LLC**, having an office c/o H. Justin Realty Services, LLC, 115 West 30th Street, Suite 208, New York, New York 10001(hereinafter "**Sponsor**"), and _____residing/ having an office at: _____ (hereinafter, collectively, "**Purchaser**").

Name(s) and manner in which title to the Unit will be taken (i.e., tenants-in-common, joint tenants with rights of survivorship, tenants by the entirety):_____

Purchaser Information	**Attorney Information**
Purchaser's Daytime	Name:
Telephone No. Purchaser's Evening Telephone No. Purchaser's Fax No. Purchaser's Social Security No.	Address: Telephone: Fax:

PURCHASE PRICE FOR UNIT	$
PURCHASE PRICE FOR STORAGE UNIT[1]	$
10% DOWN PAYMENT (10% OF AGGREGATE PURCHASE PRICE)	$
BALANCE DUE AT CLOSING	$
UNIT NO.	***COMMON INTEREST***
STORAGE UNIT NO.	***COMMON INTEREST***

_____

[1] To be sold in conjunction with sale or ownership of Residential Units.

1. **Receipt of Documents.**

(a) Purchaser represents that Purchaser received a copy of the Offering Plan for The 211 East 51st Street Condominium, 211 East 51st Street, New York, New York 10022 (the "**Condominium**") and any and all filed amendments thereto (collectively, the "**Plan**" or "**Offering Plan**") and has read said Offering Plan.

(b) If Purchaser executed this Agreement without having the opportunity to review the Offering Plan for at least three (3) business days before signing, Purchaser shall have the right to rescind this Agreement and receive back the down payment listed above within seven (7) days after the execution of this Agreement, provided written notice of rescission is personally delivered to Sponsor or to H. Justin Realty Services, LLC ("**Selling Agent**") by the end of the seventh calendar day after the execution of this Agreement by Purchaser or is mailed to Selling Agent at the Sales Office and postmarked within the seven (7) day period.[2]

(c) Purchaser understands that Purchaser and Sponsor are treating the entire content of the Plan and any filed amendments thereto as if it were included in this Agreement.

(d) Capitalized terms used herein and not defined herein shall have the meanings given in the Offering Plan.

2. **Agreement to Purchase.**

(a) Purchaser agrees to purchase from Sponsor, the Unit(s) listed above together with its/their appurtenant undivided Common Interest (collectively, the "**Unit**"), for the Purchase Price shown above. Purchaser hereby is delivering to Selling Agent Purchaser's check drawn on a New York bank for the Down Payment shown above made payable to **"Belkin Burden Wenig & Goldman, LLP, as Escrow Agent,"** and when Sponsor signs this Agreement Sponsor will be acknowledging receipt of Purchaser's check, subject to collection. If Purchaser is one individual or one entity, then simultaneously with this Purchase Agreement and the check for the Down Payment, Purchaser is delivering Form W-9 (or applicable Form W-8, if appropriate) executed by Purchaser, and if Purchaser comprises two or more parties, then simultaneously with this Purchase Agreement and the check for the Down Payment, Purchaser is delivering a statement designating one of the parties comprising Purchaser to receive the interest on the Down Payment and Form W-9 (or applicable Form W-8 if appropriate), for the designated interest-recipient.

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[2] Insert last day of rescission period if applicable: _____, 2006. Otherwise, cross out ¶1(b).

(b) All sums paid by Purchaser as the Down Payment or in accordance with Paragraph 5(c) of this Agreement, are referred to herein collectively as the "**Down Payment**." All sums, if any, paid by Purchaser hereunder on account of extras, upgrades or special work, if any, are referred to herein collectively, as the "**Extras Payment.**"

(c) All sums paid on account of this Agreement and the reasonable expense of the examination of title to the Unit actually incurred by Purchaser, will become liens thereon, but such liens shall not continue after an uncured default by Purchaser under this Agreement.

3. **Agreement to Be Bound by the Condominium Documents.**

(a) Purchaser agrees to be bound by the Offering Plan, as same may be amended from time to time, and the Declaration together with the By-laws and other schedules attached thereto as same may be amended from time to time (the Declaration and schedules collectively, the "**Condominium Documents**"), all of which are incorporated by reference and made a part of this Agreement with the same force and effect as if set forth in full herein.

(b) Purchaser understands that one of the provisions of the Condominium Documents to which Purchaser will be bound is that Purchaser may not sell or lease the Unit without prior notice to the Condominium Board and the Board's waiver of the Board's right of first refusal.

(c) Purchaser understands and agrees that Purchaser may not retain Purchaser's own contractor to do work in or on the Unit until Purchaser owns the Unit, Purchaser may not enter the Unit until notified by Sponsor to inspect the Unit as set forth in ¶ 13 of this Agreement, and Purchaser may not permit Purchaser's architect or interior decorator to enter the Unit to do work therein before Purchaser owns the Unit. Purchaser also understands that once Purchaser owns the Unit, Purchaser may not make any alterations in the Unit unless and until Purchaser's proposed alteration plans have been reviewed and approved by the Board of Managers, in accordance with the procedures set out in the By-laws of the Condominium.

4. **Representations, Obligations and Rights.**

(a) Sponsor represents that prior to the First Unit Closing Sponsor will record or cause to be recorded the Declaration and all exhibits thereto, which will be substantially in the form and substance of such documents contained in the Plan. Sponsor agrees that any changes to such documents will not substantially adversely affect Purchaser; if they will substantially adversely affect Purchaser, Purchaser will be given an opportunity to rescind this Agreement, pursuant to a filed amendment to the Plan.

(b) In the event the Unit is substantially completed and a temporary or permanent certificate of occupancy covering the Unit is issued, Purchaser shall be obligated to close title to the Unit once Sponsor notifies Purchaser that Sponsor has declared the plan effective (as described in the Offering Plan), and recorded the Declaration. If Purchaser has inspected the Unit as described in ¶ 13 of this Agreement and has noted certain Punchlist Items which Sponsor has agreed in writing to attend to, Purchaser shall still be obligated to close if there is a temporary or permanent certificate of occupancy covering the Unit. Sponsor will use reasonable effort to complete Punchlist Items specified on an Inspection Statement signed by Sponsor and Purchaser (a form of which is included in Part II of the Plan), prior to the Unit Closing or within 120 days, following the Unit Closing, weather permitting, subject to force majeure delays and subject to Purchaser's provision of access to the Unit to Sponsor and/or Sponsor's contractors and/or agents, as more fully set forth in the Inspection Statement itself.

(c) Purchaser understands Sponsor reserves the right to make changes or substitutions of materials or construction for items in the Unit or in the Common Elements, of substantially equal or better quality from those set forth in the Plans and Specifications, as described in the Offering Plan.

5. **Closing of Title.**

(a) Sponsor will notify Purchaser in writing at least 30 days in advance of closing to tell Purchaser the date, time and place of closing. Said date shall be referred to herein as the "**Original Scheduled Closing Date.**" If the Unit comprises two or more Units, Purchaser must close on all Units simultaneously, unless Sponsor, in its sole discretion consents to separate closings. Purchaser may close earlier than the Original Scheduled Closing Date at a date and time mutually agreeable to Sponsor and Purchaser. The Original Scheduled Closing Date will be a date at least 10 days after an amendment to the Plan declaring the Plan effective has been accepted for filing by the Attorney General. Sponsor will be entitled, with no liability to Sponsor, to reasonable adjournments in the closing of title in the event of delay because of weather conditions, strikes or materials shortages, delays in inspections and reports thereon, delays in processing of required documents by applicable governmental agencies, or due to any other reasons whatsoever.

(b) If Purchaser is not ready to close title on the Original Scheduled Closing Date, any adjournment granted by Sponsor at Purchaser's request will be, at Sponsor's discretion, upon the conditions that (i) all adjustments shall be made as of the Original Scheduled Closing Date, and (ii) at closing, Purchaser shall pay Sponsor, by unendorsed personal certified check or bank check drawn on a bank that is a member of the New York Clearinghouse Association, an adjournment fee (the "**Sponsor's Adjournment Fee**") derived by (A) multiplying the Total Purchase Price for the Unit by 14%, (B) dividing that product by 365, and (C) multiplying the resulting amount by the number of days that the closing is delayed (beginning with the Original Scheduled Closing Date and ending with the actual closing date). The Sponsor's Adjournment Fee shall in no event be applied towards payment of the Total Purchase Price and shall be payable in addition to same. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Original Scheduled Closing Date. However, the provisions shall apply to any postponements by Purchaser of an agreed-upon adjourned closing date.

(c) In addition to Sponsor's Adjournment Fee, Purchaser will be required to pay an additional $300 to Sponsor's Closing Counsel for the first adjournment granted at Purchaser's request and $250 for each subsequent adjournment agreed to thereafter by Sponsor at Purchaser's request. Such amounts shall be in addition to the base fee payable to Sponsor's Closing Counsel for the closing, as further discussed in the Offering Plan.

(d) PURCHASER UNDERSTANDS THAT IF PURCHASER REQUESTS MORE THAN ONE ADJOURNMENT OF THE ORIGINAL SCHEDULED CLOSING DATE OR IF PURCHASER REQUESTS AN ADJOURNMENT OF THE ORIGINAL SCHEDULED CLOSING DATE IN EXCESS OF THIRTY (30) DAYS, SPONSOR SHALL HAVE THE RIGHT, IN SPONSOR'S SOLE DISCRETION, TO REQUIRE THAT AS A CONDITION OF THE ADJOURNMENT PURCHASER MUST DEPOSIT AN ADDITIONAL PAYMENT IN AN AMOUNT OF UP TO 5% OF THE TOTAL PURCHASE PRICE, INTO ESCROW WITH THE ESCROW AGENT, WHICH ADDITIONAL PAYMENT, IF MADE, SHALL BE HELD IN THE ESCROW ACCOUNT AS PART OF THE DOWN PAYMENT. SPONSOR ALSO SHALL HAVE THE RIGHT UNILATERALLY TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S OBLIGATION TO CLOSE ON ANY RESCHEDULED CLOSING DATE TO WHICH SPONSOR CONSENTS. A TIME OF THE ESSENCE OBLIGATION MEANS THAT IF

PURCHASER FAILS TO CLOSE ON THE RESCHEDULED CLOSING DATE FOR ANY REASON WHATSOEVER, SPONSOR HAS THE RIGHT TO TERMINATE THIS PURCHASE AGREEMENT AND RETAIN PURCHASER'S DOWN PAYMENT TOGETHER WITH ANY INTEREST EARNED THEREON, AS LIQUIDATED DAMAGES. NOTHING HEREIN SHALL BE CONSTRUED TO REQUIRE SPONSOR TO GRANT ANY ADJOURNMENT.

(e) If the Purchaser is purchasing a Residential Unit, at the closing, Sponsor will deliver any certificates and warranties delivered to Sponsor and transferable to Purchaser for appliances in Purchaser's Residential Unit, and other warranties Sponsor has undertaken to deliver under the Plan, if any, or Sponsor will make them available at the Property on the day of the closing.

(f) The existence of unpaid taxes of any kind at the time of title closing shall not constitute an objection to title, provided Sponsor shall deposit a sufficient amount with one of the companies comprising the Title Company so that the Title Company is willing to insure against collection of unpaid taxes from the Unit. Sponsor and Purchaser agree that Sponsor will discharge any liens upon the Unit (or will deposit sufficient security with one of the companies comprising the Title Company so that the Title Company is willing to omit the lien as an exception to Purchaser's title insurance coverage) prior to or simultaneously with the Unit Closing, and that Sponsor may pay and discharge any such liens upon the Unit (or secure one of the companies comprising the Title Company as described above), out of the monies to be paid by Purchaser at the time of closing.

(g) If title to the Unit is to be conveyed by Sponsor to a corporation, a partnership, a limited liability company, a trust, an estate, an unincorporated association, an organization, a syndicate, a joint venture, a government (or any mission, department or agency thereof), or any other entity, Purchaser shall provide Sponsor with documents evidencing the formation of the entity purchasing the Unit, together with a resolution, consent or other indication of authority, authorizing (i) the purchase of the Unit, (ii) the execution of the documents required to be signed by Purchaser in connection with the conveyance of the Unit, and (iii) the use of Purchaser's funds to pay the purchase price and closing costs. Notwithstanding the foregoing, before any such conveyance to a government or any mission, department or agency thereof shall be valid and effective, Purchaser shall enter into an agreement with the Board of Managers, on terms reasonably acceptable to the Board and its counsel, in which Purchaser (i) agrees to a specified arrangement for service of process, (ii) waives, with respect to the Unit Owner and any occupants of the Unit, any claim of sovereign immunity (and diplomatic and consular immunity, if applicable), with regard to any proceedings brought by the Board of Managers, and (iii) permits execution and enforcement of any judgment obtained by the Board of Managers or any of its committees, all as more fully described in the By-laws.

6. **Delivery of Deed; Payment of Taxes and Fees.**

(a) On the Unit Closing date Sponsor will deliver or cause to be delivered a deed in proper statutory form for recording known as a bargain and sale deed with covenant against grantor's acts which shall be duly executed and acknowledged by Sponsor as grantor and which Purchaser must sign as grantee. If Purchaser is buying a Storage Unit in addition to the Residential Unit, a separate deed will be given for each such Unit. Each deed shall contain a description of the Unit being conveyed and shall be acceptable and/or approved so as to validly convey title under the Condominium Act.

(b) When Purchaser is given a deed(s) for the Unit(s), Purchaser will give Sponsor, or anyone Sponsor designates, Purchaser's unendorsed personal certified check or official bank check, for the Balance Due at Closing as shown above, drawn on a New York bank to the order of Sponsor, or to any other person(s) or entity(ies) Sponsor directs.

(c) Purchaser shall pay the (i) New York State Real Estate Transfer Tax (i.e., the deed documentary stamps), (ii) the New York City Real Property Transfer Tax., (iii) any and all administrative filing fees imposed by New York City or New York State in connection with filing the tax returns for such Transfer Taxes due upon conveyance of each deed, and (iv) any filing fees required to file the NYS Real Property Transfer Tax Report (RP-5217NYC), all as fully described in the Plan. In addition, Purchaser shall pay the "Mansion Tax" if applicable, also as fully described in the Plan. Purchaser shall also pay any other transfer taxes imposed by statute on purchasers of real property and all recording fees in connection with this transaction, including but not limited to any fees necessary to record releases or satisfactions of liens affecting the Unit which Sponsor is obligated to discharge at or prior to closing.

(d) Purchaser agrees to accept a good and insurable title free and clear of all liens and encumbrances, except the Permitted Encumbrances described in the Offering Plan, as the Title Company will approve and insure for mortgage and/or fee title insurance. **Fee title insurance, if ordered by Purchaser, shall be purchased at Purchaser's own cost and expense. If Purchaser obtains title insurance from Northwoods Abstract, LTD., Commonwealth Land Title Insurance Company or First American Title Insurance Company of New York, then Purchaser shall receive a credit of $200 against the applicable base fee of Sponsor's Closing Counsel set forth in the Offering Plan.** When Sponsor gives Purchaser the deed(s) to Purchaser's Unit(s), Purchaser will deliver the deed to the title company's title closer or to Purchaser's attorney (if Purchaser does not obtain title insurance), or to Sponsor's attorney if Purchaser is not represented by counsel, so that the deed can be recorded (or delivered for recording) in the Office of the City Register. Simultaneously with delivery of the deed, Purchaser must execute the power of attorney to the Board of Managers substantially in the form contained in the Plan, allowing the Board and Sponsor to take certain actions on Purchaser's behalf. The power of attorney must be recorded in the Office of the City Register as well.

(e) At the closing hereunder, Purchaser shall pay Purchaser's Working Capital Fund contribution in accordance with the terms of the Plan.

7. **Liability to Convey Title.**

(a) Purchaser agrees that Sponsor may cancel this Agreement by forwarding Sponsor's check in the full amount of the Down Payment paid by Purchaser together with interest earned thereon, if any, plus any unapplied portion of the Extras Payment, and together with a written termination notice, in the event that (i) if this is a contract for the sale of a Residential Unit, any governmental bureau, department or subdivision thereof imposes restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restrictions prevent Sponsor from obtaining such materials from Sponsor's regular suppliers or from using them in the construction and/or completion of the Units, or (ii) Sponsor is unable to obtain materials from Sponsor's usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, or the installation of public utilities is restricted or curtailed.

(b) (i) In the event Sponsor is unable to convey title to the Unit on or before twenty-four months after Purchaser has signed this Agreement (which period shall be extended to thirty-six months in the event of force majeure delays and delays due to other circumstances and conditions beyond Sponsor's control), then provided Purchaser is not then in default under this Agreement, Purchaser shall have the right to cancel this Agreement. Such right shall be exercised, if at all, by Purchaser, in writing, within ten (10) business days after the end of the 36-month or 48-month period, as applicable.

(ii) In the event of cancellation of this Purchase Agreement by Purchaser pursuant to the foregoing provision, and provided Purchaser is not then in default hereunder, the Down

Payment made by Purchaser hereunder shall be returned to Purchaser with interest, if any shall be earned thereon and payable to Purchaser hereunder or pursuant to the Plan, plus any unapplied portion of the Extras Payment, and Sponsor and Purchaser shall have no further rights or obligations with respect to each other generally, or under this Agreement specifically.

(iii) In addition to the foregoing, Sponsor shall have a right to abandon the Plan, as described therein. If Sponsor exercises its right to abandon the Plan, and provided Purchaser is not then in default hereunder, Sponsor shall terminate this Agreement and thereupon shall return to Purchaser the Down Payment made by Purchaser hereunder with interest, if any is earned thereon and payable to Purchaser hereunder or under the Plan, plus any unapplied portion of the Extras Payment. Upon such termination of the Purchase Agreement and return of Purchaser's Down Payment plus interest if same shall be payable to Purchaser hereunder, plus any unapplied portion of the Extras Payment, Sponsor and Purchaser shall have no further rights or obligations with respect to each other generally or under this Agreement, specifically.

(c) Sponsor's liability under this Agreement for failure to complete and/or deliver title for any reason, other than Sponsor's willful default, shall be limited to the return of Purchaser's Down Payment paid hereunder, together with interest earned thereon, if any. Upon the return of Purchaser's Down Payment, together with interest earned thereon, if any, plus any unapplied portion of the Extras Payment, this Agreement shall be null and void and Purchaser and Sponsor will be released from any and all liability to each other. In any event, Sponsor shall not be required to bring any action or proceeding or otherwise incur any expense to render title to the Unit marketable or to cure any objection to title, except as may be set forth in the Plan.

(d) If Sponsor or Purchaser delays or adjourns the closing, Sponsor shall in no event be liable for the costs, if any, Purchaser incurs as a result of the delay or adjournment, or for any other damages whatsoever.

8. **Closing Apportionments.** When Sponsor gives Purchaser the deed(s) to the Unit(s), Sponsor and Purchaser will apportion between themselves the real estate taxes and Common Charges for the Unit(s) so that Sponsor pays those real estate taxes and Common Charges attributable to any time period prior to the midnight before Sponsor gives Purchaser the deed and Purchaser will pay the rest. The foregoing is subject to the Board's right to delay imposition of Common Charges for a period of time, as set forth in the By-laws.

9. **Down Payment To Be Held in Trust.**

(a) All Down Payment monies and Extra Payment monies received from Purchaser by Sponsor, Selling Agent or through Sponsor's agents or employees on account of the Purchase Price, will be delivered by Sponsor or its Selling Agent to Belkin Burden Wenig and Goldman LLP ("**Escrow Agent**"). Escrow Agent will deposit all such funds received from Purchaser in Purchaser's name in a sub-account of a master attorney trust account entitled "The 211 East 51st Street Condominium - Attorney Trust Account" (the "**Escrow Account**"), at Hudson Valley Bank at its branch located at 60 East 42nd Street, New York, New York (or at any other lending institution in which said law firm elects to maintain its escrow funds). ***Before Escrow Agent can deposit the funds in the sub-account, however, Escrow Agent must receive an original completed Form W-9 (or applicable Form W-8, if appropriate) executed by Purchaser (or, as described in Paragraph 2(a) above, if Purchaser comprises more than one party, Form W-9 or applicable Form W-8 executed by the party designated in writing by all parties comprising Purchaser to serve as the recipient of interest earned on the Down Payment).***

(b) The Down Payment funds will be held in escrow until the earlier of (i) Purchaser's closing under this Purchase Agreement (in which event they will be paid to Sponsor or anyone Sponsor directs), (ii) Purchaser's permitted rescission of this Purchase Agreement (in which event they will be paid to Purchaser), (iii) Sponsor's termination of this Purchase Agreement following Purchaser's continuing default under this Purchase Agreement after delivery to Purchaser by Sponsor of a notice of default and expiration of the applicable cure period in accordance with the Plan and this Purchase Agreement (in which event they will be paid to Sponsor), (iv) otherwise directed in a writing signed by Sponsor and Purchaser directing disposition of the funds, (v) otherwise directed by a determination of the Attorney General directing the disposition of such funds pursuant to the dispute resolution procedures contained in the Attorney General's regulations, (vi) otherwise directed by a judgment or order of a court of competent jurisdiction directing the disposition of such funds, (vii) Escrow Agent is changed in connection with a transfer of funds to a new escrow agent, or (viii) Sponsor's abandonment of the Plan (in which event they will be paid to Purchaser), all in accordance with the provisions contained in the section of the Plan entitled "Procedure to Purchase."

(c) Any interest earned on the Down Payment will be paid to Purchaser at or following closing. Upon Purchaser's permitted rescission or upon termination of this Purchase Agreement, interest earned on the Down Payment shall be paid as Sponsor and/or Sponsor and Purchaser, as applicable, direct. Upon Sponsor's abandonment of the Plan, interest shall be returned to Purchaser with the Down Payment. If the Down Payment funds are paid to Sponsor as liquidated damages, interest earned thereon will be paid to Sponsor as part of the liquidated damages payment. The Down Payment held by Escrow Agent will be held and disbursed in accordance with the provisions of General Business Law Sections 352(h) and 352-e(2-b), as more fully described in the Plan. The signature of a partner at Escrow Agent will be necessary to release funds from the Escrow Account.

(d) Any Extras Payment associated with this transaction is payable upon execution of this Agreement. Said funds will be deposited into the Escrow Account contemporaneously with the Down Payment. However, said funds may be released by Escrow Agent to Sponsor in whole or in part prior to closing hereunder, upon certification by Sponsor to Escrow Agent that Sponsor has incurred the cost for which the funds were deposited, and specifying the cost incurred. Upon receipt of such certification, Escrow Agent shall be authorized to release the specified amount from escrow to Sponsor. Accordingly, if Purchaser has made an Extras Payment and hereafter is entitled to rescission of this Purchase Agreement through amendment to the Offering Plan or otherwise, Purchaser will not be entitled to a refund of any portion of the Extras Payment released to Sponsor or certified by Sponsor to be required, for payment of costs incurred by Sponsor in connection with the upgrade and/or the extras, as applicable, for which the payment was made.

10. **Sponsor's Rights If Purchaser Fails to Keep Promises and Agreements.**

(a) If Purchaser fails to pay the Balance Due at Closing on the Original Scheduled Closing Date or any permitted adjournment thereof, or if when Sponsor tenders Purchaser the deed to the Unit, Purchaser does not then sign any of the documents referred to in the Plan which Purchaser is required to sign, or if Purchaser violates, repudiates or fails to perform any of the terms of this Agreement or fails to keep any other promise contained in this Agreement, Purchaser shall be in default hereunder, and Sponsor shall be entitled to terminate this Agreement or at Sponsor's discretion, to bring legal action against Purchaser to specifically perform this Agreement.

(b) Before Sponsor may terminate this Agreement and keep Purchaser's Down Payment, Sponsor must first send Purchaser a notice by registered or certified mail, return receipt requested, stating that Sponsor intends to cancel this Agreement, specifying the reasons Purchaser is in

default, and granting Purchaser a period of at least thirty (30) days to cure said default(s). SPONSOR RESERVES THE RIGHT TO MAKE TIME OF THE ESSENCE WITH RESPECT TO PURCHASER'S OPPORTUNITY TO CURE PURCHASER'S DEFAULT WITHIN THE SPECIFIED CURE PERIOD. AFTER THE SPECIFIED CURE PERIOD EXPIRES, IF PURCHASER'S DEFAULT REMAINS UNCURED, SPONSOR MAY TERMINATE THIS AGREEMENT, RETAIN PURCHASER'S DOWN PAYMENT TOGETHER WITH ANY INTEREST EARNED THEREON, AS LIQUIDATED DAMAGES, AND SELL THE UNIT TO ANOTHER PURCHASER AS IF THIS AGREEMENT HAD NEVER BEEN MADE. Once this Purchase Agreement is terminated and the Down Payment is retained by Sponsor as liquidated damages, neither Sponsor nor Purchaser will have any further obligations to each other generally or under this Agreement specifically.

11. **Agreement Subject to Sponsor Declaring the Plan Effective.** This Agreement is contingent upon Sponsor declaring the Plan effective. Sponsor has the right to abandon the Plan at any time before Sponsor declares the Plan effective or before Sponsor has received and accepted Purchase Agreements for 80% of the Residential Units offered under the Plan. If the Plan is abandoned for any reason, Sponsor will, within ten (10) business days thereafter, remit to Purchaser a full refund of Purchaser's Down Payment and the interest earned thereon, if Purchaser is entitled to the interest hereunder or under the Plan, plus any unapplied portion of the Extras Payment. After Purchaser receives such refund, neither Sponsor nor Purchaser will have any claim against the other and neither party will have any further obligation under this Agreement.

12. **Notices.** Any notice (including a letter, request, consent or other communication) which either party wants to give to the other concerning items relating to the purchase and closing of title to the Unit, must be in writing and must be sent by registered or certified mail, return receipt requested, to the respective addresses shown on page one of this Agreement. Purchaser will send a copy of any notice Purchaser gives Sponsor to Sponsor's Closing Counsel, Belkin Burden Wenig & Goldman, LLP, 270 Madison Avenue, New York, New York 10016, Attn.: Robert Jacobs, Esq. Sponsor and Purchaser can specify a different address for themselves by giving notice of it to the other. A notice shall be considered given five (5) days after the date it is mailed, except that a notice of an address change shall be considered given when it is received. Any notice sent by Sponsor's Closing Counsel on Sponsor's behalf to Purchaser or to Purchaser's attorney set forth on the first page of this Agreement (or to any other attorney purporting to represent Purchaser), shall be deemed notice by Sponsor, should notice need be given by Sponsor pursuant to this Agreement. If Purchaser's name, address or phone number changes, or if Purchaser's attorney's name, address or phone number changes from that set forth on the first page of this Agreement, Purchaser shall provide Sponsor with the pertinent new name, address and/or phone number immediately.

13. **Inspection and Acceptance of the Unit.**

(a) Purchaser's signing of this Agreement shall constitute Purchaser's agreement to accept (i) the Unit in the condition it is [they are] in on the Unit Closing Date, including the then existing kitchen, bathroom(s) and other appliances, fixtures, equipment and installations, and subject to the conditions set forth herein and on the Punchlist (defined below) attached to the Inspection Statement (the form of which is found in Part II of the Plan), which Purchaser will have the right to complete with Sponsor's representative's approval prior to closing pursuant to this Agreement (the "**Inspection Statement**").

(b) (i) Purchaser agrees to accept the deed(s) to the Unit(s) without any abatement of the Total Purchase Price or provision for escrow, notwithstanding incomplete construction of (i) minor details in the Unit or the Project, or (ii) other Units, or (iii) the Common Elements or Limited Common

Elements of the Project customarily left incomplete until after occupancy of the Unit or full occupancy of the Project, as applicable, provided the Unit is covered by at least a temporary certificate of occupancy.

(ii) Purchaser understands that certain items including, but not limited to, shower heads, toilet seats, kitchen cabinet knobs and vanity knobs, mechanical chimes, plumbing fittings, light fixtures, electrical receptacles, toilet accessories, door hardware and minor parts of kitchen cabinets, may not be installed at the time of the walk-through. Some of these items are of the type left off until the Purchaser is about to take occupancy, to prevent pilferage. Other items will be installed subject to availability. Still other items may have been installed but damaged during the course of construction. To the extent any such Punchlist Items are noted on the Inspection Statement Punchlist and agreed to by Sponsor in writing, Sponsor will make reasonable efforts to have these items installed at Sponsor's discretion prior to the Unit Closing or within 120 days following the Unit Closing hereunder, provided Purchaser permits Sponsor access to do so, as set forth in the Inspection Statement.

(c) Prior to the Unit Closing, Sponsor will advise Purchaser of a date and time prior to closing when Purchaser may inspect the Unit. Purchaser shall attend such inspection with one of Sponsor's representatives, and shall, together with Sponsor's representative, complete, date and sign the Inspection Statement at the conclusion of the inspection. If, however, during the inspection Purchaser notes certain Punchlist Items that Sponsor, through its inspection representative, agrees to complete, repair or replace, these items shall be itemized on a list attached to the Inspection Statement which list must be initialed by Sponsor's representative and signed and dated by both Sponsor's representative and Purchaser to be binding on Sponsor (the "**Punchlist**"). The only Punchlist Items Sponsor shall be obligated to complete shall be those contained in such initialed and dated Punchlist.

(d) PURCHASER AGREES THAT NO DISCUSSION OF PUNCHLIST ITEMS IS TO TAKE PLACE AT THE CLOSING ITSELF. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, PURCHASER MAY NOT INSPECT THE UNIT UNTIL SPONSOR HAS NOTIFIED PURCHASER THAT THE UNIT IS READY FOR INSPECTION.

(e) Purchaser's failure to attend the inspection appointment within the inspection period set forth above, or to sign and deliver the completed Inspection Statement and/or Punchlist, shall not excuse Purchaser from paying the Balance Due at Closing and shall constitute Purchaser's full and unconditional acceptance of the Unit in its "as-is" condition.

(f) Sponsor's agreement to complete items on the Inspection Statement Punchlist shall obligate Sponsor to perform Sponsor's work in accordance with the standards for Sponsor's work set forth therefor in the Plan. Purchaser's execution of the Inspection Statement shall obligate Purchaser to provide access to Sponsor and/or its contractors and agents, to perform the work specified therein. Purchaser's failure to permit Sponsor (or Sponsor's contractors, agents or employees) access to the Unit to complete Punchlist items shall constitute Purchaser's waiver of completion of those Punchlist items.

(g) Following Purchaser's closing, when Purchaser makes arrangements to move into the Building, PURCHASER AGREES TO FOLLOW THE MOVE-IN PROCEDURES ESTABLISHED BY SPONSOR AND/OR THE BOARD OF MANAGERS, WHICH MOVE-IN PROCEDURES WILL BE EXPLAINED AND DELIVERED TO PURCHASER AT THE TIME PURCHASER CLOSES TITLE TO PURCHASER'S UNIT. Move-ins are to be coordinated with the Managing Agent. Move-ins will be scheduled for a business day (i.e., a Monday through Friday that is not a legal or religious holiday) that is within five (5) business days following the Unit Closing, or at such later date as Purchaser shall request. Move-ins are to be coordinated with and scheduled through the Managing Agent. Only one move-in per day will be scheduled, and move-ins will be scheduled to begin no earlier than 9:00 a.m. and

to conclude no later than 5:00 p.m. Additional details concerning move-ins are contained in Part I, Section J of the Plan under the sub-heading "Closings." The provisions of this subparagraph (g) shall survive the closing hereunder.

14. **Conditions for Binding Agreement.**

(a) This Agreement shall not be binding until Purchaser has been approved as a purchaser as set forth in the Plan, such approval to be indicated by execution of this Agreement by Sponsor and delivery of a fully executed counterpart of this Agreement to Purchaser.

(b) Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage on the Property made before or after this Agreement is signed and any payments or expenses already made or incurred or which may later be made or incurred, to their full extent without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the schedule of payments or accelerated by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments, if any. Sponsor shall satisfy all such mortgages or obtain a release of the Unit from the lien of such mortgages at or prior to the closing date.

15. **Definitions.** The term "Purchaser" shall be read as "Purchasers" if more than one person is a purchaser, in which case Purchaser's obligations shall be considered joint and several. All capitalized terms used in this Agreement and not otherwise defined in this Agreement, shall have the same meanings as they do in the Plan.

16. **Broker.** Purchaser represents that Purchaser did not rely upon, use or negotiate with any broker other than H. Justin Realty Services, LLC or _____ (collectively,[3] the "**Broker**")] in connection with this transaction. Purchaser agrees to indemnify Sponsor and hold Sponsor harmless from and against any costs, claims or expenses Sponsor may incur, including but not limited to attorneys' fees, arising out of or in any way connected with, Purchaser's breach of the foregoing representation. The provisions of this ¶ 16 shall survive the closing hereunder or any earlier termination of this Agreement.

17. **Jury Waiver.** Purchaser waives Purchaser's right to trial by jury in any action, proceeding or counterclaim in any way connected with this Agreement or the Plan.

18. **Survival of Sponsor's Obligations; Rights of Sponsor.** Sponsor will have no obligations under this Agreement or the Plan after Sponsor gives Purchaser the deed to the Unit, unless this Agreement or the Plan specifically gives Sponsor an obligation after that time. However, all representations required by Article 23-A of the General Business Law to survive delivery of the deed shall survive delivery of the deed.

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[3] To be deleted if there is no broker other than H. Justin Realty Services, LLC

19. **Captions.** The captions in this Agreement are for convenience only and are not part of the meaning of this Agreement.

20. **No Representations.** Purchaser has not relied on any statements made by Sponsor, or any other person, except those which are contained in this Agreement or in the Plan. Purchaser agrees that Sponsor will have no liability to Purchaser if there is a minor error or inaccuracy in the layout or dimensions of the Unit, or of the Common Elements of the Condominium as shown on the floor plans available for review at the office of the Sponsor or at the Condominium, so long as the layout and dimensions conform substantially to the floor plans which Purchaser has been given the opportunity to examine.

21. **Entire Agreement; Binding Nature of Agreement.** Purchaser understands that this Agreement and the Plan constitute the entire agreement between the parties and contain the only representations made to Purchaser. Purchaser has not relied on any other representations, statements or warranties, and acknowledges that no one has authority to make any representation or warranty not set forth in the Plan. Purchaser had full opportunity to examine all documents and investigate all facts referred to in the Plan and will not bind Sponsor to any oral representations and/or agreements. Further, Purchaser understands that this Agreement is binding upon Purchaser and Purchaser's heirs, executors, administrators and/or assigns. In no event will this Agreement be amended to abrogate Sponsor's responsibilities or Purchaser's rights under Article 23-A of the General Business Law.

22. **No Recording, Assignment or Advertisement; No Lis Pendens.** Purchaser agrees not to record this Agreement. Purchaser also agrees not to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease prior to closing hereunder, either acting individually or through a broker. Purchaser further agrees not to assign this Agreement or Purchaser's rights hereunder, without Sponsor's prior written consent, which consent may be withheld for any reason or no reason. Any purported assignment in violation of the foregoing shall be void and of no force and effect, and shall be a default under this Agreement. In the event of Sponsor's default hereunder Purchaser hereby waives Purchaser's right to file a lis pendens against the Unit. Violation by Purchaser of any of Purchaser's agreements in this Paragraph shall be a default under this Agreement.

23. **Conflicts with the Plan.** Conflicts between any provisions of this Agreement and the Plan shall be resolved in favor of the Plan.

SEE LEAD WARNING STATEMENT REQUIRED BY FEDERAL LAW ATTACHED TO THIS AGREEMENT AS EXHIBIT A

Dated: _____, 200_

_____
Purchaser

_____
Purchaser

ACCEPTED:

211-51 PROPERTY LLC

By: 211-51 Managing Member, LLC

By: _____
Name: Henry J. Justin
Title: Managing Member

_____
Henry J. Justin
Managing Member

Date:_____, 200_

Initials

PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND AMENDMENTS AT _____ (A.M.)(P.M.) ON _____,200_

_____
Purchaser

_____
Purchaser

AND

SPONSOR AND PURCHASER ACKNOWLEDGE PURCHASER'S DELIVERY OF PURCHASE AGREEMENT AND CHECK FOR DOWN PAYMENT AT _____ (A.M.)(P.M.) ON _____, 200_

_____
Purchaser

_____
Purchaser

_____
Sponsor

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EXHIBIT A
Lead Warning Statement: Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Every Purchaser of any interest in residential property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):

(i) __ Known lead-based paint and/or lead-based paint hazards are present in the housing.

(ii) X Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i)_____Seller has provided the purchaser with all available records and reports in Seller's possession pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents).

(ii) X Seller has no reports or records in Seller's possession pertaining to lead-based paint and/or lead-based paint hazards in the housing, and Seller has no knowledge of any such reports or records.

Purchaser's Acknowledgment (initial)

(c) _____ Purchaser has received copies of all information listed above, if any.

(d)_____ Purchaser received the pamphlet *Protect Your Family from Lead in Your Home*.

(e) Purchaser has (check (i) or (ii) below):

(i) ____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) _____ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment

(f) _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller:

211-51 PROPERTY LLC

By: 211-51 Managing Member

By:_____
Henry J. Justin, Managing Member

_____
Henry J. Justin

_____
Date

_____
Agent

_____
Date

Purchaser:

_____
Purchaser

_____
Date

_____
Purchaser

_____
Date

B

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FORM OF UNIT DEED

THIS INDENTURE, made the _____ day of _____, 200__, by and between 211-51 Property, LLC, a New York limited liability company having an office c/o H. Justin Realty Services, Inc., 115 West 30th Street, New York, New York 10001 (hereinafter referred to as the "Grantor") and _____ (having an office) (residing) at _____ hereinafter referred to as the ("Grantee").

WITNESSETH:

That the Grantor, in consideration of Ten ($10.00) Dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

The Residential Unit [and the Storage Unit] [Commercial Unit] (hereinafter referred to as the ("Unit(s)") known as Residential Unit No. _____ [and Storage Unit _____][Commercial Unit] in the building (hereinafter referred to as the "Building") known as The 211 East 51st Street Condominium and by the street number 211 East 51st Street, New York, N.Y., Borough of Manhattan and State of New York, said Unit(s) being designated and described as Residential Unit No. _____ [and Storage Unit _____] in a certain declaration dated _____ 200__, made by Grantor pursuant to Article 9-B of the Real property Law of the State of New York (hereinafter referred to as the "Condominium Act"), establishing a plan for condominium ownership of the Buildings and the land (hereinafter referred to as the "Land") upon which the Buildings are situate (which Land is more particularly described in Exhibit A of said declaration), which declaration was recorded in the New York County office of the Register of The City of New York on _____ 200__, in CRFN #: _____ (and has been amended as set forth on Exhibit B annexed hereto and by this reference made a part hereof)[1] (which declaration and amendments thereto are hereinafter collectively referred to as the "Declaration"). This Unit(s) is also designated at Tax Lot(s) _____ [and _____] in Block 1325 of Section 5 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the Buildings, certified by CMA Design Studio, P.C. on _____, 2007, and filed with the Real Property Assessment Department of the City of New York on _____, 200__, as Condominium Plan No._____.

Together with an undivided _____% [and _____ %] interest(s) in the Common Elements (as such term is defined in the Declaration);

---

[1] Delete if inapplicable.

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit(s);

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of The 211 East 51st Street Condominium, 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 any person having at any time any interest or estate in the Unit(s), 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(s), to the Land and/or to the Buildings (which Land and Buildings 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 or 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 or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board (as such term is defined in the Declaration) or provided in the Declaration or in the By-Laws, the Unit(s) is intended for (residential) (storage) (commercial) use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit(s) has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (and 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.

If the Grantor is a corporation, 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.

211-51 Property, LLC

By: _____

_____
Grantee

_____
Grantee

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

On the ___ day of _____, 200__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her capacity(ies), and that by this/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the ___ day of _____, 200__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her capacity(ies), and that by this/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the ___ day of _____, 200__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her capacity(ies), and that by this/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

C

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DECLARATION

Establishing A Plan of Condominium Ownership

for the Premises known as

THE 211 EAST 51ST STREET CONDOMINIUM

located at

209-211 East 51st Street
in the Borough of Manhattan
County, City and State of New York

Pursuant to Article 9-B of the
Real Property Law of the State of New York

DECLARANT: 211-51 Property, LLC

BLOCK: 1325, LOT 6

DATE OF DECLARATION: _____, 200___

Record and Return to:

ROBERT JACOBS, ESQ.
BELKIN BURDEN WENIG & GOLDMAN, LLP
270 Madison Avenue
New York, New York 10016

Attorneys for Declarant

Declaration establishing a plan of Condominium ownership for The 211 East 51st Street Condominium at the Premises located at 209 - 211 East 51st Street, New York, New York 10022, in the Borough of Manhattan, County, City and State of New York, pursuant to Article 9-B of the Real Property Law of the State of New York.

211-51 Property, LLC, a limited liability company organized and existing under the laws of the State of New York, having an address at c/o H. Justin Realty Services, LLC, 115 West 30th Street, New York, New York 10001 (the "Declarant"), does hereby declare:

1. Submission of Property. The Declarant hereby submits the land more particularly described on Schedule A attached hereto and made a part hereof (the "Land"), together with the building (the "Building") and improvements thereon erected, and the fixtures therein located (which Land, Building, improvements and fixtures are collectively referred to as the "Property"), owned by the Declarant in fee simple absolute, to the provisions of Article 9-B of the Real Property Law of the State of New York, more particularly known as the "Condominium Act" (the "Act").

2. Description of the Land. The Land is located in the Borough of Manhattan, County, City and State of New York, and bears the street number 209-211 East 51st Street, New York, New York. The Land is also designated as Tax Lot 6 in Block 1325 of the tax map of the City of New York, County of New York and consists of approximately * square feet (* acres).

3. Description of the Building. The Land is improved with a 14 story highrise structure (the "Building") consisting of a thirty-four (34) Storage Units in the cellar of the Building, three (3) Commercial Units on the ground floor, one which leased as a health spa, and is being offered subject to such lease, and seventy-three (73) Residential Units on the upper floors. The owners of the Units are hereinafter referred to as the "Unit Owners".

4. Description of Units. Annexed hereto as Schedule B and made a part hereof is a schedule of the following information for each Unit: Unit designation; designation of tax lot number; designation of location in Building; statement of approximate area in square feet; percentage of ownership interest in the Common Elements of the Condominium; and statement of Common Element(s) to which the Unit has immediate access. The information above-described is shown on floor plans of the Building, certified by CMA Design Studio, P.C., dated May 31, 2007 (the "Floor Plans"), which are intended to be recorded in the Office of the Register of the City of New York, County of New York, simultaneously with the recordation of this Declaration. The location of the Building is shown on the site plan intended to be recorded in the Office of the Register of the City of New York, County of New York, as part of this Declaration.

For the purposes of this Declaration, a "Unit" shall be defined as defined in §339-e of the Act, and shall be more particularly described as follows: consisting of the area enclosed horizontally by the hidden (unexposed) surface of the plaster walls (or, to the extent applicable with regard to a Commercial Units, the exterior side of the glass

windows) enclosing such Unit and the area enclosed vertically from the top of the concrete floor to the underside of the concrete ceiling of such Unit.

Each Unit shall be deemed to include all plumbing, heating and electrical fixtures contained in such Unit which service such Unit alone, any appliances attached to any such fixtures located within such Unit which shall service such Unit alone, and any through-the-window and through-the-wall air conditioners contained in such Unit. Doors and windows contained in a Unit which open from the Unit shall be deemed part of the Unit. Notwithstanding anything to the contrary, no Unit shall be deemed to include any structural or supporting column or any pipe, wire, conduit, beam or other similar structure, element or Facility (as defined below) a portion of which is present in, adjacent to, or passes through, whether visibly or not, the Unit if such column, pipe, wire, conduit, beam or similar structure, element or Facility is utilized for, or services or benefits, any other part of the Building, including, without limitation, any other Unit or the Common Elements.

5. Common Elements.

The Common Elements consist of the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements.

(a) The "General Common Elements" consist of all the Property and all parts of the Building and improvements thereon, except the Units, Residential Common Elements and Residential Limited Common Elements and include, but are not limited to: those rooms, areas, corridors, spaces and other parts of the Building, and all Facilities (as defined below), for the common use of all Units or all Unit Owners, or which are necessary or convenient for the existence, maintenance and safety of the Property.

Without limiting the foregoing, the General Common Elements shall include the following:

(i) The Land, including, without limitation, the portions of the Land on which the Building is erected, all walks, paved areas, and all other improved and unimproved areas not within the Units together with all easements, rights and privileges appurtenant thereto;

(ii) All roofs, chimneys, concrete floors, foundations, columns, girders, beams, supports, joists, footings and subfloors;

(iii) Except to the extent made part of a Unit, those portions of the exterior walls and insulation (if any) beyond the exposed interior face of the exterior walls, and those portions of the walls and partitions separating each Unit from the other Units, corridors, vestibules, lobbies and stairs located beyond the unexposed face of the drywalls enclosing such Unit;

(iv) Corridors, hallways, elevators (if any), lobbies, storage and utility rooms (other than the Storage Units) and areas, and the entrances to and exits from the Building;

(v) The "Facilities", which shall be defined as all central and appurtenant installations for utilities and other services which benefit the entire Building, including but not limited to: conduits for plumbing, electricity, gas, or other energy-producing fuels, water, sewage, drainage, waste piping, trash compaction and removal; equipment or facilities for telephone, telegraph and television (whether broadcast, cable or satellite-receptive); central air-conditioning, heat and ventilation, if any; and all pipes, wires, vents, conduits, flues, ducts, elevators, cables, machinery, equipment, apparatus, systems, mechanisms, devices, motors, pumps, controls, generators, valves, outlets, risers, switches, fixtures, meters and other things used in connection with any of the foregoing, whether located in common areas or in a Unit;

(vi) All boiler, meter, utility, steam, storage or staff rooms, other than Storage Units (including all steam and other equipment that may be located therein), flues, and meters located therein or servicing same;

(vii) Lighting fixtures illuminating the exterior portions of the Land or Building;

(viii) Entrance courtyard gates and fences surrounding the Property, if any;

(ix) All other apparatus and installations existing in the Building for common use or necessary, convenient and appropriate to the existence, maintenance or safety of the Building or the Units.

(b) The "Residential Common Elements" of the Condominium consist of those portions of the Property and Building serving only the Residential Units, and include, without limitation the following:

(i) The boiler room, the fire pump room, the refuse/compactor room, the water meter room, the superintendent's shop, the electric meter room, the gas meter room, the passenger elevator pit, and the hallways located on the cellar level of the Building;

(ii) The elevators and all shafts, pits, bulkheads, cabs and mechanical equipment associated therewith;

(iii) The lobby;

(iv) The egress passage located on the east side of the Building;

(v) Public stairways;

(vi) Windows (including panes, casements and frames) serving the Residential Units, the Storage Units, the portions of the Property containing those Units, and all other Residential Common Elements and Residential Limited Common Elements;

(vii) The structural concrete roof slab or other structural roof construction material, the asphalt or other roofing material thereover, the roof membrane, flashing and similar waterproofing or other roofing elements of the main roof protecting the interior of the Building, the roof drainage system and all parapets, fencing and railing on such roof (including without limitation, screens or fences separating roof space from the roof equipment;

(viii) Any decking or other flooring installed on the portion of the main roof designated for residential recreational purposes and all parapets, fencings and railings at such area;

(ix) All passages and corridors, areas, rooms and spaces located at the Property and furnishings and fixtures therein, serving and/or benefiting more than one Residential Unit and/or Residential Unit Owner;

(x) All other facilities of the Property (including, but not limited to shafts, pipes, pipe risers and branch or distribution piping concealed behind walls, wires, ducts, vents, cables, chases, conduits and lines), which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of more than one Residential Unit and/or more than one Residential Unit Owner; and

(xi) A portion of the rear yard has been reserved for use as a recreational areas for the Residential Unit Owners .

(c) The "Residential Limited Common Elements" consist of those portions of the Property and Building that are to be used by the Unit Owners of one or more specified Units to the exclusion of other Units (i.e.: door accessing Residential Units from public corridors are Residential Limited Common Elements appurtenant to the Unit it serves).

6. Use of Building and Units.

(a) As more particularly set forth in the By-Laws, each Residential Unit may be used only as a residence, and not more than one natural person and his Family Members plus one additional occupant and his dependent children may occupy a Residential Unit at one time. Upon the prior written consent of Declarant (or, when there are no longer any Unsold Units, the Condominium Board), any Residential Unit may be used as a professional or business office, provided, however, that such use is permitted by Law.

(b) A Residential Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by a member of such limited liability company, or by said fiduciary (including a director, officer, stockholder, or employee of a corporate fiduciary and a partner or employee of a partnership fiduciary), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, or by Family Members or guests of any of the foregoing. Residential Units may be leased in accordance with the By-Laws and the Rules and Regulations.

(c) Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may, without the consent of the Condominium Board or other Unit Owners: (i) grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided, however, that such use is permitted by Law; (ii) use any Unsold Units as model units and offices for the selling, renting, management, operation and promotion of the Unsold Residential Units or for any other purpose, subject only to compliance with Law and (iii) lease any Unsold Units to third parties for their occupancy.

(d) The Condominium will contain three (3) Commercial Units, one of which is leased as a health spa, and is being offered subject to such lease. The Commercial Units may be used by the Commercial Unit Owners for any lawful purpose except that the Commercial Unit Owners shall not use, or permit the use of the Unit(s) or any part thereof, without the prior written consent of the Board of Managers of The 211 East 51st Street Condominium for (i) storage, handling or furnishing of any materials which are flammable or explosive and the storage of which would cause the rate of insurance for the Building to be increased; (ii) any obscene or pornographic purposes or any sort of commercial sex establishment; (iii) for use as a facility for alcoholics, homeless persons or mentally ill and/or deranged persons; (iv) as an abortion clinic; or (v) office, an embassy, consulate or for use by any tenant entitled to sovereign or

diplomatic immunity except as a commercial patron thereof. The provision of this paragraph may not be amended without the consent of the Commercial Unit Owners.

(e) The Storage Units may be used for the storage of personal property only and may not be used for the storage, handling or furnishing of any materials which are noxious flammable or explosive and the storage of which would cause the rate of insurance for the Building to be increased.

7. Person to Receive Service. Process in any action brought against the Condominium shall be served upon it by service upon the Board of Managers at c/o H. Justin Realty Services, LLC, 115 West 30th Street, Suite 208, New York, New York 10001, or at such other address as the Condominium shall maintain.

8. Amendment of Declaration.

(a) This Declaration may be amended with the approval of not less than SEVENTY FIVE PERCENT (75%) in number and in aggregate Common Interest of all Unit Owners cast in person or by valid proxy at a meeting duly held in accordance with the provisions of the By-Laws of the Condominium or, in lieu of such meeting, any amendment may be approved in a writing signed by not less than SEVENTY FIVE PERCENT (75%) in number and in aggregate Common Interest of all Unit Owners. However, the Common Interest appurtenant to each Unit as set forth on Schedule B to this Declaration shall not be changed in any way without the prior written consent of all Unit Owners affected thereby.

(b) The Declarant or its designee shall have the express right, without vote or consent of Unit Owners, the Board of Managers, or the holders of mortgages against Units, if any, to execute or to cause to be executed, and to record as required by law, an amendment or amendments to this Declaration, together with such other plans, maps and other documents and instruments necessary to effect such recordation, to reflect any changes in Units and the reapportionment of Common Interests resulting therefrom, made by the Declarant or its designee in accordance with Paragraph 15 hereof, including, without limitation, the final location, dimensions or size of any Unit.

(c) The provisions of this Paragraph 8 may not be altered, amended or deleted in any manner, in whole or in part, without the prior written consent of the Declarant or its designee, as long as the Declarant or its designee shall own any Unit.

9. Determination of Percentage Interests in Common Elements. The respective percentage interest of each Unit in the Common Elements of the Condominium (the Unit's "Common Interest") has been determined on the basis of such Unit's floor space as measured in square footage, taking into account, however, the location of such Unit within the Building, its overall layout and dimensions, the availability of Common Elements for exclusive or shared use by the Unit Owners, and additional similar factors of value and desirability relative to the other Unit.

10. Encroachments.

(a) In the event that any Common Element, or portion, component or element thereof, shall encroach upon any Unit, or if any Unit, or portion thereof, shall encroach upon any other Unit or upon any Common Element, due to the subsequent settling or shifting thereof, or due to repair, restoration or rehabilitation work performed or caused to be performed by the Condominium, a valid easement for such encroachment and the maintenance thereof shall be created and exist until the earlier to occur of: (i) the removal of such encroachment; (ii) the destruction or demolition of the Building; or (iii) the termination of the Condominium pursuant to the terms hereof.

(b) In the event that the Building, a Unit or any Common Element shall be partially or totally destroyed by fire, explosion or other casualty or act of God, or as a result of condemnation or eminent domain proceedings, and then rebuilt, any encroachment arising by virtue of such destruction and rebuilding shall be permitted to exist and a valid easement for such encroachment and the maintenance thereof shall be created and exist until the occurrence of the earliest to occur of the events delineated in subparagraph (a) hereof.

11. Easements.

(a) Each Unit Owner shall have an easement to use all pipes, wires, ducts, cables, conduits, public utility lines, Facilities, and other Common Elements located in any other Unit and serving or benefiting the Building or his/her Unit. Each Unit shall be subject to an easement in favor of every other Unit Owner to use the pipes, wires, ducts, cables, conduits, public utility lines, Facilities, and other Common Elements located in such Unit and serving or benefiting the Building or any other Unit. The Board of Managers shall have a right of access to every Unit and all Common Elements appurtenant thereto to inspect the same, remove violations therefrom, and to maintain, repair, service or replace the Common Elements located therein or elsewhere in the Building. In furtherance, and not in limitation, of the foregoing, the Board of Managers shall have an easement and right of access to and through the Residential Units, Commercial Units, the Storage Units, and the courtyard appurtenant to the Building for the purposes of inspecting, maintaining, repairing, servicing and replacing any Facilities relating to heat, hot water and electrical service located in any such Commercial Units.

(b) Any utility company or public benefit corporation which shall provide utilities or other services to the Building, or in favor of which there exists or shall exist a public utility easement, and the employees and agents of such entity, shall have the right of reasonable access to the Property, the Building, the Common Elements and every Unit, in furtherance of any easement accorded hereunder, provided that such access shall not unduly interfere with the permitted use of the Property, the Building, the Common Elements or any Unit affected thereby.

(c) Commercial Unit Owners Easements

(i) The Commercial Unit Owners shall have an easement to erect, maintain, repair and replace, from time to time, one or more signs in the Building, subject to restrictions contained in the By-Laws, for the purposes of advertising the sale or lease of all or any portion of the Commercial Unit and the operation of any business of the Commercial Unit Owner or of a tenant or other occupant of all or any portion of the Commercial Unit.

(ii) The Commercial Unit Owners shall have an easement for access through, and use of, corridors and areas in and through the lobby of the Building and, if necessary, the passenger/freight elevator, comprising part of the Residential Common Elements, in order to access and use any mechanical rooms or areas that contain equipment or meters serving the Commercial Units, which are located in the cellar.

(iii) The Commercial Unit Owners shall have the exclusive right to install equipment and ducts on the roof comprising part of the Commercial Unit, to the extent permitted by applicable zoning, law and code. The Commercial Unit Owner also will have an easement and right to install duct work along the rear of the Building from the Commercial Unit to the main roof of the Building, for purposes of exhausting or ventilating the Commercial Unit, and to maintain, service and operate such duct work.

(iv) The Commercial Unit Owners shall have an easement for access through the rear yard for emergency egress.

12. Power of Attorney. As a condition of acquiring title to a Unit, the prospective owner thereof shall grant to the Board of Managers an irrevocable power of attorney, coupled with an interest, to, inter alia, acquire title to or to lease any Unit, the owner whereof desires to surrender, sell or lease such Unit, or which may be the subject of a foreclosure proceeding or other judicial sale, in the name of such Board of Managers or its designee, or is acquired or leased pursuant to a right of first refusal, on behalf of all Unit Owners, and subsequently to hold, convey, sell, assign, lease, mortgage or otherwise deal with any Unit so acquired or to sublease any Unit so leased by the Board of Managers.

13. Acquisition of Units by Board of Managers. In the event that any Unit Owner shall surrender his Unit, together with: (i) the undivided Common Interest appurtenant thereto; and (ii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively referred to as the "Appurtenant Interests"), pursuant to §339-x of the Act; or in the event that the Board of Managers shall purchase from any Unit Owner who has elected to sell such Unit, such Unit together with the Appurtenant Interests pursuant to the By-Laws; or in the event that the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, then and in such events title to such Unit, together with its Appurtenant Interests, shall be held by the Board of Managers, or its designee, on

behalf of all Unit Owners, in proportion to their respective Common Interests. The lease to any Unit leased by the Board of Managers, or its designee, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

14. Units Subject to Declaration, By-Laws and Rules and Regulations. This Declaration, and the By-Laws and Rules and Regulations of the Condominium, as such documents may be amended from time to time, shall bind all present and future Unit Owners, tenants, subtenants and occupants of the Units. The acceptance of a deed or conveyance for, the execution of a lease, sublease or occupancy agreement related to, or the commencement of occupancy in, a Unit shall constitute acceptance of this Declaration and the By-Laws and the Rules and Regulations, as such documents may be amended from time to time, and all such provisions shall be deemed to be covenants running with the Land and shall bind any person at any time having any interest or estate in such Unit, as if such provisions were incorporated in every deed, conveyance, lease, sublease or agreement therefor.

15. Alterations to Units. The Declarant or its designee with regard to any Unit owned by the Declarant or its designee, and the unit owner(s) of the Commercial Units, shall have the right, unless prohibited by the Act, without the vote or consent of the Board of Managers, the other Unit Owners, or the holders of mortgages on other Units, to: (i) make alterations or improvements in, to and upon any such Unit; (ii) change the layout or number of rooms in, or otherwise reconfigure, any such Unit(s); (iii) change the size or number of any contiguous Commercial Units, or any Units owned by the Declarant or its designee, if any, by subdividing or combining any such Units, and altering the boundary walls between any such Units or otherwise; and (iv) reapportion among any such affected Units their respective Common Interests to reflect their altered conditions, provided, however, that such alterations or changes shall be done in compliance with all applicable laws, ordinances, rules and regulations, and the Board of Managers and the Unit Owners shall be held harmless from any liability resulting therefrom. The Common Elements appurtenant to each Unit shall have a permanent nature and shall not be altered or changed without the prior consent of all Unit Owners affected thereby. Such alterations or changes, if made, shall be disclosed in an amendment to the Offering Plan, and contract vendees, if any, pursuant to Purchase Agreements entered into with the Sponsor or its designee adversely affected by such alterations or changes shall be afforded the right to rescind their Purchase Agreements and receive a refund of any deposits theretofore made. The provisions of this Paragraph may not be changed, altered, amended or deleted without the prior written consent of the Declarant or its designee. Notwithstanding the fact that the exterior walls are part of a Unit, the Board of Mangers, on behalf of all Unit Owners, shall assume the obligation to maintain and repair the exterior of the Building and to assess the cost thereof to all Unit Owners as a common expense

16. Termination. The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawal from the provisions of the Act of the Property if authorized by the affirmative vote of Unit Owners owning not less than EIGHTY PERCENT (80%) in

number and in aggregate Common Interest of all Units. In the event that withdrawal is so authorized, the Property shall be subject to an action in partition by any Unit Owner or any holder of a recorded lien against any Unit as if that portion of the Property were owned in common, in which event: the net proceeds, if any, of any sale shall be divided between the Unit Owners in accordance with their respective Common Interests, provided, however, that no payment shall be made to any Unit Owner until there has first been paid out of its share of such net proceeds the amount of any liens against its Unit, in the order of priority of filing of such liens, and such liens shall have been satisfied.

17. Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect the validity, enforceability or effect of the remaining provisions of this Declaration and, in such event, the invalid provision shall be deemed severed from this Declaration and of no force and effect, and the remaining provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein. In the event that any provision necessary to cause this Declaration to be sufficient to submit the Property to the provisions of the Act is missing from this Declaration, then such provision shall be deemed to be included herein as if fully set forth herein, for the purpose of submitting the Property to the provisions of the Act.

18. Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may have occurred.

19. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way limit or restrict the scope of this Declaration or the intent of any provision hereof.

20. Gender. The use of the masculine gender throughout this Declaration shall be deemed to refer to the feminine gender, and the use of the singular shall be deemed to refer to the plural, and vice-versa, whenever the context shall so require.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this __ day of _____, 200_.

211-51 Property, LLC
Declarant

By:_____

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

On this ___ day of _____, 200_ 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 person(s) whose name(s) is/are subscribed to in the within instrument, and acknowledged to me that he/she they executed the same in his/her/their capacity, and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE B
TO THE DECLARATION OF
THE 211 EAST 51ST STREET CONDOMINIUM

Unit (1)	Tax Lot Number (2)	Approximate Square Footage (3)		Percentage (%) of Common Interest (4)
Residential Units:		**Unit***	**Terrace**	
2A		680	0	0.969
2B		868	0	1.236
2C		581	0	0.828
2D		505	0	0.719
2E		1,198	0	1.706
2F		842	0	1.199
2G		834	0	1.188
3A		680	0	0.969
3B		868	0	1.236
3C		581	0	0.828
3D		505	0	0.719
3E		1,198	0	1.706
3F		842	0	1.199
3G		834	0	1.188
4A		680	0	0.969
4B		868	0	1.236
4C		581	0	0.828
4D		505	0	0.719
4E		1,198	0	1.706
4F		842	0	1.199
4G		834	0	1.188
5A		680	0	0.969
5B		868	0	1.236
5C		581	0	0.828
5D		505	0	0.719
5E		1,198	0	1.706
5F		842	0	1.199
5G		834	0	1.188
6A		680	0	0.969
6B		868	0	1.236
6C		581	0	0.828
6D		505	0	0.719
6E		1,198	0	1.706
6F		842	0	1.199
6G		834	0	1.188
7A		680	0	0.969
7B		868	0	1.236
7C		581	0	0.828
7D		505	0	0.719
7E		1,198	0	1.706
7F		842	0	1.199
7G		834	0	1.188

Unit (1)	Tax Lot Number (2)	Approximate Square Footage (3)		Percentage (%) of Common Interest (4)
Residential Units:		**Unit***	**Terrace**	
8A		680	0	0.969
8B		868	0	1.236
8C		581	0	0.828
8D		505	0	0.719
8E		1,198	0	1.706
8F		842	0	1.199
8G		834	0	1.188
9A		680	0	0.969
9B		868	0	1.236
9C		581	0	0.828
9D		505	0	0.719
9E		1,198	0	1.706
9F		842	0	1.199
9G		834	0	1.188
10A		680	0	0.969
10B		868	0	1.236
10C		581	0	0.828
10D		505	0	0.719
10E		1,198	0	1.706
10F		842	0	1.199
10G		834	0	1.188
11A		1,218	142	1.755
11B		1,139	236	1.656
11C		840	328	1.243
11D		1,166	422	1.721
12A		1,218	0	1.735
12B		1,139	0	1.622
12C		840	0	1.197
12D		1,166	0	1.661
PHA		1,789	550	2.627
PHB		2,405	2411	3.769

Unit	Tax Lot Number	Approximate Square Footage		Common Elements To Which Unit Has Immediate Access	Percentage (%) of Common Interest
Residential Units:		**Unit***	**Terrace**		
2A		680	0		0.975
2B		868	0		1.244
2C		581	0		0.833
2D		505	0		0.724
2E		1,198	0		1.717
2F		842	0		1.207
2G		834	0		1.195
3A		680	0		0.975
3B		868	0		1.244
3C		581	0		0.833
3D		505	0		0.724
3E		1,198	0		1.717
3F		842	0		1.207
3G		834	0		1.195
4A		680	0		0.975
4B		868	0		1.244
4C		581	0		0.833
4D		505	0		0.724
4E		1,198	0		1.717
4F		842	0		1.207
4G		834	0		1.195
5A		680	0		0.975
5B		868	0		1.244
5C		581	0		0.833
5D		505	0		0.724
5E		1,198	0		1.717
5F		842	0		1.207
5G		834	0		1.195
6A		680	0		0.975
6B		868	0		1.244
6C		581	0		0.833
6D		505	0		0.724
6E		1,198	0		1.717
6F		842	0		1.207
6G		834	0		1.195
7A		680	0		0.975
7B		868	0		1.244
7C		581	0		0.833
7D		505	0		0.724
7E		1,198	0		1.717
7F		842	0		1.207
7G		834	0		1.195
8A		680	0		0.975
8B		868	0		1.244
8C		581	0		0.833
8D		505	0		0.724

Unit	Tax Lot Number	Approximate Square Footage		Common Elements To Which Unit Has Immediate Access	Percentage (%) of Common Interest
Residential Units:		**Unit***	**Terrace**		
8E		1,198	0		1.717
8F		842	0		1.207
8G		834	0		1.195
9A		680	0		0.975
9B		868	0		1.244
9C		581	0		0.833
9D		505	0		0.724
9E		1,198	0		1.717
9F		842	0		1.207
9G		834	0		1.195
10A		680	0		0.975
10B		868	0		1.244
10C		581	0		0.833
10D		505	0		0.724
10E		1,198	0		1.717
10F		842	0		1.207
10G		834	0		1.195
11A		1,218	142		1.766
11B		1,139	236		1.666
11C		840	328		1.251
11D		1,166	422		1.732
12A		1,218	0		1.746
12B		1,139	0		1.632
12C		840	0		1.204
12D		1,166	0		1.671
PHA		1,789	550		2.643
PHB		2,405	2411		3.793

Unit	Tax Lot Number	Approximate Square Footage		Common Elements To Which Unit Has Immediate Access	Percentage of Common Interest
Storage Units:		**Unit***	**Terrace**		
1		13.5			0.019
2		13.5			0.019
3		13.5			0.019
4		17.6			0.025
5		15.0			0.021
6		13.5			0.019
7		13.5			0.019
8		13.5			0.019
9		13.5			0.019
10		13.5			0.019
11		13.5			0.019
12		13.5			0.019
13		13.5			0.019
14		13.5			0.019
15		13.5			0.019
16		13.5			0.019
17		13.5			0.019
18		15.0			0.021
19		17.2			0.025
20		17.2			0.025
21		13.5			0.019
22		13.5			0.019
23		13.5			0.019
24		13.5			0.019
25		13.5			0.019
26		13.5			0.019
27		13.5			0.019
28		13.5			0.019
29		16.3			0.023
30		14.2			0.020
31		13.5			0.019
32		13.5			0.019
33		21.0			0.030
34		13.5			0.019

Unit	Tax Lot Number	Approximate Square Footage		Common Elements To Which Unit Has Immediate Access	Percentage (%) of Common Interest
Commercial Units:		**Unit***	**Terrace**		
1		3,357	0		2.539
2		2,497	0		2.657
3		4,703	0		3.955

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SCHEDULE A

ALL THAT CERTAIN plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:-

BEGINNING at a point on the northerly side of 51st Street distant 100 feet easterly from the corner formed by the intersection of the northerly side of 51st Street and the easterly side of Third Avenue;

RUNNING THENCE northerly parallel with Third Avenue, 100 feet 5 inches to the center line of the block;

THENCE easterly along the center line of the block 25 feet;

THENCE southerly parallel with Third Avenue, 1 inch;

THENCE easterly parallel with 51st Street, 25 feet;

THENCE northerly parallel with Third Avenue, 1 inch;

THENCE easterly along the center line of the block 40 feet;

THENCE southerly parallel with Third Avenue, 100 feet 5 inches to the northerly side of 51st Street;

THENCE westerly along the northerly side of 51st Street, 90 feet to the point or place of **BEGINNING.**

For information only: Said premises are known as 209-215 East 51st Street, New York, NY and designated as Section 5 Block 1325 Lot 6 as shown on the Tax Map of the City of New York, County of New York.

For conveyancing only, if intended to be conveyed: Together with all rights, title and interest of, in and to any streets and roads abutting the above described premises, to the center line thereof.

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SCHEDULE B
TO THE DECLARATION OF
THE 211 EAST 51ST STREET CONDOMINIUM

Unit	Tax Lot Number	Approximate Square Footage		Common Elements To Which Unit Has Immediate Access	Percentage (%) of Common Interest
Residential Units:		**Unit***	**Terrace**		
2A		680	0		0.969
2B		868	0		1.236
2C		581	0		0.828
2D		505	0		0.719
2E		1,198	0		1.706
2F		842	0		1.199
2G		834	0		1.188
3A		680	0		0.969
3B		868	0		1.236
3C		581	0		0.828
3D		505	0		0.719
3E		1,198	0		1.706
3F		842	0		1.199
3G		834	0		1.188
4A		680	0		0.969
4B		868	0		1.236
4C		581	0		0.828
4D		505	0		0.719
4E		1,198	0		1.706
4F		842	0		1.199
4G		834	0		1.188
5A		680	0		0.969
5B		868	0		1.236
5C		581	0		0.828
5D		505	0		0.719
5E		1,198	0		1.706
5F		842	0		1.199
5G		834	0		1.188
6A		680	0		0.969
6B		868	0		1.236
6C		581	0		0.828
6D		505	0		0.719
6E		1,198	0		1.706
6F		842	0		1.199
6G		834	0		1.188
7A		680	0		0.969
7B		868	0		1.236
7C		581	0		0.828
7D		505	0		0.719
7E		1,198	0		1.706
7F		842	0		1.199
7G		834	0		1.188
8A		680	0		0.969
8B		868	0		1.236
8C		581	0		0.828
8D		505	0		0.719
8E		1,198	0		1.706
8F		842	0		1.199

Unit	Tax Lot Number	Approximate Square Footage		Common Elements To Which Unit Has Immediate Access	Percentage (%) of Common Interest
Residential Units:		**Unit***	**Terrace**		
8G		834	0		1.188
9A		680	0		0.969
9B		868	0		1.236
9C		581	0		0.828
9D		505	0		0.719
9E		1,198	0		1.706
9F		842	0		1.199
9G		834	0		1.188
10A		680	0		0.969
10B		868	0		1.236
10C		581	0		0.828
10D		505	0		0.719
10E		1,198	0		1.706
10F		842	0		1.199
10G		834	0		1.188
11A		1,218	142		1.755
11B		1,139	236		1.656
11C		840	328		1.243
11D		1,166	422		1.721
12A		1,218	0		1.735
12B		1,139	0		1.622
12C		840	0		1.197
12D		1,166	0		1.661
PHA		1,789	550		2.627
PHB		2,405	2411		3.769

Unit	Tax Lot Number	Approximate Square Footage		Common Elements To Which Unit Has Immediate Access	Percentage of Common Interest
Storage Units:		**Unit***	**Terrace**		
1		13.5			0.019
2		13.5			0.019
3		13.5			0.019
4		17.6			0.025
5		15.0			0.021
6		13.5			0.019
7		13.5			0.019
8		13.5			0.019
9		13.5			0.019
10		13.5			0.019
11		13.5			0.019
12		13.5			0.019
13		13.5			0.019
14		13.5			0.019
15		13.5			0.019
16		13.5			0.019
17		13.5			0.019
18		15.0			0.021
19		17.2			0.025
20		17.2			0.025
21		13.5			0.019
22		13.5			0.019
23		13.5			0.019
24		13.5			0.019
25		13.5			0.019
26		13.5			0.019
27		13.5			0.019
28		13.5			0.019
29		16.3			0.023
30		14.2			0.020
31		13.5			0.019
32		13.5			0.019
33		21.0			0.030
34		13.5			0.019

Unit	Tax Lot Number	Approximate Square Footage		Common Elements To Which Unit Has Immediate Access	Percentage (%) of Common Interest
Commercial Units:		**Unit***	**Terrace**		
1		3,357	0		2.539
2		2,497	0		2.657
3		4,703	0		3.955

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EXHIBIT C TO THE DECLARATION OF THE 211 EAST 21ST STREET CONDOMINIUM

DEFINITIONS

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

"Amend", "amended" or "amendment" refers to any amendment, whether by deletion of any existing provision, modification of any existing provision, or inserting a new provision.

"Applicable Law" means all applicable laws, statutes, treaties, rules, codes, ordinances, regulations of any Governmental Authority and, to the extent the Property, any Unit, any Unit Owner, Sponsor, any Sponsor Successor and/or the Condominium Board, as the case may be, is bound thereby or subject thereto, any judgments, decrees, injunctions, writs, orders, notices of violation or like action of any Governmental Authority, court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction (including Applicable Rent Laws and those pertaining to health, safety or the environment) now or hereafter in effect.

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

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

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

"Board of Managers" or "Board" or "Condominium Board" means the governing body of the Condominium, whose members shall be selected pursuant to the terms of the By-Laws.

"Building" means the building situated on the Land and known as 211 East 51st Street, New York, New York.

"Building Systems" means utility and service systems and appurtenant installations now or hereafter installed by or on behalf of the Condominium Board which service the Building and are not expressly included as part of a Unit pursuant to the terms of the Declaration, including, without limitation: the electrical system; the water supply system; the water return (sewer) system; the gas supply system; any exhaust systems; any fire or life safety system; any master television or cable system/intercom; and any other mechanical, plumbing or electrical systems.

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

"Casualty Loss" means damage or destruction resulting from a fire or other casualty.

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

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

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

"Closing Date" means the date scheduled for the closing of title to a Unit by Sponsor as same may be adjourned in accordance with the terms of the Purchase Agreement.

"Commercial Board Member" means the individual appointed or elected by the Commercial Unit Owners to serve as its representative on the Board of Managers.

"Commercial Unit" means one of the three commercial units in the Building.

"Commercial Unit Owner(s)" means the Owner(s) of the Commercial Unit(s).

"Common Charges" means the charges allocated and assessed against the Units by the Condominium Board payable by the Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), to meet the Common Expenses.

"Common Elements" means, collectively, any Residential Limited Common Elements, Residential Common Elements and the General Common Elements, and consist of all parts of the Property other than the Units.

"Common Expenses" means any and all: (i) costs and expenses paid or incurred generally by the Condominium pursuant to the Declaration and/or the By-Laws, including the Rules and Regulations, in connection with its operation and maintenance, and its performance of Work in and to the Common Elements (including, without limitation, accounting, legal, architectural, engineering or other professional or service fees); (ii) other items which are provided in the Declaration or By-Laws to be Common Expenses or are paid or incurred by the Condominium in connection with the conduct of Condominium affairs; (iii) payments required by the Condominium Board to be made by the Unit Owners to establish or maintain such general operating reserves or reserve funds for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year; and (iv) all costs and expenses paid or incurred by the Condominium in connection with the purchase, lease or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Unit Owner has elected to sell, lease, transfer or convey such Unit or that is to be sold at a foreclosure or other sale.

"Common Interest" means the undivided percentage interest of each Unit in the Common Elements.

"Condominium" means The 211 East 51st Street Condominium to be established pursuant to the terms of the Declaration and to be governed pursuant to the terms of the By-Laws.

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

"Condominium Board Member" means the governing body of the Condominium, whose members shall be selected pursuant to the terms of the By-Laws.

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

"Declaration" means the declaration executed by Sponsor for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a

regime for the condominium ownership thereof and includes any duly adopted amendments thereto.

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

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

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

"Escrow Agent" means Belkin Burden Wenig & Goldman, LLP.

"Facilities" means all personal property and fixtures now or hereafter existing in, on or under the Land or the Building and either existing for the common use of 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 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, elevators, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, Siamese connections, hoses, plumbing, fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drains, catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, draperies, shades, window coverings, wallpaper, wall coverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

"Family Members" means and includes a spouse, child (by blood, marriage or adoption), parents (including step-parents or parents-in-law), grandchildren, siblings, grandparents, aunts, uncles, nieces, nephews and domestic partners.

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

"First Unit Closing" means the first date upon which title to the first Unit that is conveyed by Sponsor to a Purchaser pursuant to the terms of the Plan.

"First Year Budget" means the projection of receipts and expenses of the Property for the first twelve months following the projected date of the First Unit Closing contained in the Section of the Plan entitled "Schedule B: Projected Budget for First Year of Condominium Operation."

"Floor Plans" means the floor plans of the Units certified by CMA Design Studio, P.C. and to be filed in the City Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

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

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

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

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

"Holiday" means those days designated as holidays under the applicable union contract, or, if there is no applicable union contract, then the term "Holiday" shall mean any day on which state chartered banks in New York City are authorized or required to be closed or such other days as the Condominium Board may designate from time to time.

"Improvements" means the Building and any and all other improvements now or hereafter erected on the Land and all alterations and replacements to such improvements.

"Initial Control Period" means the period ending on the earlier of: (i) the closing of title with Purchasers under the Plan to Units having more than fifty percent (50%) of the

aggregate Common Interests appertaining to all Units, or (ii) the second anniversary of the First Unit Closing.

"Institutional Lender" means (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust or, (ii) a federal, state, municipal, teachers' or union employee, welfare, pension or retirement fund or system having assets in excess of $10,000,000, in each case doing business in the State of New York; or (iii) any Governmental Authority including an agency of the City or State of New York.

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

"Insurance Trustee" means 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 Condominium Board.

"Land" means the land upon which the Improvements are located and all that certain tract, plot, piece and parcel of land situated, lying and being in the County, City and State of New York, as more particularly described in Exhibit A to the Declaration.

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

"Majority of Unit Owners" means those Unit Owners having more than fifty percent (50%) 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.

"Managing Agent" means any management company or agent engaged from time to time by the Condominium Board to perform the duties of a managing agent of the Building.

"Mansion Tax" means the transfer tax imposed by New York State pursuant to Article 31 of the Tax Law on purchasers of residential real property where the consideration for the conveyance is $1,000,000 or more.

"Mortgagee" means any Institutional Lender holding a mortgage of record encumbering a Unit. A Mortgagee shall be deemed a "Permitted Mortgagee" if it satisfies the criteria therefore contained in the By-Laws.

"Mortgage Representatives" mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of the By-Laws.

"Offering Plan" (or "Plan") shall mean this Offering Plan for the Sale of Condominium Units at The * Condominium, 211 East 51st Street, New York, New York filed by Sponsor with the Department of Law, as said Plan may be amended from time to time.

"Offering Plan Counsel" means the law firm of Belkin Burden Wenig and Goldman, LLP, which firm has been engaged by Sponsor for the purposes of preparing this Offering Plan and the Declaration and By-Laws contained herein.

"Owner" or "Unit Owner" means, collectively, all parties owing a Unit in fee simple absolute.

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

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

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

"Permitted Mortgage" means any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in the By-Laws.

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

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

"Plan" means the offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to § 352-eeee of the GBL, as may be amended from time to time.

"Plans and Specifications" means the plans and specifications for the Project prepared by Sponsor's Architect together with various engineers and other consulting professionals, as same may be amended from time to time.

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

"Project" means the construction of the Improvements substantially in accordance with the Plans and Specifications.

"Property" means the Land and the Improvements now or hereafter erected on the Land.

"Punchlist" is a schedule of Punchlist Items.

"Punchlist Item" means a major construction defect in a Unit which is significantly visible or readily ascertainable during a pre-closing inspection of the Unit conducted pursuant to the Plan, the existence of which will neither prevent nor substantially interfere with the use and occupancy of the Unit.

"Purchase Agreement" means the purchase agreement between Sponsor and a Purchaser under the Plan in the form set forth in Part II of the Plan.

"Purchase Price" means the purchase price of a Unit.

"Purchaser" means a Person or Persons buying a Unit under a fully-executed Purchase Agreement.

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

"Residential Area" means the Residential Units, the portions of the Property containing those Units and all other Residential Common Elements and Residential Limited Common Elements.

"Residential Board Member" means the individuals elected or appointed by the Residential Unit Owners to serve as their representatives on the Board of Managers.

"Residential Common Elements" means those Common Elements located in and/or exclusively serving the Residential Area.

"Residential Limited Common Elements" means a Limited Common Element serving a specified Residential Unit and not other Unit, and restricted in use to the Owner or other occupant of the Unit.

"Residential Unit" means one of the 73 apartments in the Building which are being offered for sale under this Plan.

"Residential Unit Owner" means the Owner of a Residential Unit.

"Restorations" means the repair and restoration and other Work performed to the Property after a Casualty Loss or a Taking.

"Rules and Regulations" shall mean the rules and regulations of the Condominium, adopted by the Condominium Board pursuant to the By-Laws, as amended, modified, deleted from or added to from time to time, pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or the By-Laws, initially in the form set forth in Part II of the Plan.

"Sales Office" means the office maintained by Sponsor and/or its Selling Agent at or near the Property for the sale and/or leasing of Units.

"Selling Agent" means H. Justin Realty Services, LLC, which firm has been engaged by Sponsor to sell the Residential Units and Storage Units under the Plan.

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

"Sponsor" means 211-51 Property, LLC.

"Sponsor's Architect" means CMA Design Studio, P.C.

"Sponsor's Counsel" means the law firm of Belkin Burden Wenig & Goldman, LLP, with offices at 270 Madison Avenue, New York, New York 10016.

"Sponsor Successor" means (i) any corporation or other entity which, through amalgamation, consolidation, or other legal succession becomes invested with the rights and assumes the burdens of Sponsor, or (ii) any Person, who, at any time, (a) purchases from Sponsor, or otherwise succeeds to (x) ten percent (10%) or more of all Units in the Condominium, or (y) all remaining Units then owned by Sponsor, and is designated as a Sponsor Successor by Sponsor and (b) is not purchasing such Units for his, her or its own occupancy or for occupancy by one or more of such Person's Family Members, and, in any case, shall also include any nominee holding any Unit for the account of the Person referred to in clause (i) or (ii) above. The phrase "owned by" shall include owned by any such nominee.

"Storage Unit" means a Unit designated as a Storage Unit on Schedule B to the Declaration, together with the Common Interest appurtenant to such Unit.

"Storage Unit Owner" means the Owner of a Storage Unit.

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

"Taking" means a taking of all or any part of the Property in condemnation or by eminent domain.

"Tax Lot Drawing" means the drawings of the Property, to be certified by CMA Design Studio, P.C delineating the Units and the Common Elements, approved by the Real Property Assessment Development of the City of New York and filed simultaneously with the recording of the Declaration, as more fully described in Article 2 of the Declaration.

"Title Company" means any of Northwoods Abstract Ltd., 445 Park Avenue, Suite 900, New York, New York 10022.

"Transfer Taxes" means the New York City Real Property Transfer Tax and the New York State Real Estate Transfer Tax. "Transfer Taxes" do not include the "Mansion Tax", defined above.

"Unit" or "Condominium Unit" means any unit in the Condominium designated as such in the Declaration, consisting, generally, of a specific apartment in the Building. All of such units are, collectively, referred to as "Units."

"Unit Owner" means any record owner of a Unit, and all of such Unit Owners are, collectively, referred to as the "Unit Owners."

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

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

"Working Capital Fund" means the funds deposited by Sponsor with the Board of Managers prior to or at the time of the First Unit Closing, together with funds deposited

by Purchasers with the Board of Managers at the time of their Unit Closing in accordance with this Plan, to be used to fund operating expenses of the Condominium.

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EXHIBIT D TO THE DECLARATION
OF
THE 211 EAST 51ST STREET CONDOMINIUM

BY-LAWS OF THE 211 EAST 51ST STREET CONDOMINIUM

ARTICLE 1

GENERAL

Section 1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land which lies in Section 5, Block 1325, Lot 6 on the Tax Map of the Borough of Manhattan, City and State of New York; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto and (iii) all other property, real or personal, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a Part.

Section 1.2 Definitions. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 Application of By-Laws. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended form time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and The Rules and Regulations, as each of the same many be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5 Principal Office of the Condominium. The principal office of the Condominium and the Condominium Board shall be located at either the Property or

at such other place in the City of New York reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

CONDOMINIUM BOARD

Section 2.1 General. As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-Laws.

Section 2.2 Status of the Condominium Board. Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under. or pursuant to, the terms of the Condominium Act.

Section 2.3 Principal Office of the Condominium Board. The principal office of the Condominium Board shall be located either at the Property or at such other place in the City of New York reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 Powers and Duties of the Condominium Board.

(A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, and any Residential Limited Common Elements appurtenant to the Residential Units only, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith to engage in and/or enter into contracts for: (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel;

(ii) to maintain, repair, restore, add to, improve, alter and replace the exterior walls of the Building on behalf of the Unit Owners notwithstanding the fact that same may be included as part of any Unit and to assess the cost thereof to all the Unit Owners as a common expense;

(iii) to acquire in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a mixed-use condominium;

(iv) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed accounts, in chronological order, or receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws and (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(v) to prepare and adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts on income necessary to discharge same;

(vi) to determine the amount and establish the methods of payment of, and to collect the Common Charges and Special Assessments from the Unit Owners and to specially allocate and apportion the profits and expenses based on special or exclusive use or availability to exclusive control of particular units or common areas;

(vii) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of at least two-thirds (2/3) of the members of the Condominium Board shall be required for the borrowing of any sum in excess of $10,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of at least two-thirds (2/3), both in number and in aggregate Common Interest, of all Unit Owners shall be required for the borrowing of any sum in excess of $25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of owner of such Unit and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such

proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interests of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against the Unit owned by such Unit Owner;

(viii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(ix) to use the Common Charges and Special Assessments collected from Unit Owners, as well as other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements;

(x) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(xi) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners, (b) all holders of mortgages and other liens on the Units, and (c) all holders of any other interest in the Property;

(xii) to make, or contract with others for the making of repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xiii) to obtain and keep in force fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than $25,000.00 for: (a) all members of the Condominium Board; (b) all officers and employees of the Condominium and (c) the Managing Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses;

(xiv) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners;

(xv) in accordance with the Condominium Documents, to purchase, lease or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xvi) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the votes appurtenant to any such Unit;

(xvii) in accordance with the Condominium Documents, to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violation of the same;

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against the Unit Owners;

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that (a) the certificate of incorporation and By-Laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws, and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and the Declaration or these By-Laws;

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, title and interest in real and personal property for use in connection with the ownership and operation of the Property as a condominium;

(xxi) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building and (b) any consent, covenant, restriction, easement or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, theretofore made to the same;

(xxiii) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws; and.

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a declaration of zoning

lot restrictions and/or zoning lot development agreement in relation to the Sponsor's reservation of unused development rights at the direction of Sponsor in the event Sponsor exercises its right to transfer same.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

(C) Notwithstanding any provision to the contrary, the owners of the Commercial Units shall not be charged or assessed for the cost of any improvement, alteration, addition, extraordinary repair or restoration or the salary of any Building service employee that exclusively benefits the owners of Residential Units or Storage Units, and the owners of the Residential Units and Storage Units shall not be charged or assessed for the cost of any improvement, alteration, addition, extraordinary repair or restoration of the salary of any business service employee that exclusively benefits the Commercial Units or the owners of the Commercial Units.

Section 2.5 Certain Limitations on the Powers of The Condominium Board.

(A) Notwithstanding anything to the contrary contained in these By-Laws, for a period of five years from the First Closing, so long as Sponsor or its designee or both shall continue to collectively own Residential Units representing 25% or more in aggregate Common Interest, the Condominium Board may not, without Sponsor's or such designee's prior written consent:

(i) make any additions, alterations, or improvements to the Common Elements or to any Unit costing cumulatively more than $5,000.00, the foregoing not to include necessary repairs and maintenance work; or

(ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency, or surplus fund in excess of five percent in the aggregate of the estimated Common Expenses for any year of operation;

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

(iv) enter into any service or maintenance contracts for work not covered in the schedule referred to in subparagraph (iii) hereinabove; or

(v) borrow money on behalf of the Condominium.

(B) Subject to the foregoing, the Condominium Board shall not take any of the following actions unless Unit Owners representing at least 75% in aggregate

Common Interest shall approve the same in writing or by vote at a duly constituted meeting called for such purpose:

(i) increase the number, or change the type, of employees from those hired at the time of recording the Declaration;

(ii) provide for new or additional services from those being provided at the time of recording the Declaration;

(iii) impose any Common Charge or Special Assessment for the purpose of making any capital or major improvement, alteration, or addition to the Common Elements or to any Unit, unless required by Law or an insurance company insuring the Property; or

(iv) establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements, or replacements, other than a twelve-month reserve for contingencies not exceeding five percent of the budgeted operating expenses for the ensuing twelve months of operation.

(C) This Section may not be amended without the consent of Sponsor.

Section 2.6 Exercise and Delegation of Powers and Duties.

(A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board subject to both the exceptions and limitations contained in paragraph (D) of this Section 2.6 and such additional exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitation contained in paragraph (D) of this Section 2.6. The Executive Committee and each other committee shall consist of five or more members of the Condominium Board, at least one of whom shall be a member designated by Sponsor for so long as Sponsor shall have the right to designate or elect one or more members of the Condominium Board.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation to be established by the Condominium Board and to perform such

duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (xvii), (xix), (xx), and (xxi) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in Subsection (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7 Number. Election and Qualification of Members. Until the first annual meeting of the Unit Owners held pursuant of the terms of Section 4.1 hereof, the Condominium Board shall consist of three individuals to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners, the Condominium Board shall consist of six individuals (President, Vice President, Treasurer, Secretary, Trustee #1 and Trustee #2) to be elected by the Unit Owners pursuant to the terms of Section 4.9 hereof. Except for members designated or elected by Sponsor or its designee or the Commercial Unit Owners pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all members of the Condominium Board shall be either: (i) individual Unit Owners; (ii) individual Permitted Mortgagees; (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing. One Member of the six-member Condominium Board will be elected or designated exclusively by the Commercial Unit Owners who will not otherwise participate in the election of other members of the Condominium Board. However, no Unit Owner may be elected or designated to serve as a member of the Condominium Board in the event a lien for unpaid common charges or special assessments shall be placed against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such election. Notwithstanding the foregoing, so long as the Sponsor or its designee or both collectively own units representing 50% or more in aggregate common interest, but no more than two (2) years after the first closing, the Sponsor shall be entitled to designate a majority of the members of the Board of Managers (the "Initial Control Period").

Section 2.8 Term of Office of Members. The terms of office of three members of the Condominium Board designated by Sponsor prior to the first annual meeting of the Unit Owners shall expire when the five individuals to be elected at such first annual meeting are so elected and qualified. The term of office or each of the five individuals elected and qualified at the first annual meeting of the Unit Owners shall be for one year or until a special meeting of Unit Owners is called pursuant to Section 4.9 (F) of these By-Laws and their successors are elected and qualified. At each annual

meeting of the Unit Owners subsequent to the first such meeting, (or at a special meeting of Unit Owners called pursuant to Section 4.9(F) of the By-Laws), the members of the Condominium Board shall be elected pursuant to the terms of Section 4.9 hereof to serve a term of office fixed at one year, (except that members elected at the annual meeting immediately preceding the special meeting provided for by Section 4.9(F) of the By-Laws shall serve a term of office which shall end with the election and qualification of their successors at such special meeting of Unit Owners). Notwithstanding anything to the contrary contained in this Section 2.8, however, each member of the Condominium Board shall serve until his successor shall be elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Condominium Board may serve.

Section 2.9 Removal and Resignation of Members.

(A) Members of the Condominium Board are subject to removal, with or without cause, by vote of Unit Owners owning a majority of the aggregate Common Interest of the Condominium attending a duly called meeting at which a quorum is present, except that: (i) members designated, elected or appointed by Sponsor or any Sponsor Successor may be removed by the Condominium Board for cause only, or by Sponsor or such Sponsor Successor without cause, and (ii) members designated, elected or appointed by the owners(s) of the Commercial Units may be removed by the Condominium Board for cause only, or by the owner(s) of the Commercial Units without cause. Sponsor or any Sponsor Successor will have the right to designate a replacement for any member that had been designated, elected or appointed by Sponsor or any Sponsor Successor who has been removed from the Condominium Board. The Commercial Unit Owners will have the right to designate a replacement for any member that had been designated, elected or appointed by the owner(s) of Commercial Units who have been removed from the Condominium Board. Any member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any member of the Condominium Board may resign his membership at any time by giving written notice thereof to the Condominium Board and, with respect to members of the Condominium Board designated as such or elected by Sponsor or its designee, to Sponsor or such designee or the Commercial Unit Owners In addition, any member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned his membership effective as of the date upon which such qualification shall cease.

Section 2.10 Vacancies.

(A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was elected thereof by the Residential Unit Owners shall be filled by an individual who is qualified to be a member pursuant to

the terms of Section 2.7 hereof and who is elected by a vote of the majority of the members of the Condominium Board representing Residential Unit Owners then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was designated as such or elected by Sponsor or its designee shall be filled by an individual designated by Sponsor or such designee; any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was designated as such by the Commercial Unit Owners shall be filled by an individual designated by the Commercial Unit Owners.

(C) Each member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a member of the Condominium Board for the remainder of the term of the member he replaced and until his successor shall be selected and qualified at the appropriate annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 Organizational Meeting of the Condominium Board. The first meeting of the Condominium Board following each annual meeting of the Unit Owners shall be held within ten (10) days of such annual meeting, at such time and place in the City of New York as shall be both fixed informally by a majority of the members of the Condominium Board and designated in a written notice given to all members thereof by personal delivery, mail, or telegram not later than five (5) business days prior to such date.

Section 2.12 Regular Meetings of the Condominium Board. Regular meetings of the Condominium Board may be held at such time and place in the City of New York as shall be determined from time to time by a majority of the members thereof, provided that at least four (4) such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given to each member thereof by personal delivery, mail, telegram, e-mail or facsimile transmission at least five (5) business days prior to the day named for such meeting.

Section 2.13 Special Meetings of the Condominium Board. The President may call a special meeting of the Condominium Board whenever he deems the same to be necessary or desirable. The President shall also call such a meeting upon the written request of three or more members of the Condominium Board. Written notice of all special meetings shall be given to each member thereof by personal delivery, mail, telegram or facsimile transmission at least five (5) business days prior to the day named for such meeting, which notice shall state the time, place (in the City of New York) and purpose of the meeting.

Section 2.14 Waiver of Notice of Meetings. Any member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Condominium Board at any meeting thereof shall constitute a waiver by him of notice of the time and place thereof. If all of the members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 Quorum of the Condominium Board. For purposes of all meetings of the Condominium Board, a majority of the members thereof shall constitute a quorum for the transaction of business. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or other electronic communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.16 Conduct of Meetings. The President shall preside at all meetings of the Condominium Board, and the secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17 Decisions by the Condominium Board. Except as otherwise expressly provided in the Declaration or these By-Laws, the vote of a majority of the members of the Condominium Board present at a meeting thereof at which a quorum is present shall constitute the decision of the Condominium Board. Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 Compensation of Members. No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 Common or Interested Members of the Condominium Board. Each member of the Condominium Board shall perform his duties, and shall exercise his powers, in good faith and with a view to the best interests of the Condominium. To

the extent permitted by Law, no contract or other transaction between the Condominium Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, limited liability company, association, or other entity in which any of the members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, members, or principals, or are otherwise interested, pecuniary or otherwise, shall be deemed either void or voidable solely because either (a) any such member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either: (x) the fact thereof is disclosed to, or known by, the Condominium Board or a majority of the members thereof or noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less the number of such interested members; or (y) the fact thereof is disclosed to, or known by, a majority of Unit Owners and a majority of the Unit Owners shall authorize, approve, or ratify such contract or transaction; and (z) the contract or transaction is commercially reasonable to the Condominium Board at the time that the same is authorized, approved, ratified, executed, or otherwise consummated. Any such member of the Condominium Board may be counted in determining the presence or a quorum of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction, but the right of such member shall be subject to the foregoing to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 Liability of the Condominium Board.

(A) The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Condominium Board shall be liable thereto for his own bad faith or willful misconduct. In connection therewith, members of the Condominium Board designated as such by Sponsor shall not be deemed either to be in bad faith or to have committed willful misconduct by reason of any self dealing in connection with any contract made, or other transaction entered into, between the Condominium Board and Sponsor or its agents, provided that any compensation paid, or to be paid to Sponsor or its agents in connection with any such contract or transaction is disclosed in the Plan or an amendment thereto or is at competitive rates for goods sold or services rendered in the Borough of Manhattan.

(B) Every contract made, and other document executed, by or on behalf of the Condominium Board, any committee thereof, or the managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of the Condominium Board, such committee, or the Managing Agent solely as agent for the Unit Owners and that the members of the Condominium Board or such committee or the

Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Condominium Board nor any member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or in or other property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner or by any other Person; (b) resulting from electricity, water, snow or ice that may leak or flow from a Unit or any portion of the Common Elements or (c) arising out of theft or otherwise.

(D) The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, in accordance with the provisions of Article 15.

ARTICLE 3

OFFICERS

Section 3.1 General. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers (i.e.: Trustees) as in its judgment may be necessary or advisable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed , upon the discretion of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 President. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all 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 (hereinafter referred to as the "BCL""), including but not limited to the power to appoint members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as he/she may decide, in his/her discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 Vice President. The Vice President shall take the place of the President and perform such duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Condominium shall appoint some other member of the Condominium Board to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Managers or by the President.

Section 3.4 Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board . The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all the duties incident to the office of the secretary of a stock corporation organized under the BCL.

Section 3.5 Treasurer. The Treasurer shall have the care and custody of all the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 Election, Term of Office and Qualification of Officers. The officers of the Condominium Board shall be elected annually by a majority vote of the Condominium Board taken at the organizational meeting of each new Condominium Board and shall serve at pleasure of the Condominium Board. The President and the Vice President shall be elected from amongst member of the Condominium Board. The other officers of the Condominium however, need not be Unit Owners or members of the Condominium Board and need not have any interest in the Condominium.

Section 3.7 Removal and Resignation of Officers. Any officer of the Condominium may be removed from office, with or without cause, by an affirmative vote of a majority of the members of the Condominium Board. In addition, any officer may resign at anytime by giving written notice to the Condominium Board. Finally, if the President or the Vice President of the Condominium shall cease to be a member of the Condominium Board during his/her term of office, such officer shall be deemed to have resigned in his office effective upon the date upon which his membership shall cease.

Section 3.8 Vacancies. Any vacancy in an office shall be filed by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

Section 3.10 Liability of Officers.

(A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each officer of the Condominium shall be liable thereto for his own bad faith or willful misconduct. In addition, every contract made, and other document executed, by one or more officers or other persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the Unit Owners pursuant to the terms of Sections 2.20 and 4.12 hereof, respectively) that the same is made or executed by such officers or persons on behalf of the Condominium solely as agent for the Unit Owners and that such officers or persons shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(B) None of the officers of the Condominium shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner or by any other Person; (b) resulting from electricity, water, snow or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from his acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium in accordance with the provisions of Article 15.

ARTICLE 4

UNIT OWNERS

Section 4.1 Annual Meetings of the Unit Owners. The first annual meeting of the Unit Owners shall be held not later than thirty (30) days after the earlier of: (i) the closing of title to Units whose aggregate Common Interests exceed fifty percent (50%), or (ii) twenty four (24) months after the First Unit Closing, at which meeting the incumbent three-member Condominium Board shall resign and a successor six-member Condominium Board shall be elected or designated by the Unit Owners, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held in or about the second Wednesday in June of each year, unless such date shall occur on a legal holiday, in which event the meeting will be held on or about the succeeding business day. At each such subsequent meeting, the Unit

Owners shall elect successors to the members of the Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

Section 4.2 Special Meetings. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by the Unit Owners having, in the aggregate, not less than twenty-five percent (25%) of the Common Interests of all Unit Owners. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting, except business reasonably related to such stated purposes. In addition to the foregoing, the Secretary shall call a special meeting of the Unit Owners within thirty (30) days of the expiration of the Initial Control Period. Such notice shall provide for the election of a new Condominium Board.

Section 4.3 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 City of New York as may be designated by the Condominium Board.

Section 4.4 Notice of Meetings.

(A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail or telegram, not later than five (5) business days prior to the day fixed for the meeting; however, the mailing of such notice to any Unit Owner, addressed to his/her address at the Property, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such meeting. Any Unit Owner may designate an address for the giving of notice other than the Unit Owner's address at the Property by giving written notice hereof to the Secretary of the Condominium not less than ten (10) days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be mailed to all Unit Owners at least thirty (30) days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 Quorum of the Unit Owners. Except as otherwise provided to these By-Laws, the presence, in person or by proxy, of Unit Owners having a majority of the votes of all Unit Owners will constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

Section 4.6 Conduct of Meetings. The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-Laws or the Condominium Act. All votes of the Unit Owners shall be tallied by the Persons appointed by the presiding officer of the meeting.

Section 4.7 Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(a) Roll call.
(b) Proof of notice of meeting.
(c) Reading of minutes of preceding meeting.
(d) Reports of officers.
(e) Report of Board of Managers and Managing Agent.
(f) Reports of committees.
(g) Appointment of inspectors of election.
(h) Election of members of the Board of Managers (when so required).
(i) Unfinished business.
(j) New business.

Section 4.8 Voting.

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner shall be entitled to cast one vote on each action taken at meetings of the Unit Owners for each .0001% of the Common Interest attributable to his Unit(s). The Commercial Unit Owners may not vote in connection with any matter that exclusively affects the Residential Unit Owners.

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two or more Persons own a Unit, they shall

designate one Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under one ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner(s) of any Unit may designate any Person to act as a proxy on his behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designee and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the Secretary of such meeting. Except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as proxy shall be effective for a period in excess of six (6) months after the date thereof.

(E) Except when otherwise required by law or otherwise provided in the Declaration or in these By-Laws, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

Section 4.9 Election of Members of the Condominium Board.

(A) When voting for members of the Condominium Board, each Unit Owner, other than the Commercial Unit Owners who shall hold its own election for its one member of the Condominium Board, shall be entitled to cast one vote for each .0001% of Common Interest attributable to his Unit(s) per member to be elected. However, nothing contained herein shall be deemed either to permit any Unit Owner to cumulate the votes attributable to the ownership of any one Unit in favor of any one or more members to be elected. In addition, the terms of paragraphs (B), (C), and (D) of Section 4.8 hereof shall apply to all elections of members of the Condominium Board.

(B) All elections of members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Unit Owner and, if such ballot is cast by proxy the name of the proxy; (ii) the designation number(s) of the Unit(s) owned by the voting Unit Owner; (iii) the amount of the Common Interest(s) appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of members to be

elected). Any ballot that is not cast in conformity with this paragraph (B) shall be discounted. All election ballots shall be retained in the record of the Condominium, appropriately segregated by election.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of members of the Condominium Board shall be determined by plurality vote.

(D) Not more than three (3) members of the Condominium Board shall serve by reason of the votes cast by Sponsor or its designee at any election held during the Initial Control Period, and not more than two (2) members of the Condominium Board shall serve by reason of the votes cast by Sponsor or its designee at any election held after the expiration of the Initial Control Period. However, following the Initial Control Period: (i) Sponsor shall have the right, in addition to electing or designating such members of the Condominium Board as it shall be entitled to do, to vote its Common Interest with regard to the election of persons for the remaining seats on the Condominium Board, which persons are not to be designated or elected by Sponsor or Sponsor Successor, and (ii) as long as Sponsor or any Sponsor Successor owns at least one Residential Unit, Sponsor or such Sponsor Successor will have the right to elect or designate one member of the Condominium Board.

(E) The Commercial Unit Owners shall have the right to select one (1) member of the Condominium Board and the Residential Unit Owners shall elect the remaining four (4) members of the Condominium Board.

(F) If, at the expiration of the Initial Control Period, a majority of members of the Condominium Board serve by reason of the votes cast by Sponsor or its designee, then a special meeting of Unit Owners shall be called within thirty (30) days after the expiration of the Initial Control Period for the purpose of electing a new Condominium Board.

Section 4.10 Action Without a Meeting. . Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and in aggregate Common Interests) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by the Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolution to which they relate.

Section 4.11 Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, or for any other valid reason, the Unit Owner(s) present at such meeting, either in person or by proxy, may adjourn the meeting to such other time and date as shall be suitable.

Section 4.12 Title to Units. Title to any Unit may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint

tenants or as tenants by the entirety, or in the name of a corporation, partnership, limited liability company, or other business entity, or in the name of a fiduciary or a non-profit organization. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this section. This provision shall not constitute consent to any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 4.13 Contractual Liability of Unit Owners. Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of members of the Condominium Board and the officers of the Condominium pursuant to the terms of Section 2.20 and 3.10 hereof, respectively) that the liability of the any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total Common Interests of all Unit Owners and (ii) such Unit Owners' interest in his/her Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 Maintenance and Repairs.

(A) Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacement, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, ceilings and floors in the unit, kitchen and bathroom fixtures and appliances, all doors [entrance and terrace, if any] and their frames and saddles, exposed plumbing, gas and heating fixtures and equipment, air conditioning units, lighting and electrical fixtures and any General Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding the exterior portion of any wall and any other General Common Elements contained therein which shall be maintained by the Board of Managers on behalf of all the Unit Owners as a Common Expense) shall be performed by the owner of such Unit at such Unit Owner's cost and expense.

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board as a Common Expense; and

(iii) in or to the Residential Limited Common Elements shall be performed (a) by the Condominium Board as a Common Expense, if involving structural or extraordinary maintenance, repairs, or replacements (including, but not

limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner having direct and exclusive access thereto), or (b) by the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if involving non-structural ordinary maintenance, repairs, or replacements; and

(iv) notwithstanding the foregoing, alterations and improvements, other than ordinary repairs, replacements and maintenance, in and to the lobby and elevator shall be borne exclusively by the Residential Unit Owners by special assessment to the Residential Unit Owners.

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such manner as shall not unreasonably disturb or interfere with any Unit Owner or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the Owner of such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is necessitated by the negligence, misuse or. abuse of any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, and, if necessitated by the negligence, misuse or abuse of the Condominium Board as a Common Expense, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace any portion of his Unit as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any terrace, roof or other part of the property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs, and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and/or those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, windows and shades, Venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

Section 5.2. Alterations, Additions, Improvements, or Repairs in and to Units and Residential Limited Common Elements.

(A) Subject to the terms of Article 12 of the Declaration, no Residential Unit Owner shall make any structural addition, alteration, improvement or repair in or to a Residential Unit or its appurtenant Residential Limited Common Elements without the prior written approval of the Condominium Board of Managers. In the event, however, that the Condominium Board shall fail to answer any written, reasonably detailed request for such approval within thirty (30) days after such request is received, such failure to respond shall constitute the Condominium Board's consent thereto. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option require any Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done.

(B) All alterations, addition, improvements and repairs by Unit Owners shall be made in compliance with law. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements or repairs in or to a Unit or its appurtenant Residential Limited Common Elements, provided that, with respect to all such work of a structural nature, (except as provided in the Declaration) the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(C) In the event the Condominium Board grants its consent to any structural addition, alteration, improvement or repair to be made by a Residential Unit Owner, the consent shall provide, in addition to the requirements set forth in paragraphs (A) and (B) herein, that any additions, alterations, improvements or repairs shall be maintained in their entirety by said Residential Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Residential Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition, improvement or repair or due to improper design or construction of the structural alteration, addition, improvement or repair, and such approval shall further provide that the Residential Unit Owner shall reimburse the Condominium Board for any out-of-pocket expenses incurred by the Condominium Board in connection with the granting of such approval and in connection with any services provided to such alteration, addition, improvement or repair; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Residential Unit Owner for approval of such work.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner[s] making any alterations, improvements, additions or repairs, or causing any of the same to be made, in or to his Unit[s] and appurtenant Residential Limited Common Elements) shall incur any liability, cost or expense either (i) in connection with the preparation, execution or submission of the applications referred to in paragraph (B) hereof; (ii) to any contractor, subcontractor, materialman, architect or engineer on account of any alterations, improvements, additions or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owners making any alterations, improvements, additions or repairs, or causing any of the same to be made, in or to Unit(s) and appurtenant Residential Limited Common Elements appurtenant to the Residential Units only shall agree in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request, and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost or expense.

(E) In addition to any other rights conferred upon the Condominium Board to regulate the repair or maintenance of any Unit or Limited Common Element, the Condominium Board shall have the power to regulate the following:

(i) Time periods during which work is permitted;

(ii) The manner in which construction debris will be handled;

(iii) Measures which must be taken to prevent compromising the security of the Building during construction;

(iv) The interruption of services during construction; and

(v) Liability insurance for contractors during construction.

(F) Notwithstanding the foregoing, Sponsor and any Sponsor Successor, and the owner(s) of the Commercial Units will have the right, without the approval of the Condominium Board, the Managing Agent, other Unit Owners or Permitted Mortgagees, Mortgage Representatives or any other mortgagees to: (a) perform Work in or to any unsold Residential Unit or any unsold Commercial Units, whether structural or non-structural, interior or exterior, ordinary or extraordinary and (b) subdivide, combine and change the boundary walls of unsold Residential Units and unsold Commercial Units; provided, however, that these actions comply with Applicable Law and do not unreasonably impinge upon the Common Elements appurtenant to a Unit.

(G) Sponsor shall have the right to utilize the unused development rights appurtenant to the building to enlarge the building by adding additional levels subject to

the consent of the Condominium Board, which shall not be unreasonably withheld, conditioned or delayed; provided, however, that these actions comply with Applicable Law and do not unreasonably impinge upon the Common Elements appurtenant to a Unit.

(H) Notwithstanding any provision to the contrary, so long as Sponsor is in control of a majority of the Board of Managers and until Sponsor has procured a permanent certificate of occupancy for the Building that includes all or any changes that may be made by Sponsor, all alterations to any Unit need to be approved by Sponsor and all filings to any governmental agency for permits, approvals or authorizations need to be made through Sponsor's architects, with the costs thereof to be charged to the applicable Unit Owner.

Section 5.3 Alterations, Additions, or Improvements to the Lobby and Elevator. All necessary or desirable alterations, additions or improvements in or to the Building lobby or elevator, other than ordinary repair, replacements and maintenance shall be made by the Condominium Board, and the cost and expense thereof shall constitute an expense to be charged or assessed to the Residential Unit Owners only. Notwithstanding the foregoing, however, whenever the cost of any such alterations, additions or improvements would, in the judgment of the Condominium Board, exceed $15,000 in the aggregate in any calendar year, such proposed alterations, additions or improvements shall not be made unless first approved by the Residential Unit Owners owning a majority of the Common Interests (excluding the Common Interests allocable to the Commercial Units) at a duly constituted meeting of the Residential Unit Owners and by the Mortgage Representatives (excluding Mortgage Representatives allocable to the Commercial Units), if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions or improvements costing $15,000 or less in the aggregate in any calendar year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives and charged as an expense or assessment charged to the Residential Unit Owners only.

Section 5.4 Alterations, Additions, or Improvements to the General Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions or improvements in or to any of the General Common Elements and the exterior portion of the Building (notwithstanding such exterior wall's inclusion as part of a Unit) shall be made by the Condominium Board, and the cost and expense thereof shall constitute a Common Expense. Notwithstanding the foregoing, however, whenever the cost of any such alterations, additions or improvements would, in the judgment of the Condominium Board, exceed $25,000 in the aggregate in any calendar year, such proposed alterations, additions or improvements shall not be made unless first approved by the Unit Owners owning a majority of the Common Interests at a duly constituted meeting of the Unit Owners and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions or improvements costing $25,000 or less in the aggregate in any calendar year may be made as

aforesaid without the approval of either the Unit Owners or any Mortgage Representatives.

Section 5.5 Insurance.

(A) The Condominium Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Units, bathroom and kitchen fixtures, but not including appliances or any furniture, furnishing, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. Each of the said policies shall contain to the extent obtainable:

(i) waivers of (a) subrogation against Unit Owners, (b) any defense based upon co-insurance or other insurance, and (c) invalidity arising out of any acts of the insured;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or materially modified except upon at least thirty (30) days' prior written notice to all of the insureds, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies shall be given to all Unit Owners upon request and duplicate originals or certificates of all renewal policies, together with proof of payment of premiums, shall be sent to all Unit Owners and upon request by Permitted Mortgagees at least ten (10) days prior to the expiration of the then current policies.

(B) The Condominium Board shall also obtain and maintain, to the extent practicable:

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insureds (a) the Condominium Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of

the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his own Unit or its Residential Limited Common Elements);

(ii) workers' compensation and New York State disability benefits insurance;

(iii) boiler and machinery insurance;

(iv) water damage legal liability insurance;

(v) elevator liability and collision insurance; and

(vi) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than eighty (80%) percent of the full replacement cost of the Building, exclusive of excavation and foundations, without deduction for depreciation, as approved by the fire insurance company issuing the policy or a qualified appraiser (and, until the first regular meeting of the first five-member Condominium Board elected by the Unit Owners, such coverage shall be at least in the amount of $5,000,000);

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than $1,000,000.00 in the aggregate until the first regular meeting of the first five-member Condominium Board elected by the Unit Owners; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to not less than the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.5 together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws shall be borne by the Unit Owners as a Common Expense.

(E) Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation against the other Unit Owners and the Condominium Board and further provided that the liability of the carriers issuing the insurance maintained by the Condominium Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 5.6 Casualty or Condemnation.

(A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the General Common Elements are or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.6 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be $100,000.00 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed $100,000.00 in the aggregate. In either instance, all such monies actually received (hereinafter referred to as the "Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.6. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.6, however, no Unit Owner whose Unit, its appurtenant Residential Limited Common Elements appurtenant to, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the General Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights he may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the General Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any

combination of the foregoing, the Work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. Notwithstanding anything contained in this paragraph (B) to the contrary, however, the Commercial Unit Owners shall have the right, if such Owners so elect, to make all arrangements for undertaking the Work to be performed in or to the respective Commercial Units independently of the Condominium Board.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.6, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less then sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there shall have first been paid, out of such Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of their priority. Notwithstanding the foregoing if the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds and after the payment of all costs and expenses of performing the Work, a portion of the Trust Funds remains unspent, such excess shall, but only to the extent that it does not exceed such Special Assessment, be payable to the Unit Owners so assessed in proportion to their respective Common Interests, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

(D) If 50% or more of the Building is destroyed or substantially damaged by fire or other casualty, the Work shall not be performed unless 75% or more of all Unit Owners, both in number and in aggregate Common Interests shall pass a resolution to proceed with the same. If such resolution is duly adopted, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, if such resolution is not duly adopted, the Work shall not be performed and the Property may be subjected to an action for partition by any Unit Owner or lienor as if it were owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion of their respective Common Interests except that no payment shall be made to a Unit Owner until there shall first have been paid out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of their priority. In addition, if 50% or more of the General Common Elements are taken in a taking, the Property may be subjected to an action for partition by any Unit Owner or lienor as if it were owned in common, in which event the net proceeds of the resulting sale, together with any Trust

Funds, shall be paid to all Unit Owners in proportion of their respective Common Interests except that no payment shall be made to a Unit Owner until there shall first have been paid out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of their priority.

(E) If the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, if such Casualty Loss is caused by the negligent act or omission of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium Board attributable to such Unit and there shall be no abatement if such Casualty Loss is caused by the willful act of the Owner of such Unit, Family Member of such Unit Owner or by a tenant or other occupant of such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Residential Limited Common Elements appurtenant to the Residential Units only after such Taking bears to the total floor area of such Unit and its appurtenant Limited Common Elements prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed or consented to by the owner of such Unit together with the holders of record of any liens thereon in recordable form. Following the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a Taking of an entire Unit, the vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

(G) As used in the Section 5.6:

(i) "prompt repair or restoration" shall mean that the Work is to be commenced not later than either: (a) sixty (60) days after the date upon which the Insurance Trustee notifies the Condominium Board and the Unit Owners that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work or (b) ninety (90) days after the date upon which the Insurance Trustee notifies

the Condominium Board and the Unit Owners that it has not received Trust Funds sufficient to discharge the estimated cost and expense of the Work or (c) in the event that the Trust Funds are payable to the Condominium Board pursuant to the terms of paragraph (A) of this Section 5.6 sixty (60) days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) a resolution shall not be deemed duly adopted unless it is adopted by 75% of the Unit Owners in number and aggregate Common Interest not more than sixty (60) days after the Condominium Board or the Insurance Trustee, notifies the Unit Owners that it has received Trust Funds irrespective of whether such funds are sufficient to discharge the estimated cost and expense of the Work.

(H) Any dispute concerning or that may arise under this Section 5.6 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof. The provisions of this paragraph (H) shall not be construed to extend time periods prescribed in paragraph (G) of this Section 5.6.

Section 5.7 Use of Property.

(A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of unreasonable annoyance to its residents or interferes with the peaceful possession or proper use of the property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of the Property or any portion thereof.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws.

(D) The provisions of paragraphs (A), (B), and (C) of this Section 5.7 shall not be applicable to the Commercial Units except that the owners of the Commercial Units shall not use, or permit the use of the Unit(s) or any part thereof, without the prior written consent of the Condominium Board for (i) the sale, storage, handling or furnishing of any materials which are flammable or explosive and the storage of which would cause the rate of insurance for the Building to be increased; (ii)

any obscene or pornographic purposes or any sort of commercial sex establishment; (iii) for use as a facility for alcoholics, homeless persons or mentally ill and/or deranged persons; (iv) as an abortion clinic; or (v) office of a political party, an embassy, consulate or for use (other than as a commercial patron thereof) by any person or entity entitled to sovereign or diplomatic immunity. The provision of this paragraph (D) may not be amended without the consent of the owners of the Commercial Units.

Section 5.8 Use of Units.

(A) In order to provide for congenial occupancy of the Property and for the protection of the value of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.8.

(B) Each Residential Unit shall be used only as a residence, and not more than one natural person and his Family Members plus one additional occupant and the dependent children of such additional occupant may reside in a Residential Unit at any one time. Notwithstanding the foregoing, however, Sponsor or its designee (or, when there are no longer any Unsold Units, the Condominium Board) may, in its sole discretion, consent to the use of a Residential Unit as a professional or business office or for any purpose other than that set forth in this paragraph (B), provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Residential Unit. Any such consent shall be in writing and shall be personal to such Residential Unit Owner. Any lessee of, or successor in title to, such Residential Unit Owner shall be required to obtain the prior written consent of Sponsor or its designee or the Condominium Board (as the case may be) before using such Residential Unit for any purpose other than that set forth in the first sentence of this paragraph (B).

(C) A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary, limited liability company, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including a director, officer, stockholder, or employee of a corporate fiduciary and a partner or employee of a partnership fiduciary), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, or a member or employee of such company, respectively, or by Family Members or guests of any of the foregoing. Additionally, in no event shall a portion of the Residential Unit (as opposed to the entire Residential Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph (C)) may be accommodated therein. Notwithstanding anything to the contrary contained in this Section 5.8, Sponsor may, without the consent of either the Condominium Board or the Unit Owners use any one or more Unsold Units as model units and offices for the sales, promotions, rental, management and operation of the Unsold Units or for any other purpose, subject only to compliance with Law.

(D) Notwithstanding anything to the contrary contained herein, the Commercial Units may be used for any lawful purpose, except that the owners of the Commercial Units shall not use, or permit the use of the Unit(s) or any part thereof, including any appurtenant storage space, without the prior written consent of the Condominium Board for (i) the sale, storage, handling or furnishing of any materials which are flammable or explosive and the storage of which would cause the rate of insurance for the Building to be increased, or (ii) any obscene or pornographic purposes or any sort of commercial sex establishment; (iii) for use as a facility for alcoholics, homeless persons or mentally ill and/or deranged persons; (iv) as an abortion clinic; or (v) office of a political party, an embassy, consulate or for use by any tenant entitled to diplomatic or sovereign immunity, except as a commercial patron thereof.

(E) The Storage Units may be used for the storage of personal property only and may not be used for the storage, handling or furnishing of any materials which are noxious, flammable or explosive and the storage of which would cause the rate of insurance for the Building to be increased.

Section 5.9 Use of the Common Elements.

(A) Subject to the terms of paragraphs (B) and (C) of this section, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesmen to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) The owners of the Commercial Units shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the right to use exclusively any portion of the General Common Elements that exclusively serve such unit, as if it were a part of such Units (including the right to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such an event, however, the Commercial Unit Owners shall, at his sole cost and expense, both (i) operate, maintain and repair such General Common Element for so long as such owner exercise such exclusive right of use and (ii) restore such General Common Element to its original condition, reasonable wear and tear excepted, after such owner(s) cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this section shall not apply to the Sponsor or its designee for so long as there are any Unsold Units. Sponsor or its designee shall have the right, without charge or limitation, to: (i) have their respective employees, contractors, subcontractors and sales agents present on the Property; and (ii) do all things necessary or appropriate, including use the General

Common Elements, to sell, lease, manage, or operate Unsold Residential or Commercial Units to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. The Sponsor, if owner of the Commercial Units shall be entitled to exercise the rights set forth in subsection (b) of this section with respect to the Commercial Units without the necessity of obtaining the consent of either the Condominium Board or any other Unit Owners, except that such alterations, additions or improvements made by the owners of Commercial Units shall not affect the Residential Unit Owners or Common Areas of the Condominium. In no event, however, shall Sponsor or such designee or the Commercial Units be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes. The provisions of this paragraph (B) may not be amended without the consent of Sponsor and the affected owner of the Commercial Units or its designee so long as there shall be Unsold Units.

(D) In no event may any Unit Owner install or permit any lights, fixtures, or decorations in any trees outside the Building, or install or place in any window or areas visible to the public any signs. Notwithstanding the foregoing, any Commercial Unit Owner (and a tenant of all or part of such Unit if permitted by the lease therefor), shall have the right with the consent of the Board, which should not be unreasonably withheld, conditioned or delayed, without payment or restriction except as provided in the by-laws of the Condominium to erect and install one or more signs on the outside and inside of the applicable Commercial Unit (including without limitation, the outside and inside portions of windows, door and the exterior walls enclosing the Unit), and on the sidewalks immediately adjacent to the Unit, and thereafter to maintain, repair, alter and otherwise operate such signs, which signs may be of any size, content, composition, color, material, design, illumination, character or appearance deemed appropriate by the Board in connection with the sale, rental, promotion, operation, management, use, business, identity or other disposition of the Commercial Unit, and must in all events be in keeping with the first-class character of the Building. Any such signage by the Commercial Unit Owner (or tenant of the Unit, as applicable), may not impair or threaten the structural integrity of the Building, violate applicable laws, or constitute a nuisance or otherwise serve as an unreasonable interference with the peaceful and proper possession of the Residential Units for their intended or permitted purposes.

Section 5.10 Rights of Access.

(A) Subject to the right of existing tenants and other occupants of Unsold Units, each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the superintendent and/or to any other Person authorized by any of the foregoing a right of access to his Unit, its appurtenant Limited Common Elements and the Residential Limited Common Elements for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in his Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to his Unit or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit. Except in cases of emergency (e.g., 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 individual, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than one (1) days advance notice and only in such a manner as will not unreasonably interfere with the normal conduct of business in any portion of the Commercial Units or with the use of the Residential Units and their appurtenant Limited Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to its Unit and appurtenant Residential Limited Common Elements with respect to the Residential Units only, and the Condominium Board shall grant rights of access to the General Common Elements and Residential Limited Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Residential Limited Common Elements with respect to the Residential Units only in such a manner as will unreasonably interfere with the use of such Unit, or the Residential Limited Common Elements for their permitted purposes.

(C) The Commercial Unit Owners shall have an easement for access through, and use of, corridors and areas in and through the lobby of the Building and, if necessary, the passenger/freight elevator, comprising part of the Residential Common Elements, in order to access and use any mechanical rooms or areas that contain equipment or meters serving the Commercial Units, which are located in the cellar.

Section 5.11 Modification of the Rules and Regulations. The Condominium Board shall have the right to amend, modify, add to, or delete any of the Rules and Regulations from time to time, provided, however, (i) that any such amendment, modification, addition, or deletion may be overruled by a vote of Majority of Unit Owners and (ii) no rule or regulation may be amended to increase the obligation or abridge the rights or limit the benefits to Sponsor or its designee or the Commercial Unit Owners without the consent of the affected party. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than thirty (30) days prior to the effective date thereof.

Section 5.12 Real Estate Taxes Water Charges and Sewer. Water for the Building is 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 Condominium Board shall promptly pay such taxes, charges and rents as a Common Expense. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes, water charges and sewer rents) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing promptly to pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

Section 5.13 Heating. All units shall be separately heated and each Unit Owner shall be required to pay all charges for gas, steam, oil and/or electric consumed or used in connection with heating his Unit directly to the utility company supplying said gas, oil and/or electric to the heating unit. The cost of maintaining and repairing any heating unit shall be a Common Expense, except that cost of correcting damages caused by or attributable to any Unit Owner or Owners shall be borne by such Unit Owner or Owners.

Section 5.14 Gas and/or Electric shall be supplied to each Unit through a separate meter for such Unit, and each Unit Owner shall be required to pay all charges for gas and electric consumed or used in his Unit directly to the utility company servicing the Building.

Section 5.15 Utilities Serving the General Common Elements. The Cost and expense of water, steam, electricity and gas serving or benefiting any General Common Element shall be (i) considered part of the expense of maintaining such General Common Element and (ii) charged to the Unit Owners as a Common Expense.

Section 5.16 Vault Charges. All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the Building line shall be paid by the Condominium Board as a Common Expense.

Section 5.17 Records and Audits.

(A) The Treasurer of the Condominium Board, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium Board, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

(B) Within four months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared by a certified public accountant. During any period in which Sponsor controls the Condominium Board, such report shall be certified by a certified public accountant. The cost of preparing and distributing each such report shall be borne by the Unit Owners as a Common Expense.

ARTICLE 6

Common Charges

Section 6.1 Determination of Common Expenses and Fixing of Common Charges.

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium, subject to, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners pro-rata, in accordance with the exclusive use or allocation of Building services to the Residential Unit Owners, as a whole, and the Commercial Units, in particular. Subject to the foregoing, the Common Charges shall thereafter be allocated amongst the Residential Unit Owners, the Commercial Unit Owners in accordance with said Unit Owners' relative common interests. The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them and, not later than ten (10) days next preceding the date upon which the first installment of newly-determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees. In the event the Commercial Unit Owners dispute the allocation of Common Charges by the Condominium Board, such dispute shall be settled by arbitration administrated by the American Arbitration Association at its offices in the City of New York in accordance with its commercial rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The Condominium Board may, at its sole discretion, from time to time increase or decrease

the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. Notwithstanding the foregoing, however, the Condominium Board shall not reduce the Common Charges payable during any year occurring within the Initial Control Period solely as a result of either reducing the number of employees of the Condominium below the number employed for the Property on the date of recording the Declaration, or eliminating or reducing any service or reducing the insurance coverage below that provided for the Property on such date, except with the concurrence of a majority of the members of the Condominium Board elected by Unit Owners other than Sponsor or its designee. During the period, if any, the Condominium Board is paying the real estate taxes as a Common Expense, that portion of the Common Charges billed which is allocable to such tax, shall be separately stated on a bill for Common Charges rendered to the Unit Owners and the funds so collected shall be held in a separate account by the Managing Agent and shall be used solely for the purpose of paying said real estate tax.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied against all Unit Owners in proportion to their respective Common Interests and may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however that the Condominium Board shall give each Unit Owner not less than fifteen (15) days' written notice prior to the date upon which such Special Assessment, or the first installment thereof shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any General Common Element or rent from the subleasing of a Unit leased pursuant to Section 7.3 hereof or

rent from the leasing or proceeds from the sale of a Unit to which title was acquired pursuant to Section 7.3 hereof remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners, and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses for the year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the Common Expenses for the next succeeding year(s) of operation, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro rata, in proportion to their respective Common Interests. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit, or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings, or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

(E) If the Condominium Board shall specifically so elect, the determination of Common Expenses may include sums to be collected as Common Charges for the improvement or replacement of the Common Elements, but the Condominium Board need not designate specifically which Common Elements are to be replaced or improved. All such sums shall be collected as Common Charges, shall be separately stated on bills for Common Charges to be rendered for the period during which such determination is in effect, and must be deposited by the Condominium Board or the Managing Agent in a separate bank account. All such Common Charges payable pursuant to such a determination shall be deemed to be contributions to the capital of the Condominium. The Condominium Board may discontinue, modify or increase any determination theretofore made without prejudice to any future determination in that regard.

Section 6.2 Payment of Common Charges.

(A) All Unit Owners shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit and to replenish the fund required to be maintained by a Unit Owner. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit.

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his Unit subsequent to a sale, transfer, or other conveyance by him of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his acquisition thereof, except that, to the extent permitted by Law, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid Common Charges and Special Assessments that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit; and (iv) such Unit Owner is responsible for and pays any and all transfer taxes in relation to such conveyance.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof. Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof, or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 Statement of Common Charges. The Condominium Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4 Default in Payment of Common Charges.

(A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remain unpaid for more than thirty (30) days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 399-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 399-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay interest thereon at the highest rate chargeable to individuals pursuant to Law, to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common Charges with interest as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain

liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

ARTICLE 7

Selling and Leasing of Units

Section 7.1 General. Subject to the terms of Section 7.5 hereof, no Residential Unit Owner may sell or lease his Residential Unit except in compliance with the applicable provisions of this Article 7. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or leasing Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of the said Unit Owner as the owner or landlord, as the case may be. The said Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2 Right of First Refusal.

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit (hereinafter collectively referred to as a "Sale or Lease Agreement") shall contain the following language: **"THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE CONDOMINIUM BOARD OF THE 211 EAST 51ST STREET CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE SAID CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED."** Promptly after any Sale or Lease Agreement shall be fully executed, the Residential Unit Owner executing the same (hereinafter referred to as the "Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the contract of sale or the lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred to as the "Outside Offeror.")

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell his Residential Unit, together with its Appurtenant Interests, or to lease his Residential Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to any variance therefrom provided in Section

7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than thirty (30) business days (in the event of a proposed sale) and twenty (20) business days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Residential Unit together with its Appurtenant Interests or to lease such Residential Unit together with its Appurtenant Interests, 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 substantially the same terms and conditions as were contained in the Sale or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof except as otherwise set forth in this Article 7. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Residential Unit without the prior approval of a Majority of Unit Owners.

(D) The Condominium Board shall have the right to elect to purchase or lease a Storage Unit, if and only if, the Condominium Board elects to purchase or lease, as the case may be, the Residential Unit to which the Storage Unit is appurtenant, allocated or owned in common.

Section 7.3 Acceptance of Offer.

(A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interests, to lease such Residential Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within forty-five (45) days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Residential Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of

paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit; provided however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interests. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Sale or Lease Agreement to the contrary. Real estate taxes (including water charges and sewer rents, if separately assessed), mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Thereafter, such Residential Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit.

(C) In the event that such Residential Unit is to be leased by the Condominium Board or its designee on behalf of all Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Sale or Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Sale or Lease Agreement, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 Failure to Accept Offer.

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within one hundred twenty (120) days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be, whichever is earlier. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such one hundred twenty (120) day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2, 7.3 and 7.4 hereof.

(B) Any deed of a Residential Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

(C) Each lease of a Residential Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board. Notwithstanding the foregoing however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified or extended without the prior written consent of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance; and

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 Termination of, and Exceptions to, the Right of First Refusal.

(A) A certificate executed and acknowledged by the Secretary of the Condominium Board or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Residential Unit or that the right of first refusal provided for herein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish, without charge, upon written request such certificate to any Residential Unit Owner in respect to whom the provisions of Section 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the Condominium Board or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Appurtenant Interests, by:

(i) the owner of such Unit to any of his adult Family Members, to any combination of the same, or to a trust for the benefit of any of them or, with respect to a Unit Owner that is not an individual, to any entity or individual that owns more than fifty (50%) percent of the legal and beneficial interest of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty (50%) percent of the legal and beneficial interest thereof;

(ii) Sponsor or its designee, with respect to the Unsold Units;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee or his nominee, who has acquired title to any Residential Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction, provided, however, that each succeeding Residential Unit Owner shall be bound by, and his Unit shall continue to be subject to, all of the terms and conditions of this Article 7.

In addition, the terms and conditions contained in Section 7.2 hereof shall in no event apply to a sale, lease, or conveyance of all or a portion of the Commercial Units, together with its Appurtenant Interest. The provision of the foregoing sentence may not be amended without the consent of the owners of the Commercial Units.

Section 7.6 No Severance of Ownership. No Unit Owner shall execute any deed or any other instrument conveying title to his Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 Payment of Common Charges No Residential Unit Owner shall be permitted to convey or lease his Unit unless he shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

Section 7.8 Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his title insurance company (or, if no such representative is present, to Sponsor or its designee, or, if Sponsor or its designee is not then the owner of any Unsold Unit, to the Condominium Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9 Gifts and Devises. Etc. Any Unit Owner shall be free to convey or transfer his Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the provisions of this Article 7.

ARTICLE 8

MORTGAGES

Section 8.1 General. Each Unit Owner shall have the right to mortgage his/her Unit subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his/her Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of his mortgagee and shall file a conformed copy of the mortgage with the Condominium Board. Any Unit

Owner who satisfies a mortgage covering his/her Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium Board shall maintain such information in a book entitled "Mortgages of Units".

Section 8.2 Restrictions on Mortgaging.

(A) No Unit Owner shall be permitted to mortgage, pledge or hypothecate his/her Unit unless and until he/she shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgage levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging or hypothecating title to his/her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or the instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

(C) Any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions thereto 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.

The terms and conditions contained in this paragraph (C), however, shall not apply to any mortgage covering the Commercial Units. The provisions of this paragraph (C) may not be amended without the consent of the owners of the Commercial Units.

Section 8.3 Notice of Unpaid Common Charges and Default. Whenever requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default by his/her mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his/her Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by his/her mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net

proceeds of any foreclosure sale of such Unit or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 Performance by Permitted Mortgagees. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 Examination of Books. Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 Consent of Mortgagees: Designation of Mortgage Representatives.

(A) Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his mortgagor. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-Laws, the decision of a majority of the Mortgage Representatives if any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than three (3) Mortgage Representatives by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages encumbering Units other than Permitted Mortgagees who hold Institutional Mortgages shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

ARTICLE 9

Certain Remedies

Section 9.1 Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair or replace his Unit or its appurtenant Residential Limited Common Elements appurtenant to the Residential Units only pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within ten (10) days after the giving of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such ten (10) day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Residential Limited Common Elements appurtenant to the Residential Units only and summarily to abate, remove or cure such violation for breach without thereby being deemed guilty or liable in any manner of trespass. In addition, if the Condominium Board shall determine that the abatement, removal or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 Abatement and Enjoinment.

(A) If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Condominium Board shall have the right to enjoin, abate or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 Remedies Cumulative. The remedies specifically granted to the Condominium Board or to Sponsor or its designee in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinment, removal or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor in connection with any abatement, enjoinment or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor, which amount shall in either event bear interest (to be computed from the date expended) at the rate of two (2%) percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

Arbitration

Section 10.1 Procedure. Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of arbitrator so chosen shall be given within ten (10) days after the hearing on the matter is complete. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least five (5) members whose principal office is located in the City of New York

Section 10.2 Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York City Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 10.3 Binding Effect. The decision in any arbitration conducted pursuant to the terms of Sections 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and judgment on the award may be entered in any court of appropriate

jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 4.1 hereof shall be non-binding.

Section 10.4 Costs and Expenses.

(A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of this counsel and expert witnesses

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE 11

Notices

Section 11.1 General. All notices required or desired to be given hereunder shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal place as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than the Sponsor or its designee, to such Unit Owner at his address at the Property;

(iii) if to Sponsor or its designee, to Sponsor or such designee at c/o H. Justin Realty Services, Inc., 115 West 30th Street, New York, New York 10001.

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices and/or copies of notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. Except as provided in Article 9, all notices sent pursuant to the terms of this Section 11.1 shall be deemed given when deposited in a United States Postal Service depository located in the State of New York enclosed in a sealed, postage prepaid wrapper, provided, however, that notices of a

change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside the State of New York shall be deemed to have been given when received.

Section 11.2 Waiver of Service of Notice. Whenever any notice is required to be given by law pursuant to the terms of the Condominium Documents, a waiver thereto 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 12

Amendments to By-Laws

Section 12.1 General.

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments (affecting or in favor of Sponsor or its designee, any Unsold Unit(s), the owners of the Commercial Units or the Commercial Units and/or any Permitted Mortgagee, any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of not less than 75% in number and aggregate Common Interests of all Unit Owners either taken at a duly constituted meeting thereof or give in without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment, modification, addition or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting,. No such amendment, modification or deletion shall be effective unless and until such instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to any amendment affecting or in favor of Sponsor or its designee, any Unsold Unit, the owners of the Commercial Units, the Commercial Units and/or any Permitted Mortgagee:

(i) the Common Interest appurtenant to any Unit as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (E) of Section 5.6 hereof;

(ii) no amendment, modification, addition or deletion agreed to pursuant to the terms of paragraph (A) hereof shall be effective without the prior written consent of the Mortgage Representatives, if any, provided, however, that no such consent shall be unreasonably withheld or delayed; and

(iii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless (in addition to the consent, if required, of the Mortgage Representatives as provided above) not less than eighty (80%) percent in number and in aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 Special Amendments.

(A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws may be effected by Sponsor or its designee or the owners of the Commercial Units without the consent of the Condominium Board or the Unit Owners, shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or such designee or the owners of the Commercial Units as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each instrument shall be an original, executed Certification by Sponsor or such designee or the owners of the Commercial Units, certifying that the amendment, modification, addition or deletion set forth therein was effectuated by Sponsor or such designee of the owners of the Commercial Units pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there shall be sent forth the Article and/or Section of the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained in the By-Laws to the contrary, no amendment, modification, addition or deletion of or these By-Laws shall be effective in any respect against Sponsor or its designee, any Unsold Unit, the owners of the Commercial Units, or the holder of any present or future mortgage, pledge, lien or security agreement covering any Unsold Unit, the Commercial Units unless and until the Sponsor, such designee, the owners of the Commercial Units and/or such holder (as the case may be) shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to Section 5.4 or 5.5, paragraph (B) of Section 6.2, subparagraph (iv) or (B) of paragraph (B) of Section 7.5 or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have been given its written consent thereto.

(D) Whenever, pursuant to any provision of these By-Laws, the consent, approval, satisfaction or permission of Sponsor or its designee or the owners of the Commercial Units is required, the granting of such consent, approval, permission or acknowledgment of satisfaction shall be solely in the discretion of the party whose consent, approval, satisfaction or permission is required and no standard of reasonableness shall be imposed on such party.

ARTICLE 13

Further Assurances

Section 13.1 General. Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 Failure to Deliver or Act.

(A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails to refuses, within ten (10) days after request therefore, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If the Condominium Board, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Condominium Board, such Unit Owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor or its designee, then Sponsor or its designee is hereby authorize, as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner or other Person.

ARTICLE 14

MISCELLANEOUS

Section 14.1 Inspection of Documents. Copies of the Declaration, these By-Laws and the Rules and Regulations and the Floor Plans, as the same may be amended from time to time shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2 Waiver. No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3 Conflict. In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 Severability. If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by law.

Section 14.5 Successors and Assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor, or with the consent of Sponsor, any transferee of an Unsold Unit.

Section 14.6 Gender. 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.

Section 14.7 Captions. The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision hereof.

ARTICLE 15

Indemnification of Condominium Board of Members and Officers

Section 15.1 In Actions by or in the Right of the Unit Owners. The indemnification and advancement of expenses granted pursuant to, or provided by, this Article shall not be deemed exclusive of any other rights to which a member of the

Condominium Board ("member") or officer of the Condominium Board ("officer") seeking indemnification or advancement of expenses may be entitled, when authorized by (i) a resolution of Unit Owners, (ii) a resolution of members, or (iii) an agreement providing for such indemnification, provided that no indemnification may be made to or on behalf of any member or officer if a judgment or other final adjudication adverse to the member or officer establishes that his acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated or that he personally gained in fact a financial profit or other advantage to which he was not legally entitled.

Section 15.2 In Other Actions or Proceedings.

(A) The Unit Owners may indemnify any person made, or threatened to be made, a party to an action or proceeding (other than one by or in the right of the Unit Owners to procure a judgment in its favor), whether civil or criminal, including an action by or in the right or any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, limited liability company, employee benefit plan or other enterprise, which any member or officer of the Board served in any capacity at the request of the Unit Owners or Board, by reason of the fact that he, his testator or intestate, was a member or officer of the Board, or served such corporation, partnership, joint venture, trust, limited liability company, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees actually and necessarily incurred as a result of such action or proceeding, or any appeal therein, if such member or officer acted, in good faith, for a purpose which he reasonably believed to be in, or, in the case of service for any corporation or any partnership, joint venture, trust, limited liability company, employee benefit plan or other enterprise, not opposed to, the best interests of the Unit Owners and, in criminal actions or proceedings, in addition, had no reasonable cause to believe that his conduct was unlawful.

(B) The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such member or officer did not act, in good faith, for a purpose which he reasonably believed to be in, or, in the case of service for any corporation or any partnership, joint venture, trust, limited liability company, employee benefit plan or other enterprise, not opposed to, the best interests of the Unit Owners or that he had reasonable cause to believe that his conduct was unlawful.

(C) The Unit Owners shall indemnify any person made, or threatened to be made, a party to an action by or in the right of the Unit Owners to procure a judgment in its favor by reason of the fact that he, his testator or intestate, is or was a member of the corporation, or is or was serving at the request of the Unit Owners or Board as a director or officer of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, limited liability company, employee benefit plan or other enterprise, against amounts paid in settlement and reasonable expenses,

including attorneys' fees, actually and necessarily incurred by him in connection with the defense or settlement of such action, or in connection with an appeal therein, if such member or officer acted, in good faith, for a purpose which he reasonably believed to be, or, in the case of employee benefit plan or other enterprise, not opposed to, the best interests of the Unit Owners, except that no indemnification under this paragraph shall be made in respect of (1) a threatened action, or a pending action which is settled or otherwise disposed of, or (2) any claim, issue or matter as to which such person shall have been adjudged to be liable to the Unit Owners, unless and only to the extent that the court in which the action was brought, or, if no action as brought, any court of competent jurisdiction, determines upon application that, in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnify for such portion of the settlement amount and expenses as the court deems proper.

(D) For the purpose of this Article, the Unit Owners shall be deemed to have requested a person to serve an employee benefit plan where the performance by such person of his duties to the Unit Owners also imposes duties on, or otherwise involves services by, such person to the Plan or participants or beneficiaries of the Plan; excise taxes assessed on a person with respect to an employee benefit plan pursuant to applicable law shall be considered fines; an action taken or omitted by a person with respect to an employee benefit plan in the performance of such person's duties for a purpose reasonably believed by such person to be in the interest of the participants and beneficiaries of the Plan shall be deemed to be for a purpose which is not opposed to the best interests of the Unit Owners.

Section 15.3 Payment.

(A) A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in Section 15.2 shall be entitled to indemnification as authorized in such Section.

(B) Except as provided in paragraph (a) of this Section, any indemnification under Section 15.2 of this Article or otherwise permitted by Section 15.1 of this Article shall be made by the Unit Owners, only if authorized in the specific case:

(i) By the Board of Managers acting by a quorum consisting of members who are not parties to such action or proceeding upon a finding that the member or officer has met the standard of conduct set forth in Section 15.2 of this Article or established pursuant to Section 15.1 of this Article as the case may be, or

(ii) If a quorum under subparagraph (1) is not obtainable or, even if obtainable, a quorum of disinterested members so directs:

(a) By the Board of Managers upon the opinion, in writing of independent legal counsel that indemnification is proper in the circumstances because the applicable standard of conduct set forth in such sections has been met by such member or officer; or

(b) By the Unit Owners upon a finding that the member or officer has met the applicable standard of conduct set forth in such Sections.

(C) Expenses incurred in defending a civil or criminal action or proceeding may be paid by the Unit Owners in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such member or officer to repay such amount as, and to the extent, required by paragraph (a) of Section 15.4 of this Article.

Section 15.4 Other Provisions.

(A) All expenses incurred in defending a civil or criminal action or proceeding which are advanced by the Unit Owners under paragraph (C) of Section 15.3 of this Article shall be repaid in the event the person receiving such advancement or allowance is ultimately found, under the procedures set forth in this Article, not to be entitled to indemnification or, where indemnification is granted, to the extent the expenses so advanced by the Unit Owners exceed the indemnification to which he is entitled.

(B) No indemnification, advancement or allowance shall be made under this Article in any circumstance where it appears:

(i) That the indemnification would be inconsistent with a provision of the Declaration, a by-law, a resolution of the Board of Managers or of the Unit Owners, an agreement or other proper action by the Board of Managers in effect at the time of the accrual of the alleged cause of action asserted in the threatened or pending action or proceeding in which the expenses were incurred, or other amounts are paid, which prohibits or otherwise limits indemnification; or

(ii) If there has been a settlement approved by the court that the indemnification would be inconsistent with, any condition with respect to indemnification expressly imposed by the court in approving the settlement.

(C) If any expenses or other amounts are paid by way of indemnification, otherwise than by court order or action by the Unit Owners, the Board of Managers shall, not later than the next annual meeting of the Unit Owners unless such meeting is held within three months from the date of such payment, and, in any event, within fifteen months from the date of such payment, mail to its Unit Owners at the time entitled to vote for the election of members of a statement specifying the persons paid, the amounts paid, and the nature and status at the time of such payment to the litigation or threatened litigation.

(D) If any action with respect to indemnification of members and officers is taken by way of amendment of the By-Laws, resolution of members, or by agreement, then the Board of Managers shall, not later than the next annual meeting of

Unit Owners, unless such meeting is held within three months from the date of such action, and, in any event, within fifteen months from the date of such action, mail to the Unit Owners at the time entitled to vote for the election of members a statement specifying the action taken.

ADDENDUM TO THE BY-LAWS OF THE 211 EAST 51ST STREET CONDOMINIUM

RULES AND REGULATIONS OF THE 211 EAST 51ST STREET CONDOMINIUM

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 purpose other than ingress to and egress from the Units.

2) No article (including, but not limited to, baby carriages, tricycles, bicycles, scooters, or similar vehicles, garbage cans, bottles or mats) shall be placed or stored in any of the halls, common areas, or on any of the staircases or landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

3) The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the General Common Elements devoted to storage, recreation, or service purposes in the Building.

4) No refuse from Units shall be transported to the cellar of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows or open terraces, or placed upon the window sills of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris, or other substance therefrom.

5) There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers, if any, of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.

6) Nothing shall be done or kept in any Unit or in the Common Elements (including, but not limited to, the storage spaces or any terrace) that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any law. No Unit Owner or any of his Family Members, agents, servants, employees, licensee or visitors shall, at any time, bring into or keep in his Unit or the Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit, or Residential Limited Common Element.

7) There shall be no barbecuing in the Units, in the appurtenant Residential Common Elements, Residential Limited Common Elements or General Common Elements, including but not limited to, any terrace, except for those areas (if any) and at those times specifically designated for barbecuing by the Condominium Board.

8) No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit, its appurtenant Residential Limited Common Elements appurtenant to the Residential Units only or permit anything to be done therein which will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 9:00 P.M. and the following 10:00 A.M. No construction, 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.

9) No Residential Unit Owner shall install any plantings on any terrace or common area without the prior written approval of the Condominium Board. Provided such approval is given, 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 surface, and if adjoining a wall, at least three inches from such wall. Suitable weep 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 wall and flashing, with a floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry plantings beds shall not, however, rest directly upon the surface of such terrace, but shall stand, on supports at least two inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

10) No group tour or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformance with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, vestibule, common area or in the Residential Limited Common Elements.

11) No ventilator or air-conditioning device shall be installed in any Residential Unit without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

12) No 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.

13) Water-closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were designed, and no sweepings, rubbish rags, paper, ashes, or any other article shall be thrown into the same. Any damages 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) All radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation "For Sale", "For Lease" or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of the Declaration and/or the By-Laws or shall be been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval. This Rule shall not apply to any Unit owned by the Sponsor or its designee.

15) Each Unit Owner shall keep his Unit and its appurtenant Residential Limited Common Elements appurtenant to the Residential Units only in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

16) The agents of the Condominium Board or the Managing Agent, and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least 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 extermination shall be done in a reasonable manner so as to not unreasonably interfere with the use of such Unit for its permitted purposes.

17) The Condominium Board or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit entry to his Unit at any time when entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not

furnished a key to the Condominium Board, or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent, or may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

18) If any key or keys are entrusted by a Unit Owner, by any Family Member hereof, or by his agent, servant, employee, license, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in rule 21 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roof of the Building. 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. Complaints regarding the service of the Condominium shall be made in writing to the Condominium board and to the Managing Agent.

19) No exterior windows or doors of any Residential Unit or any portions of the Common Elements shall be painted or decorated by any Unit Owner or in any manner without prior written consent of the Board of Managers. This Rule shall not apply to any Unit owned by the Sponsor or its designee.

20) No bird or animal shall be kept or harbored in the Building without the prior written consent of the Board of Managers in each instance. This Rule shall not apply to any Unit owned by the Sponsor or its designee. Any consent granted therefor may be revoked by the Board of Managers if such bird or animal shall constitute a nuisance, or shall unreasonably disturb other residents of the Building.

21) Any damage to the Building or Common Elements caused by a Unit Owner, its guests, visitors, clients, patients or employees shall be repaired at the expense of such Unit Owner.

22) No Unit shall be used or occupied in such a manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements..

23) No Storage Unit may be used for the storage of noxious, flammable or explosive materials, except for cleaning materials in such small amounts as the Board of Managers may proscribe.

24) These Rules and Regulations may be amended or revoked at any time by the Board of Managers, pursuant to the By-Laws.

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EXHIBIT E TO THE DECLARATION OF THE 211 EAST 51ST STREET CONDOMINIUM

UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of the premises known both as The 211 East 51st Street Condominium and by the street number 209-211 East 51st, New York, New York, under Article 9-B of the Real Property Law of the State of New York, dated _____, 200__, and recorded in the New York County office of the Register of New York on _____ 200___, at CRFN #_____, (hereinafter referred to as the "Declaration"), or (b) in the By-Laws of The 211 East 51st Street Condominium (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned _____, having an office) (residing)* at _____ the owner of the Condominium Unit (hereinafter referred to the "Undersigned's Unit") known as Unit No._____ [and Storage Unit No. _____] at The 211 East 51st Street Condominium, said Unit(s) being designated and described as Unit No. ____ [and Storage Unit ____] in the Declaration and also designated as Tax Lot(s) _____ [and _____] in Block 1325 of Section 5 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans, (does) (do)* hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with 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 term 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 (a) any declaration or other instrument affecting the Condominium that the Condominium Board

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* Delete whichever is inapplicable.

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 (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do)** hereby irrevocably nominate, constitute and appoint 211-51 Property, LLC (hereinafter referred to as "Declarant") 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 Declarant or its designees in accordance with Article 12 of the Declaration or (2) shall be required by (a) an Institutional Lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Declarant to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any 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 Declarant or its designees shall cease to own any of the Units in The 211 East 51st Street Condominium.

** Delete whichever is inapplicable.

IN WITNESS WHEREOF, the undersigned (has) (have)* executed this Unit Owner's Power of Attorney as of the _____ day of _____,200____.

_____

(SEAL)

_____

ACKNOWLEDGMENT

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

On the ___ day of _____, 200__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her capacity(ies), and that by this/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the ___ day of _____, 200__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her capacity(ies), and that by this/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)

) ss.:

COUNTY OF)

On the ___ day of _____, 200__, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her capacity(ies), and that by this/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

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DOCUMENT #

DESCRIPTION OF PROPERTY AND BUILDING CONDITIONS
211 East 51st Street
NEW YORK, NEW YORK 10022

PREPARED BY:

ALFREDO G. CARBALLUDE
REGISTERED ARCHITECT
CMA DESIGN STUDIO, P.C.
47 EAST 19TH STREET – 6TH FLOOR
NEW YORK, NEW YORK 10003

DATE: July 24, 2007
Revised August 17, 2007

211 East 51st Street
New York, New York
PREFACE

This report concerning 211 East 51st Street, New York, New York (the "Building" or "Property" or "Premises") was commissioned by the Sponsor for the purpose of inclusion in the Condominium Offering Plan (the "Plan") for said Building in compliance with the requirements of the Department of Law of the State of New York and we hereby consent to such use. Any use of this report for any other purpose is not authorized by Alfredo G. Carballude, R.A./CMA Design Studio, P.C.

We visually inspected existing portions of the Premises during the months of June and July 2007. Research of New York City Department of Buildings and governmental archives failed to locate construction documents or plans used during the building construction performed in 1958-1960, therefore, all statements contained herein are based on visual observations.

A report titled "Asbestos Containing Materials Limited Assessment" dated June 26th, 2007 as prepared by Mark Rutstein, certified asbestos investigator #106339 of Environmental Consulting & Management Services, Inc. was consulted in the preparation of this report.

Observations were made of those areas that were open and accessible at the time of the visits. Alfredo G. Carballude, R.A./CMA Design Studio, P.C. assume no responsibility for any conditions or defects that were hidden, inaccessible, or could not be determined by cursory observation. It is to be understood that some aspects of the physical condition of the Property cannot be determined from visual observation including a representative sample or selection of vacant apartments. All statements contained in this report are premised on and limited to such observations. This report is not intended as a guarantee or warranty of the physical condition of the Premises by the Architect. All statements relative to the legal use, zoning provisions, and code compliance of the Building only express Alfredo G. Carballude's, R.A. professional opinion, as President of CMA Design Studio, P.C., and are subject to final determination by those government agencies having jurisdiction.

The sponsor has not undertaken to correct or repair any existing conditions noted in this report, unless otherwise expressly provided. The definitions of the Plan apply to all terms used in this report without express definition.

Alfredo G. Carballude, R.A.
CMA Design Studio, P.C.

August 17, 2007

A) LOCATION AND USE OF PROPERTY

1) Address: 211 East 51st Street
New York, New York
Property is located on the north side of East 51st Street distant 110'-0" east from the corner formed by the intersection of Third Avenue and East 51st Street.

2) Block and Lot Number
Block: 1325
Lot: 6

3) Zoning

The current zoning district for the Building site is C6-6/R8B. The Building is not located in an historic district.

4) Permissible Use

The Building is located in a C6-6/R8B zoning district allowing for a wide variety of residential and commercial uses in the C6-6 portion as well as residential uses in the R8B portion. The existing building contains commercial and residential uses. There are approximately 10,000 sq. ft. of development rights left on the site.

B) STATUS OF CONSTRUCTION

1) Year Built:

Building Department records show the Building was built during 1958, 1959 and 1960 under application #NB 159-1955

2) Class of Construction

The Building construction classification is Class 1 fireproof construction per New York City Department of Buildings records.

3) Certificate of Occupancy

The New York City Department of Buildings issued Certificate of Occupancy #103548626F on March 20, 2006. The description of uses, and dwelling units listed on the Certificate of Occupancy are as follows:

Floor	Live Load	Dwelling Units	Description of Use
1. Cellar	on ground	-	Proposed health club, boiler room, storage, tenant's laundry, superintendent's work-shop, compactor room, porter's locker room, utilities.

2. 1st Floor	100	-	Offices, mail room, and lobby of building
3. 2nd – 10th Floors	40	8	Class "A" apartments
4. 11th & 12th Floors	40	4	Class "A" apartments
5. Penthouse	40	4	Class "A" apartments
6. PT – 1	-	1	Class "A" apartment
7. PT – 2	100		Storage and elevator machine room
8. PT – 3	-	-	House tank

4) Alteration Permit Numbers

An Alt. II Application for the modernization of elevators will be filed and approved by the New York City Department of Buildings.

Alteration permits will be filed for any required repair work to be performed. See Section "U" required permits in this report.

Repairs in kind to existing mechanical ventilation system will not require the filing of applications or obtaining work permits from the New York City Department of Buildings.

C) SITE

1) Size

The Building site is located **BEGINNING** at a point on the northerly side of 51st Street distant 110 feet easterly from the corner formed by the intersection of the northerly side of 51st Street and the easterly side of Third Avenue.

RUNNING THENCE northerly parallel with Third Avenue, 100 feet 5 inches to the center line of the block;

THENCE easterly along the center line of the block 25 feet;

THENCE southerly parallel with Third Avenue, 1 inch;

THENCE easterly parallel with 51st Street, 25 feet;

THENCE northerly parallel with Third Avenue, 1 inch;

THENCE easterly along the center line of the block 40 feet;

THENCE southerly parallel with Third Avenue, 100 feet 5 inches to the northerly side of 51st Street;

THENCE westerly along the northerly side of 51st Street, 90 feet to the point or place of **BEGINNING.**

2) Number of Buildings

There is one building on the site.

3) Streets Owned or Maintained by the Project

The site does not own or maintain a street. The asphalt paved street in front of the Building is owned by the city of New York and is in reasonable condition with catch basins at corner intersections. The catch basins are steel in good condition. The curbs are concrete or steel in fair shape. Street lighting is New York City maintained standard lighting with a street light pole located directly across the street from the Building.

4) Drives, Sidewalks, and Ramps

There are no drives or ramps on the Property. The sidewalk is built of concrete and is in fair condition. Some minor cracking was observed but does not appear to present a tripping hazard. The sidewalk curbs are steel and in fair condition.

D) UTILITIES

Water service is provided by the City of New York and is a municipal service. The sewer is a municipal sanitary service and the storm system drains into the municipal storm water system. Incoming water will be provided by a single metered service that will be a Common Charge to the Residential Units. Separate sub-meters are or will be installed at the Commercial Units.

Gas is provided by Consolidated Edison Company of New York, a regulated public utility and will be a Common Charge to Residential Units, including cooking and the domestic hot water system for the Residential Units. Incoming gas for residential units will be via one meter for cooking gas. The meter will be a Common Charge to the Residential Units. Separate gas meters will be installed at the Commercial Units.

Electricity is provided by Consolidated Edison. Common charges, per the master meter, will include power for all public areas including lighting, public stairways, laundries, residential common area, storage units, exhaust fans and elevators. Each Residential and Commercial Unit will be individually metered for electricity and will pay for electricity directly to the utility as per its separate meter.

Residential and Commercial Unit Owners will be responsible to make individual arrangements for cable television services with providers with direct billing to user. Cable T.V. service is provided by Time Warner Cable

Telephone service is provided by the Verizon Company, a regulated utility. All Residential and Commercial Unit owners will be responsible to make individual arrangements for direct billing to user.

Maintenance costs for utilities for common areas and storage units including water, gas and electric will be included in the Common Charges to Residential Units.

E) UTILITIES/SUB-SOIL CONDITIONS

1) Foundations

Visual inspection of the cellar walls and floors or foundations did not indicate any settlement, movement, cracking or evidence of major repair. Foundation walls and floor slabs are in good condition.

2) Moisture

The cellar and existing boiler room are dry and show no sign of moisture or seepage from ground water. According to the U.S. Geological Survey map of the area, this Property is above mean sea level and is not considered to be located in a flood prone area.

3) Flooding

The nearest surface water body to the Building is the East River. There is no indication that the Manhattan water table reaches this Building.

Flooding might occur in the event of a water main break in the street. No practical preventative action is suggested. Any goods stored in the cellar would be damaged in the event of a flood.

F) LANDSCAPING AND ENCLOSURES

1) Grass

There is no grass at the site.

2) Plantings

There are no plantings at the site.

3) Trees

There are no trees at the site.

4) Fencing

There is no fencing at the site.

5) Gates/enclosures

There are no gates at the site.

6) Garden Walls

There are no garden walls at the site.

7) Retaining walls

There are no retaining walls at the site.

8) Display pools and fountains

There are no display pools and fountains at the site.

G) BUILDING SIZE

1) Height

Building is approximately 127'-0" high from grade at 51st Street to the penthouse (14th floor) roof. The existing floor to ceiling heights vary from 8'-2" to 9'-4" depending on the floor. See section Y #4 in this report for details.

2) Crawl Spaces

There are no crawl spaces at the site.

3) Cellar

The cellar in the building is located completely below grade. The boiler room is located approximately 4'-0" below the cellar level. The cellar contains the boiler room, refuse compactor room, laundry room, oil tank room, storage unit room, water meter room, gas meter room, electrical room, mechanical room and Commercial Unit #3.

4) Number of floors

The Certificate of Occupancy lists the following floors in the building:

1. Cellar
2. First floor
3. Second floor
4. Third floor
5. Fourth floor
6. Fifth floor
7. Sixth floor
8. Seventh floor
9. Eighth floor
10. Ninth floor
11. Tenth floor
12. Eleventh floor
13. Twelfth floor
14. Penthouse (13th floor)
15. PT1 (14th floor)
16. PT2 (15th floor)
17. PT3 (16th floor)

5) Equipment rooms

Equipment rooms are located on the cellar and PT2 and PT3 levels of the building. The elevator machine room is located in the PT2 level, the house tank is located on the PT3 level, the cellar level contains the gas meter/water heater, the existing boiler room and electrical room.

6) Parapets

The Building parapets are approximately 3'-6" high masonry parapets above the roof. The parapets are in good condition.

H) STRUCTURAL SYSTEMS

The Building is a fireproofed structural steel structure with reinforced concrete slabs spanning between steel beams. The foundations are assumed to be reinforced concrete bearing on suitable rock sub-soil conditions.

1) Exterior of buildings

(a.) Walls

The Building exterior walls are solid masonry walls made of 4" glazed face brick and interior masonry units, supported by steel lintels hung off the main steel structure. The Building exterior is in relatively good condition. Robert A. Lenahan, R.A. architect has prepared a Cycle #6 Local Law II report dated February 16, 2007. Refer to that report for findings. The Sponsor has retained Rand Engineering & Architecture P.C. to review the present Cycle #6 Local Law II report and prepare a scope of work for exterior repairs to be performed on the Building.

(b.) Windows

Existing lot line windows on the east façade of the building will remain in place. The windows and caulking compounds are in fair condition. Windows have no insect screens. All other windows in the north, south and west facades will be replaced with new aluminum thermal break sliding, casement or fixed pane windows with ¾" thermal pane glass.

The new windows will have no insect screens. The windows will be as manufactured by Crystal Window Corp. or equal. The building does not have Landmark status.

(c.) Lintels and Sills

Existing window sills are cast stone in fair to good condition. Existing window lintels are steel in fair to good condition.

2) Parapets and Copings.

Parapets in the Building roof are solid masonry with aluminum or cast stone copies. The parapets are in good condition. No deficiencies were noted on the

parapets. Some setbacks at the second floor have cast stone copings. The cast stone copings are in good condition.

3) Chimneys and caps

There is an existing masonry flue for the boiler and one for the refuse chute that appear to be in fair condition consistent with its age. The caps are aluminum and are in fair to good condition.

4) Balconies and terraces

The Building has no balconies. Some Residential Units contain terraces. The terraces have a modified bitumen roofing system which will be unimproved. No hazardous conditions were noted on the existing terraces.

The terraces have low masonry parapets with cast stone, stone or aluminum copings. The copings and parapets are in good condition. All low masonry parapets contain surface mounted painted steel rails. The rails are in fair to good condition.

All terraces have access from the residential units through swinging glass doors as described above. The terraces are located in the following areas:

A. Terraces

Floor	Residential Unit	Approximate Square Footage
11th floor	11A	142 S.F.
11th floor	11B	40 S.F.
11th floor	11B	196 S.F.
11th floor	11C	288 S.F.
11th floor	11D	422 S.F.
13th floor (Penthouse)	PHA	251 S.F.
13th floor (Penthouse)	PHA	299 S.F.
13th floor (Penthouse)	PHB	469 S.F.
14th floor (Penthouse)	PHB	618 S.F.
14th floor (Penthouse)	PHB	1,324 S.F.

Residential Unit Terraces will be a Residential Limited Common Element appurtenant to the Residential Unit. It will be the sole responsibility of the Unit Owner to maintain his or her Terrace. Terraces will be maintained by those Units that they are appurtenant to, including keeping these areas and their drains clean, repaired and kept free and clear of snow, ice, and debris at the sole cost of the individual Residential Unit Owner.

5) Exterior entrances

(a.) Exterior doors and frames

The residential entry to the Building consists of two 3'-4" wide X 7'-6" high, tempered glass entry doors. There are also glass side panels at both

sides of the entrance doors. The entrance vestibule consists of two tempered glass doors approximately 3'-4" X 7'-6" high with aluminum and glass side panels. All doors are equipped with deadbolt cylinders located at the doors bottom rail. Both assemblages are in good condition. The vestibule and lobby have incandescent recessed down light fixtures. The light fixtures are in good condition. The aluminum and glass entrances and storefront for the Commercial Unit are in fair to good condition.

(b.) Exterior stairs

There are concrete exterior stairs at the rear yard and front yard. The concrete stairs are in good condition.

(c.) Exterior Railings

There are steel railings at all exterior concrete stairs. The railings are in good condition.

(d.) Lighting

The exterior ground floor area by the Building lobby entrance receives reflected illumination from interior lobby fixtures that shine through the glass doors and storefront, and has two exterior light fixtures.. The interior lighting at the main residential lobby give adequate illumination to the exterior. Street lighting is New York City maintained standard lighting.

(e.) Mailboxes

The mailboxes for the residential units are located at the rear of the lobby adjacent to the passenger elevators. The mailboxes are aluminum gang-type and are in fairly good condition.

(f.) Interior Demising Walls

Interior demising walls between the Commercial Unit and Residential areas are masonry or drywall partitions that meet all New York City Building code requirements. All walls are in good condition.

6) Service entrances

(a.) Doors and frames

There is one service entrance at the east portion of the cellar level. The entrance is a steel door and frame in fair condition. The door has a deadbolt keyed on the outside. The deadbolt is fair condition.

(b.) Gates

There are no service entrance gates in the building.

(c.) Exterior Stairs

There is a concrete stair leading to the service entrance from the sidewalk to the cellar level. The stair is in good condition.

7) Roof and type of roof structures

The Building has roof terraces at the 11th, 13th and 14th floor. Two roofed areas area located at the rear yard in the first and second floors. Roofed areas are located above the 14th floor for the elevator machine room, house tank, stair bulkheads and penthouse roof.

The existing roofing system is a torch down modified bitumen system probably applied on top of the Building's original roof system. Insulating values, if any, were not determined. The roof system is not bonded or guaranteed. The roofing membrane has been adhered approximately 10" vertically around the bulkheads, parapets and walls with flexible base flashing and flashing cement at which points there are aluminum counter flashings. No active leaks were detected in the building. The roof system, which is in fair condition, is approximately 10-15 years old and at the end of its lifespan. With proper maintenance the roof system life could be extended 1 to 5 years but a new roofing system will be required in the future.

(b.) Drains

Terraces and roofs have cast iron internal drains that appear to be in fair condition consistent with their age. Roof bulkheads have no leaders or gutters.

(c.) Skylights

There are no skylights in the Building.

(d.) Bulkheads

There is one masonry stair and elevator bulkhead on the Building's roof. The bulkhead houses an internal steel public stairway and the house tank.. The roof level bulkhead also contains a storage room. The roof bulkhead is a Residential Common Element. The bulkhead is in good condition.

(e.) Metal work at roof

There is no metal work at the roof levels.

(f.) Vertical Ladders

There is one interior steel vertical ladder at the 15th floor public corridor to access the existing roof hatch. The ladder is in good condition.

(g.) Roof Hatches

There is one roof hatch to access the water tank area from the 15th floor public corridor. The roof hatch is in fair condition.

(h.) Rooftop facilities

There are no rooftop facilities.

8) Fire escapes

The Building does not have fire escapes.

9) Yards and courts

The building has a front yard approximately 90' wide by 8'-2" deep. The front yard has access from the sidewalk. Two concrete stairs with metal railings lead to the cellar level. The stairs and railings are in good condition. Concrete steps, a concrete handicap ramp with railings lead to the Building lobby. The steps, ramp and railings are in good condition. Two areaway drains are located at the bottom of the stair in the cellar level. Both drains are in fair to good condition. Paving material is concrete and is in good condition. The site contains a rear yard approximately 90' wide by 27'-1" long in the north portion of the site. Portions of the rear yard have been allocated for use by residential unit owners and is a Residential Common Element. The balance of the rear yard has been allocated for use by the Commercial Unit. The rear yard has access to the street through a **concrete** stair and exit passage at the cellar level. The stair and railings are in good condition. The rear yard has a roofing surface in fair condition. The roof surface will be unimproved. The rear yard contains a roof drain in fair condition. The rear yard contains some A/C equipment, fans and ductwork vents that service the Commercial Units. The rear yard perimeter contains masonry parapets with cast stone or aluminum copings. The parapets and copings are in good condition.

10) Interior stairs

(a.) Number of interior stairs

There are two interior public stairs, #1 and #2 servicing the Building. Stair #1 services from the cellar to the Building's roof. Stair #2 services from the first floor to the Building's roof. Both stairs #1 and #2 are Residential Common Elements.

(b.) Public Stairs Enclosure

The public stair enclosures are built out of concrete masonry units and have a fire rating that satisfies code requirements. Both stair enclosures appear to be in good condition having painted walls. There are self-closing fire rated steel doors and frames at all landings. Doors and frames are in good condition. Illumination in both stairways appears adequate with illumination at each level.

(c.) Construction, stringers, treads, and risers

The public stairs are made of reinforced concrete. Stair widths, landings, and run distances all meet code requirements. Both stairs are in good condition. The average minimum stair width of 3'-0" satisfies code requirements.

(d.) Stair railing

The stair public railings are wall mounted 1 ½" diameter steel pipe and are in good condition. The railing heights meet code requirements. The average pipe railing height is 32".

(e.) Balustrades

There are no balustrades in the public stairs.

(g.) Apartment Interior Stairs

There will be one new open riser wood stair with wood railings at PH B.

11) Interior doors and frames

(a.) Apartment Entry Doors

Apartment entry doors and frames are 3'-0" x 7'-0" steel fire rated doors with self-closing hinges. Some hinges are not closing properly to meet code requirements. The sponsor will replace hinges and/or add door closers to defective doors so all apartment entrance doors meet all building code requirements. All doors have mortise lockset hardware with privacy chain and chimes. The doors and hardware are in fair to good condition.

(b.) Interior Apartment Doors

All interior apartment doors are flush hollow core wood doors in hollow metal (knock down) or wood frames. Most closet doors are 1" particle board bi-fold doors. All doors and hardware are in fair to good condition.

(c.) Roof doors, cellar doors and frames

Roof doors including doors leading into the bulkheads are steel and in fair condition. The cellar level has a variety of steel doors and frames, in fair to good condition. Cellar doors meet code requirements.

12) Elevators

(a.) Number of passenger elevators

There are two passenger elevators in the building, Elevator #1 and Elevator #2. The existing passenger elevators are overhead traction type as manufactured by Otis with a rated capacity of 2,000 lbs. each. The elevator cabs are plastic laminate walls with metal panels. The Sponsor has indicated both passenger elevators will be partially refurbished. The existing elevator machine, rails, doors and frames and the elevator platforms are in good condition and will remain. All other items in the elevator system will be replaced.

(b.) Manufacturer and capacity

The two existing passenger elevators were manufactured by Otis Elevator Corp. with a capacity of 2000 lbs. (13 person capacity) with a rated travel speed of 200 ft./minute. The machines are in good condition appropriate to their age.

(c.) Type of operation and location

The elevators serving the Building from the cellar through the 13th floor will be automatically operated. They are exclusively for passenger use with occasional use as freight cars for moving furniture.

(d.) Controls

Both passenger elevators will be driven by new microprocessor controls and operate as a selective collective system. The control system will be as manufactured by Elevator Systems Inc. or equal.

(e.) Floors served

Both passenger elevators service the cellar through the 13th floor.

(f.) Type

Both elevators will be automatic passenger elevators.

(g.) Doors

Both elevators have existing 36" wide by 86" high, single speed steel doors.

(h.) Machine room location

The machine room for both elevators is located above the roof level.

(i.) Motors

Both elevators will have new 15 HP motors as manufactured by Imperial Electric Co., or equal.

13) Elevator cabs

(a.) Kind

Both cabs will be closed and self contained shell structures, as manufactured by United Solutions Inc. or approved equal.

The cabs will be equipped with an emergency stop switch and telephone communication system.

(b.) Floor

The new elevator cab floors will be vinyl tile.

(c.) Walls
The new elevator cab walls will be plastic laminate panels or stainless steel panels.

(d.) Ceiling
The new ceilings of the new elevator cabs will be plastic laminate panels which will be perforated with ventilation slots.

(e.) Lighting
The new elevator ceilings will have incandescent down lighting or equal.

I) AUXILIARY FACILITIES

1) Laundry room

There is one laundry room in the cellar level. The laundry room will be equipped with heavy duty commercial coin operated washers and dryers.

The laundry room has a forced air ducted exhaust system that terminates on the east portion of the Building's areaway in the front of the Building. The exhaust system is in fair to good condition.

The laundry room will be used by all residential tenants.

2) Refuse disposal

(a.) Refuse Chute and Compactor
The building has an existing refuse chute serving the second through the 13th residential unit floors.

The refuse chute is accessible behind a hollow metal door at the public corridors. The refuse chute has steel hopper doors. The refuse compacting room is located in the cellar. The Sponsor has indicated a new refuse compactor will be installed as manufactured by Ram Compactors model #HIVOLEX J. The compactor will be a hydraulic pump operated, vertical type, with a maximum operating pressure of 3,000 p.s.i.

There are no jurisdictional approvals required for refuse removal in the Building.

The method and times set for compactor trash removal as well as non-compactor trash removal from the Residential Units will be determined by the Board of Managers.

The City of New York picks up refuse from residential buildings as established by their schedule. Commercial tenants will have to arrange refuse pick-up by private carting companies.

(b.) Initial storage location

Initial storage location, for residential units' refuse, will be limited to the compactor/refuse room which is located in the cellar level.

J) PLUMBING AND DRAINAGE

(1) Water supply: 4" main city water supply. System includes 10,000-gallon roof mounted wood storage tank and a booster pump set (triplex-5 hp each pump) located in the cellar mechanical room.

(2) Fire protection: Building equipped with a standpipe system located in stairway and a limited sprinkler system to provide the coverage for the commercial space located in the basement.

(i) 4" standpipe located in the stairway, steel pipe
(ii) Hose racks with nozzles at each floor level in the stairway
(iii) Wet type with upright and pendant sprinkler heads
(iv) Wall mounted siamese connection in front of the building

(3) 10,000-gallon water storage tank located above the roof and enclosed with brick walls.

(i) One wood tank located above the roof
(ii) Exterior wood tank
(iii) Access to the tank provided by the ladder
(iv) Capacity: 10,000 gallons
(v) Capacity reserved for standpipe: 7,500 gallons

(4) Water pressure of 70 psi maintained by triplex booster pump set (5 hp each pump) located in the basement mechanical room.

(5) Sanitary: 6" cast iron sanitary discharge into the City combine sewer/storm system.

(i) Piping – cast iron
(ii) Sewage pumps: none
(iii) Sewage disposal: none

(6) Permits: No permits are required. All existing connections are to remain.

(7) Storm drainage system: Storm water discharge into combined City sewer/storm system through cast iron piping.

(i) Catch basin: none
(ii) Yard and roof: existing drains to remain

(iii) Piping: cast iron
(iv) Sump pumps: in mechanical room

(k) Heating

(1) A heating system to each apartment is provided by thru the wall air source electric heat pumps. The heat pumps will vary in size from 9,000 to 14,000 BTU/Hr. as manufactured by Amana model #'s PBH092A and PTH153B, or approved equal. All heat pumps will be new. All common spaces are heated by air conditioned by spilt type electric heat pumps. Heating systems to maintain indoor temperature of 72 deg F based on 5deg F outdoor temperature. New domestic hot water will is provided by three 100-gallon each gas fired hot water heaters with 1-hour recovery rate of 300 gallon each.

(2) Number of boilers: none

(3) Manufacturer and age of boiler(s): N/A

(4) Manufacturer and age of burners: N/A

(5) Type of controls: N/A

(6) Radiators: N/A

(7) Fuel: N/A

(8) Location of tank: N/A

(9) Capacity of tank: N/A

(l) Gas supply

Low-pressure natural gas is supplied into the building through 4" schedule 40 steel pipes. The distribution of natural consists of two meters; one meter for the commercial space and one meter for the residential units. Additional meters will be added for the renovated commercial spaces if needed.

(1) Type: natural gas

(2) Meters: two (2)- one for commercial space and one for residential building

(3) Piping: black steel schedule 40

(m) Air conditioning

Air conditioning to each apartment unit is provided by thru the wall air source electric heat pumps. All heat pumps will be new. The heat pumps will vary in size from 9,800 to 10,700 BTU/Hr. and will be manufactured by Amana model #'s PBH092a and PTH153B, or approved equal. Systems to maintain a minimum of 78 deg F at 95 ambient temperature. Lobby and the ground floor common spaces air-conditioned through split type air source heat pumps.

(1) Type of system: air source electric heat pumps

(2) Central system: N/A- all individual units

(3) Cooling towers: N/A

(4) Individual units: each room is equipped with the wall type (sleeve) high efficiency air source heat pumps with capacities from 9,800 to 10,700 BTU/Hr and amp ranging from 20 to 30 amps.

(n) Ventilation

Ventilation to the corridors is provided by roof mounted, gas fired heating/electric cooling, 100% fresh air unit. Windowless bathrooms and kitchens are equipped with separate central exhaust systems. Basement laundry has an independent ventilation system providing adequate amount of outside air for gas fired dryers and ventilation.

(o) Electrical

(1) Service: new 4,000 amps, 3 phase 4 wire 208/120V

(2) Service to individual units: separate 100 amp risers up to 12^{th} floor and 200 amp risers for the penthouse units

(3) Switch gear: new 4,000-amp switchgear located in the basement

(4) Unit service: 100 amp each unit up to 12^{th} floor and 200 amp for penthouse units

(5) Adequacy:

(i) Service- 16 circuits average panel board for each apartment with separate branch circuits for kitchen appliances and dishwasher

(ii) Lighting and fixtures- each unit with separate circuits for lighting fixtures controlled by wall switches

(iii) Convenience outlets, appliance outlets- placed on walls in compliance with National Electrical Code. Dedicated outlets provided for wall type air source heat pumps and kitchen appliances.

P) INTERCOMMUNICATIONS, CABLE TV, & PHONE

Audio intercom system will be operated through the existing telephone lines to a central station located in the vestibule/lobby.

Q).PUBLIC AREA LIGHTING

Existing public area lighting is fluorescent type. The fixtures are in fair to good condition.

R) GARAGES AND PARKING AREAS

There are no parking facilities in the Building.

S) SWIMMING POOL

There is no swimming pool in the Building.

T) TENNIS COURTS, PLAYGROUND, RECREATION FACILITIES

There are no tennis courts, playgrounds, or recreation facilities in the building or property.

U) REQUIRED PERMITS

An Alteration (Type II) application #104787018 has been filed and approved by the New York City Department of Buildings for work to be performed on the building such as minor interior partition work, combination of some apartments and window replacement.

Drawings will be filed and new permits obtained to refurbish both passenger elevators.

At the end of refurbishing the elevators, sign-offs and a passenger elevator inspection certificate will be obtained by the Sponsor.

The Building is required to have the following ongoing inspections and certifications:

1) The elevators in the Building must be inspected every year and a safety test conducted every five years.

2) The Building is required to have a façade inspection by a licensed professional engineer or registered architect every five years as required by Local Law #11 (which pertains to facades, balconies, cornices, and eaves of the Building).

3) The existing cellar sprinkler system must be inspected monthly and tested as required by code.

V).VIOLATIONS

As of July 20, 2007 the New York City Department of Buildings Index Record indicates (7) seven Department of Buildings violations, (1) one Environmental Control Board violations. As of July 31st, 2007 the New York City Fire Department records list one Fire Department violation. As of July 30th, 2007 the Department of Housing Preservation and Development records indicate 45 open violations. The violations are as follows:

a) Building Department Violations

Violation #	Date Issued	Violation Description	Work Required To Cure
1. V071306E9011/ 166377	07/13/06	Elevator violation	Remove violation
2. V07136E9011/ 166378	07/13/06	Elevator violation	Remove violation
3. V051507C0601KP	05/15/07	Construction violation	Remove violation
4. V051707CM0ST00100F	05/15/07	Construction violation	Remove violation
5. V051707CM0ST00100F	05/15/07	Construction violation	Remove violation
6. V070907E9011H208319	07/09/07	Elevator violation	Remove violation
7. V070907E9011H208318	07/09/07	Elevator violation	Remove violation

b) Environmental Control Board Violations

Violation #	Date Issued	Violation Description	Work Required To Cure
1. 34569782L	04/06/07	Failure to provide HC access	Provide HC access

c) Fire Department Violations:

Date	Violation	Work Required

Control #	Issued	Description	to Cure
1. 10974248J	03/15/06	Failure to conduct test	Perform test

d) Department of Housing Preservation and Development Violations

Violation #	Date Issued	Violation Description	Work Required To Cure
1. 4877963	03/04/04	Broken or defective plaster surface @ apt. 10E	Repair & paint plaster surfaces
2. 4877966	03/04/04	Leak at kitchen ceiling Apt. 10E	Resolve leak
3. 4877974	03/04/04	Leak at closet ceiling	Resolve leak
4. 4720441	09/29/03	Broken window sashes @ apt. 12C	Repair window sashes

Violation #	Date Issued	Violation Description	Work Required To Cure
5. 4704618	09/16/03	Defective plaster surface @ 12C 2nd room	Repair plaster surfaces
6. 4704751	09/16/03	Defective plaster surface @ 12C 1st room	Repair plaster surfaces
7. 4704759	09/16/03	Defective plaster surface @ 12C 1st room	Repair plaster surfaces
8. 2517141	03/31/98	Moisture penetration @ SW PH east room	Repair leak
9. 2517142	03/31/98	Moisture penetration @ SW PH east room	Repair leak
10. 2517143	03/31/98	Moisture penetration @ SW PH bathroom	Repair leak
11. 2517144	03/31/98	Replace smoke detector @ SW PH bathroom	Install new smoke detector
12. 2517145	03/31/98	Water logged ceiling light fixture @ SE PH	Repair leak
13. 2517146	03/31/98	Moisture penetration @ SE PH private hall	Repair leak

14. 2517147	03/31/98	Moisture penetration @ SE PH private hall	Repair leak Repair plaster
15. 2517148	03/31/98	Broken connection kitchen sink @ SE PH	Repair sink connection
16. 2517149	03/31/98	Moisture penetration @ SE PH west room	Repair leak
17. 2517150	03/31/98	Defective plaster @ SE PH private hall	Repair plaster
18. 2517151	03/31/98	Moisture penetration @ SE PH kitchen	Repair leak

Violation #	Date Issued	Violation Description	Work Required To Cure
19. 2517135	08/06/97	Readjust gutter @ SE area of patio	Adjust slope & grade
20. 2517136	08/06/97	Defective waterproofing material @ 14 sty PH	Replace defective material
21. 2517137	08/06/97	Debris at patio nw of 14 sty	Remove debris
22. 2517138	08/06/97	Broken mortar joints n wall 13 & 14 sty	Repair concrete & mortar joints
23. 2517139	08/06/97	Stagnant water north patio 13 sty PH	Remove water
24. 2517140	08/06/97	Inadequate light @ elevator ent. 13 sty public hall	Provide stronger lighting
25. 2517133	07/30/97	Discontinue use or obtain amended C.O.	File approved application
26. 2517134	07/30/97	Discontinue use or obtain amended C.O.	File approved application
27. 2517132	07/09/97	Defective tar flooring south terrace ph apt.r	Repair flooring

28. 2517129	10/06/94	Vermin mice & roaches 10 sty atp 10d	Exterminate area as required
29. 2517130	10/06/94	Defective lower sash 10 sty apt. 10d	Repair sash
30. 2517131	10/06/94	Defective wash basin 10 sty apt. 10d	Replace basin
31. 2517124	06/30/94	Broken control knobs on stove 9 sty apt. 9d	Replace knobs
32. 2517125	06/30/94	Broken control knobs on stove 9 sty apt. 9d	Replace knobs

Violation #	Date Issued	Violation Description	Work Required To Cure
33. 2517126	06/30/94	Wastepipe openings not gas tight 9 sty apt. 9d @ kitchen	Repair pipe & seal openings
34. 2517127	06/30/94	Wastepipe openings not gas tight 9 sty apt. 9d @ bathroom	Repair pipe & seal openings
35. 2517125	06/30/94	Defective handle stove broiler 9 sty apt. 9d	Replace unit
36. 2517120	08/18/94	Smoke detector missing @ mailbox	Replace smoke smoke detector
37. 2517121	08/18/94	Missing proper signage at entrance way	Install required signage at entry
38. 2517122	08/18/94	Bulkhead door at roof west	Make repairs
39. 2517123	08/18/94	Building materials left in east fire stairs	Remove all obstructions
40. 2517119	08/14/85	Fire egress defective due to padlock	Remove all locking devices
41. 2517118	11/01/77	Illegal balcony condition	Restore to original condition

42. 2517115	09/30/77	Use contrary to C.O. 1st level over PH	Correct usage
43. 2517116	09/30/77	Use contrary to C.O. PH sty SW apt.	Correct usage
44. 2517117	09/30/77	Use contrary to C.O. 12 sty east apt.	Correct usage
45. 2517114	10/18/72	Use contrary to C.O. SE apt. B	Correct usage

As of July 30th, 2007 there were no violations issued by the New York City (D.O.T.) Department of Highways.

The Sponsor has indicated all violations will be removed from the records prior to the first closing.

W) UNIT INFORMATION

The Residential Units room count is defined as follows: kitchens, living rooms, and winter gardens, as indicated on the plans.
Dining areas are considered part of living room since they occupy the same open area.
Kitchens are considered rooms whether or not they are self contained enclosures. (notwithstanding Building Department kitchenette definitions)

UNIT DESCRIPTIONS

Units	Rooms	Bathrooms	Bathroom Fixtures
2A,2B,2C,2D,2F,2G 3A,3B,3C,3D,3F,3G 4A,4B,4C,4D,4F,4G 5A,5B,5C,5D,5F,5G 6A,6B,6C,6D,6F,6G 7A,7B,7C,7D,7F,7G 8A,8B,8C,8D,8F,8G 9A,9B,9C,9D,9F,9G 10A,10B,10C,10D,10F,10G 11C, 12C	2 rooms plus one bedroom	1	Toilet, sink, shower
2E,3E,4E,5E,6E,7E, 8E,9E,10E	2 rooms plus two bedrooms	2	•Toilet, sink, tub •Toilet, double sink, shower

11A,11B,11D, 12A,12B,12D	2 rooms plus two bedrooms	2	•Toilet, sink, tub •Toilet, sink, shower
PH-A	2 rooms plus three bedrooms	2	•Toilet, sink, tub •Toilet, double sink tub, shower
PH-B	2 rooms plus four bedrooms	3 ½	•Toilet, sink •Toilet, double sink, tub, shower •Toilet, sink, tub •Toilet, sink, tub

1) Finishes for Residential Units

Most of the Residential Units have the original oak parquet floors in the living rooms, bedrooms & hallway interiors. Parquet oak floors are in fair to good condition.

b. Walls throughout the residential units are painted plaster. The existing plaster is in good condition. Ceilings are painted or textured paint applied to the concrete ceiling slab or painted plaster where ceilings are dropped. All ceiling finishes are in fair to good condition.

c. Existing kitchen cabinets are vinyl covered melamine with plastic laminate counter tops. Kitchens have original vinyl tile floors. Kitchen cabinets and floors are in fair to good condition. Existing kitchen appliances and fixtures are in good condition.

d. Bathrooms have original ceramic mosaic floors with ceramic tile base. Bathtub surrounds have original tile walls from tub to ceiling. All ceramic tile is in fair to good condition.

2) Description of Lighting Fixtures

a. Public corridors have original ceiling recessed or wall mounted incandescent light fixtures. Fixtures are in fair to good condition. Public stairs have original fluorescent fixtures in fair to good condition. Lighting levels at public corridors and stairs meet minimum lighting levels required by New York City Building codes. There is no emergency lighting or exit lighting in public corridors or stairs.

b. Most kitchens and apartment entrances have original surface mounted incandescent or fluorescent fixtures. Fixtures are in fair condition.

c. Bathrooms have original wall mounted incandescent light fixtures above the medicine cabinets. Light fixtures are in fair to good condition.

d. Cellar and public corridor, storage rooms, laundry room and common elements have original fluorescent fixtures. All cellar light fixtures are in fair condition.

e. Each apartment will be equipped with new combination smoke/carbon monoxide detector as required by New York City Building Code regulations.

3) Type and Condition of Lavatory and Bathroom Fixtures

The majority of bathroom fixtures in the Residential Units are approximately 20 years old. Bathtubs are stamped steel with enamel, toilets are tank type Vitreous china, sinks are self rimming drop-in white Vitreous china or enameled cast iron set in plastic laminate tops with melamine vanities. All fixtures, vanities and fittings in the bathrooms are in fair condition.

4) **FINISH SCHEDULE OF AREAS OTHER THAN UNITS**

All finishes other than units are original to the building as built in 1960, and are in fair condition.

AREA	FLOORS	BASE	WALLS	CEILING
Public Stairs #1 and #1	Cement	None	C.M.U. Conc. or Gyp. Board	Underside of stair
Public corridors	Carpet	Rubber or Vinyl	Painted Gyp. Bd. or Plaster	Painted concrete/plaster or Gyp. Board
Entry Vestibule	Ceramic tile	Ceramic tile	Gypsum wall Board or Plaster	Painted concrete/plaster or Gyp. Board
Main Entry Lobby	Ceramic Tile	Ceramic Tile	Gypsum wall Board or Plaster	Painted concrete/plaster or Gyp. Board

All the finishes in the public cellar areas are in fair condition consistent with their age. The cellar surfaces are dry.

X) SAFETY AND WARNING DEVICES

All Residential Units observed were equipped with all the safety and warning devices as required by the New York City Building Code.

Y) ADDITIONAL INFORMATION

1) **Site Plan**
Site plan is provided.

2) **Area map**
Area map is not provided.

3) Floor Plans

Individual unit floor plans are included in Part II of the Offering Plan

4) Floor to ceiling heights in Units

Floor to ceiling heights in Residential Units may vary within individual apartments. The following is floor by floor heights that are found in the Residential Units and other floors:

a. Cellar.....	9'-0"
b. First floor.....	9'-4"
c. Second floor through tenth floors.....	8'-2"
d. 11th and 12th floors.....	8'-2"
e. 13th and 14th floors.....	8'-2"

Ceiling heights are approximate and may be lower (in localized areas of the Unit) in order to accommodate structural elements, mechanical and plumbing equipment. Ceiling heights may also be dropped for aesthetic purposes (to cover rough framing).

5) Total area for each Unit

The following are the approximate square footages for the Units. The approximate indoor floor area of each Unit has been measured from the exterior side of the façade or exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the midpoint of the interior Demising Walls separating the Unit from another Unit, or from the public side of the interior Demising Walls separating the Unit from the public corridors or public stairs, or from the mechanical space side of interior Demising Walls separating the Unit from an elevator or other mechanical equipment space or any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit.

The floor area occupied by any Common Elements bordering or within a Unit (such as the Building's façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit. As a result, the square footage shown are taken from points behind the walls enclosing the Unit and exceed the Unit's usable floor area. Minor inaccuracies in a Unit's square footage will not excuse a Purchaser from completing the purchase of a Unit without recourse against the Sponsor, or reduction in price.

6) **UNIT SQUARE FOOTAGE**

Location	Unit #	Square Footage	
Cellar Level	Commercial Unit #3.....	4,595 S.F.	
	Storage Unit #1.....	13.5 S.F.	
	Storage Unit #2.....	13.5 S.F.	
	Storage Unit #3.....	13.5 S.F.	
	Storage Unit #4.....	17.6 S.F.	
	Storage Unit #5.....	15.0 S.F.	
	Storage Unit #6.....	13.5 S.F.	
	Storage Unit #7.....	13.5 S.F.	
	Storage Unit #8.....	13.5 S.F.	
	Storage Unit #9.....	13.5 S.F.	
	Storage Unit #10.....	13.5 S.F.	
	Storage Unit #11.....	13.5 S.F.	
	Storage Unit #12.....	13.5 S.F.	
	Storage Unit #13.....	13.5 S.F.	
	Storage Unit #14.....	13.5 S.F.	
	Storage Unit #15.....	13.5 S.F.	
	Storage Unit #16.....	13.5 S.F.	
	Storage Unit #17.....	13.5 S.F.	
	Storage Unit #18.....	15.0 S.F.	
	Storage Unit #19.....	17.2 S.F.	(Half Height)
	Storage Unit #20.....	17.2 S.F.	(Half Height)
	Storage Unit #21.....	13.5 S.F.	(Half Height)
	Storage Unit #22.....	13.5 S.F.	(Half Height)
	Storage Unit #23.....	13.5 S.F.	(Half Height)
	Storage Unit #24.....	13.5 S.F.	(Half Height)
	Storage Unit #25.....	13.5 S.F.	(Half Height)
	Storage Unit #26.....	13.5 S.F.	(Half Height)
	Storage Unit #27.....	13.5 S.F.	(Half Height)
	Storage Unit #28.....	13.5 S.F.	(Half Height)
	Storage Unit #29.....	16.3 S.F.	
	Storage Unit #30.....	14.2 S.F.	
	Storage Unit #31.....	13.5 S.F.	
	Storage Unit #32.....	13.5 S.F.	
	Storage Unit #33.....	21.0 S.F.	
	Storage Unit #34.....	13.5 S.F.	
First Floor	Commercial Unit #1.....	2,179 S.F.	
	Commercial Unit #2.....	2,312 S.F.	
	Second Floor Roof		

	For Commercial Units	
	#1, 2 & 3.....	1,080 S.F.
Second Floor	2A.....	680 S.F.
	2B.....	868 S.F.
	2C.....	581 S.F.
	2D.....	505 S.F.
	2E.....	1,198 S.F.
	2F.....	842 S.F.
	2G.....	834 S.F.
Third Floor	3A.....	680 S.F.
	3B.....	868 S.F.
	3C.....	581 S.F.
	3D.....	505 S.F.
	3E.....	1,198 S.F.
	3F.....	842 S.F.
	3G.....	834 S.F.
Fourth Floor	4A.....	680 S.F.
	4B.....	868 S.F.
	4C.....	581 S.F.
	4D.....	505 S.F.
	4E.....	1,198 S.F.
	4F.....	842 S.F.
	4G.....	834 S.F.
Fifth Floor	5A.....	680 S.F.
	5B.....	868 S.F.
	5C.....	581 S.F.
	5D.....	505 S.F.
	5E.....	1,198 S.F.
	5F.....	842 S.F.
	5G.....	834 S.F.
Sixth Floor	6A.....	680 S.F.
	6B.....	868 S.F.
	6C.....	581 S.F.
	6D.....	505 S.F.
	6E.....	1,198 S.F.
	6F.....	842 S.F.
	6G.....	834 S.F.
Seventh Floor	7A.....	680 S.F.
	7B.....	868 S.F.

	7C.....	581 S.F.
	7D.....	505 S.F.
	7E.....	1,198 S.F.
	7F.....	842 S.F.
	7G.....	834 S.F.
Eighth Floor	8A.....	680 S.F.
	8B.....	868 S.F.
	8C.....	581 S.F.
	8D.....	505 S.F.
	8E.....	1,198 S.F.
	8F.....	842 S.F.
	8G.....	834 S.F.
Ninth Floor	9A.....	680 S.F.
	9B.....	868 S.F.
	9C.....	581 S.F.
	9D.....	505 S.F.
	9E.....	1,198 S.F.
	9F.....	842 S.F.
	9G.....	834 S.F.
Tenth Floor	10A.....	680 S.F.
	10B.....	868 S.F.
	10C.....	581 S.F.
	10D.....	505 S.F.
	10E.....	1,198 S.F.
	10F.....	842 S.F.
	10G.....	834 S.F.
Eleventh Floor	11A.....	1,218 S.F
	Terrace	142 S.F.
	11B.....	1,139 S.F.
	Terraces	
	a.....	40 S.F.
	b.....	196 S.F.
	11C.....	840 S.F.
	Terraces	
	a.....	40 S.F.
	b.....	288 S.F.
	11D.....	1,166 S.F.
	Terrace	422 S.F.

Twelfth Floor	12A.....	1,218 S.F.
	12B.....	1,139 S.F.
	12C.....	840 S.F.
	12D.....	1,166 S.F.
Thirteenth Floor	PHA.....	1,789 S.F.
	Terraces	
	a.....	299 S.F.
	b.....	251 S.F.
Thirteeenth/Fourteenth Floor	PHB.....	2,405 S.F.
	Terraces	
	a.....	469 S.F.
	b.....	618 S.F.
	c.....	1,324 S.F.

AA) ASBESTOS

Mr. Mark Rutstein, certified asbestos investigator #106339 from Environmental Consulting and Management Services, Inc.has prepared a report titled "Asbestos-Containing Materials – Limited Assessment" dated June 26, 2007. Refer to the report for results.

Should any asbestos be discovered in any areas, once the condominium has been established, it will be the responsibility of the Board of Managers to formulate an Operations and Maintenance (O & M) Program for dealing with asbestos.

BB) ADDITIONAL INFORMATION

(1) Mixed-use zoning district

Prospective purchasers and occupants of the Residential Units should be aware that the Residential Units are located in a mixed-use building zoning district containing retail uses and commercial uses within the building and in adjacent properties. Prospective purchasers should make any investigation they deem necessary to determine that the conditions existing or permitted to exist are not offensive to such prospective purchasers.

(2) Lead-based paint

Based on the age of the Building, lead-based paint would have been used in the painting of some surfaces of the Building as discussed in the Special Risk section below. Painting over lead-based paint surface does not suffice for removal or encapsulation. Purchasers contemplating alterations that will penetrate or disturb refinished surfaces (such as ceilings) should consult a qualified consultant or contractor for the recommended protocol to avoid potential lead-based paint dust contamination.

3) Radon

The Building has not been tested for Radon. According to area radon information from the U.S. Dept. of Interior and U.S. Geological Survey's Geological Radon Potential, dated 1993, Manhattan has an average radon concentration of 1.5 picocuries per liter (pCi/L). Since the USEPA action level for residential radon is 4.0 pCi/L, the Building is not considered to be in a radon prone area.

4) Roof rights

Some of the roof areas of the Building will be used as Terraces appurtenant to Units as Limited Common Elements. The remaining areas consisting of the second floor rear yard roof is part of the Commercial Unit, the Building's rear yard roof is a Residential Common Element.

CC) SPECIAL RISKS

1) Waivers

The Sponsor has not undertaken to correct or repair any existing conditions noted in this Report including this Special Risk Section, unless otherwise expressly provided.

2) Lead-base paint

Based on the age of the Building, lead-based paint would have been used in the painting of some surfaces of the original Building. Site observation, however, did not indicate areas of peeling paint meaning that the paint was intact on the walls and ceilings. The Sponsor does not intend to remove any lead-based paint that may be in the Building, except to the extent required by law, or removed in connection with the Sponsor's Plans and Specifications for the partial rehabilitation of the Building. In the future if the walls and ceilings of the Residential Units are demolished or altered, code approved provisions for treatment of lead-based paint surfaces will need to be followed including approval of the Board of Managers if testing reveals the presence of lead-based paint.

3). Asbestos

Notwithstanding the filing of ACP-5 or ACP-7 reports which the Sponsor may file, the Sponsor makes no representation that any Units or common areas are free of asbestos or asbestos carrying materials. If asbestos is present in the Building, the Board of Managers would need to institute an operations and maintenance (O&M) program.

4.) The Balconies/Terraces may not be used for any type of occupancy-including not limited to sleeping, living, office, etc. To do so may result in a violation against the Building being issued by the New York City Buildings Department.

5.) The Storage Units may not be used for any type of occupancy-including but not limited to dining, sleeping, living room, recreation room, office etc. To do so may

result in a violation against the Building being issued by the New York City Buildings Department.

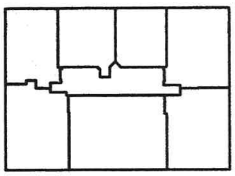
6). The Storage Units/spaces may not be used for Combustible Items ad defined in the Building Code. No storage of clothing, furniture, books, papers, or any combustible items will be permitted.

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

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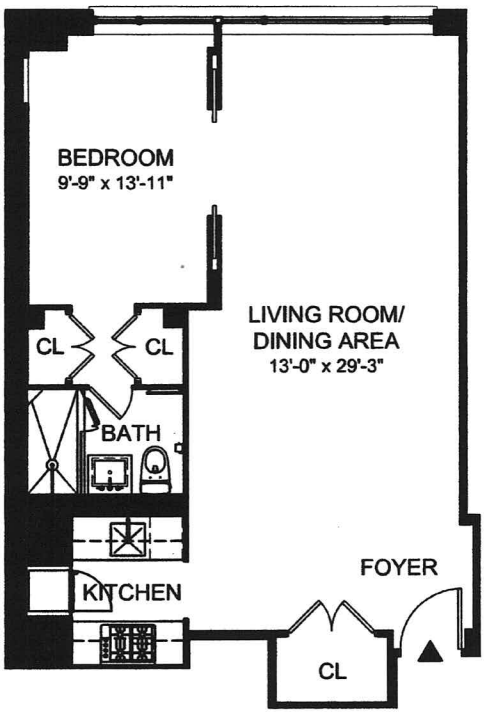
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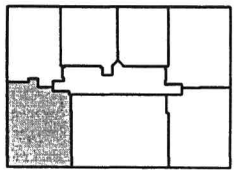
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7A, 8A, 9A, 10A .... 680 SQ. FT.

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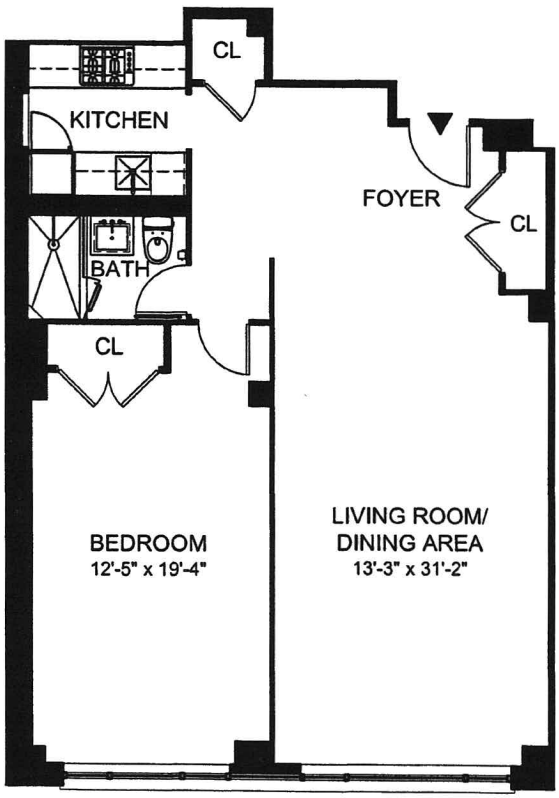
The Unit Layout, square footage and dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. This floor plan is based on typical field measurements. Minor inaccuracies between this floor plan and the actual Unit Layout will not excuse a Purchaser from completing the purchase of a Unit without abatement in price and without recourse against the Sponsor. Sponsor reserves the right to make changes to a Unit in accordance with the Offering Plan.

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK



KEY PLAN



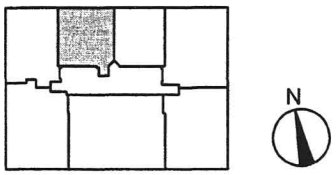
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7B, 8B, 9B, 10B .... 868 SQ. FT.



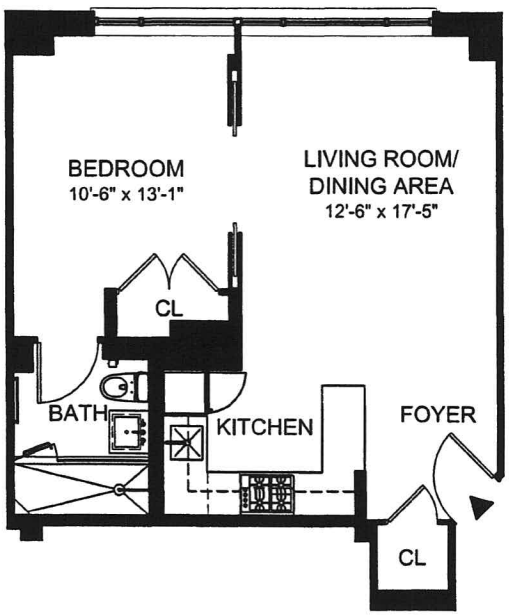
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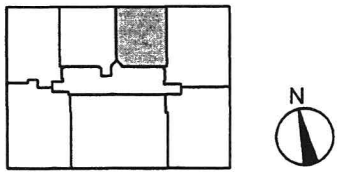
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7C, 8C, 9C, 10C .... 581 SQ. FT.

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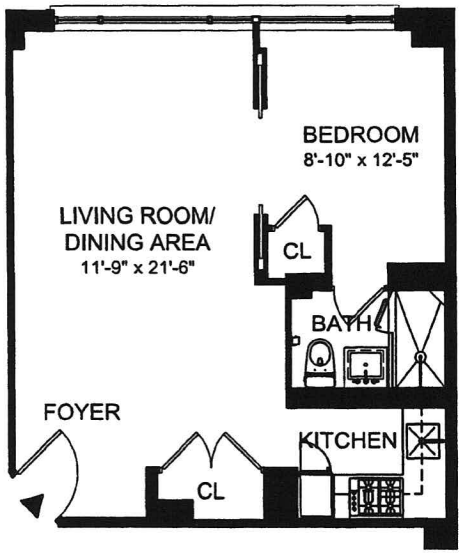
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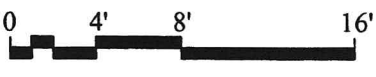
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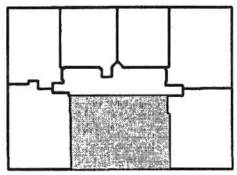
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7D, 8D, 9D, 10D .... 505 SQ. FT.



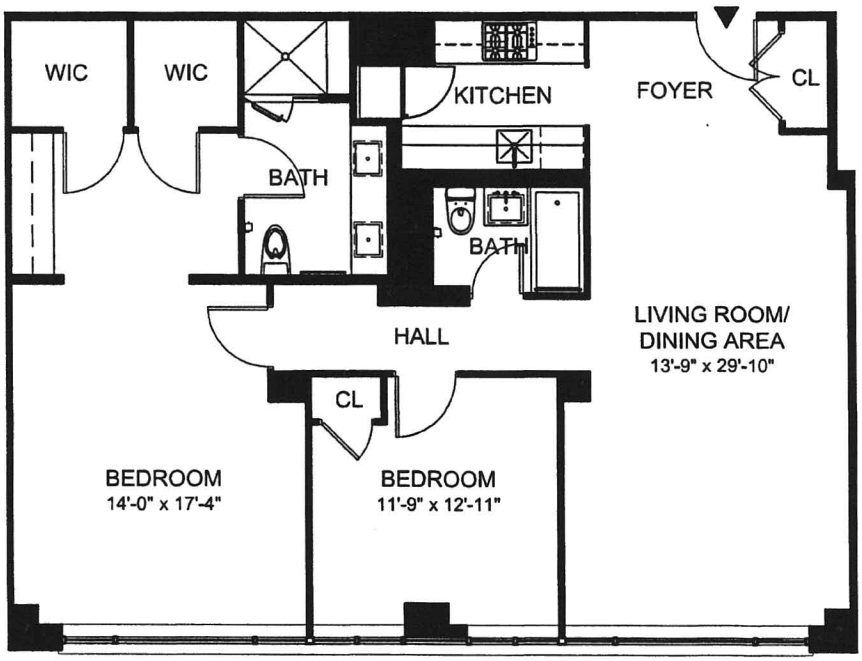
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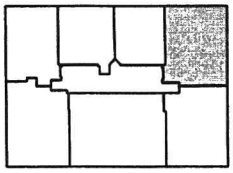
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7E, 8E, 9E, 10E .... 1,198 SQ. FT.

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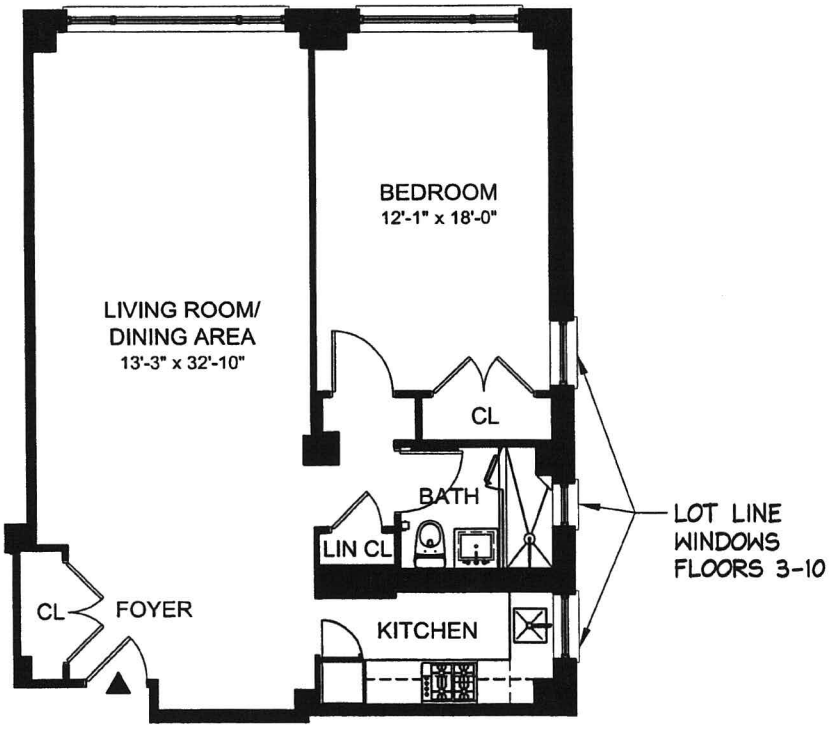
The Unit Layout, square footage and dimensions are approximate and subject to normal construction variances and tolerances. Square footage exceeds the usable floor area. This floor plan is based on typical field measurements. Minor inaccuracies between this floor plan and the actual Unit Layout will not excuse a Purchaser from completing the purchase of a Unit without abatement in price and without recourse against the Sponsor. Sponsor reserves the right to make changes to a Unit in accordance with the Offering Plan.

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK



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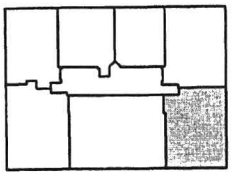
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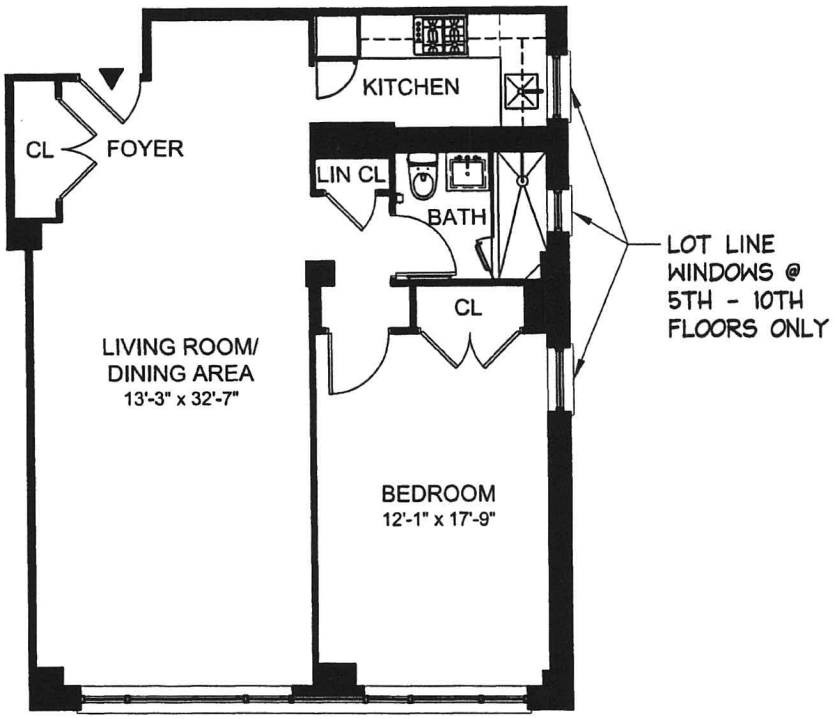
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211 EAST 51st STREET CONDOMINIUM

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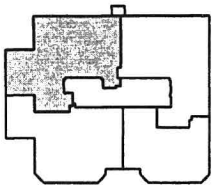
RESIDENTIAL UNITS #2G, 3G, 4G, 5G, 6G,
7G, 8G, 9G, 10G .... 834 SQ. FT.

0 4' 8' 16'

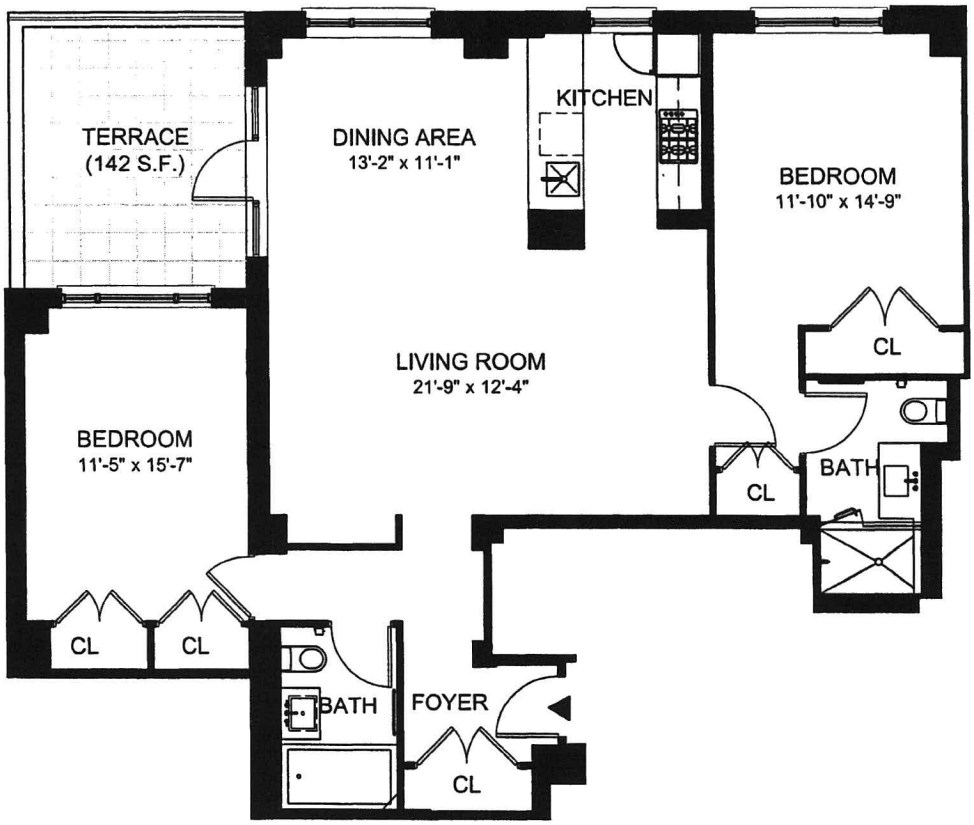
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211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK



KEY PLAN



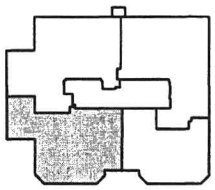
RESIDENTIAL UNIT #11A .... 1,218 SQ. FT.
TERRACE .... 142 SQ. FT.

0 4' 8' 16'

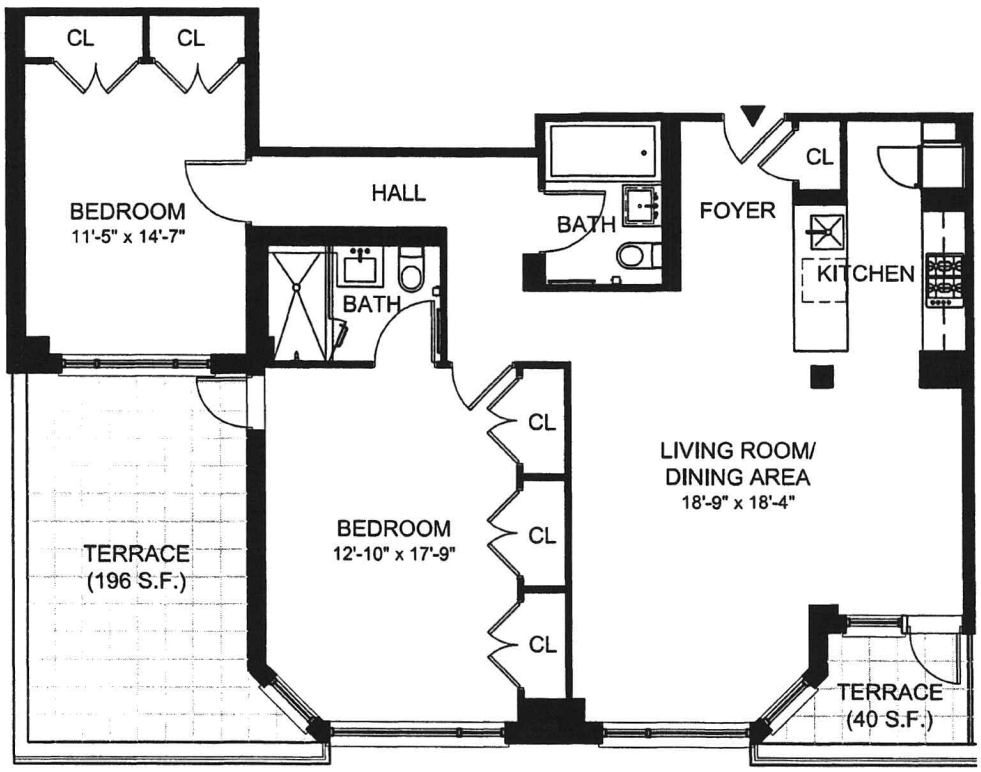
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211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK



KEY PLAN



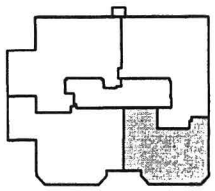
RESIDENTIAL UNIT #11B .... 1,139 SQ. FT.
TWO TERRACES .... 196 SQ. FT. & 40 SQ. FT.

0 4' 8' 16'

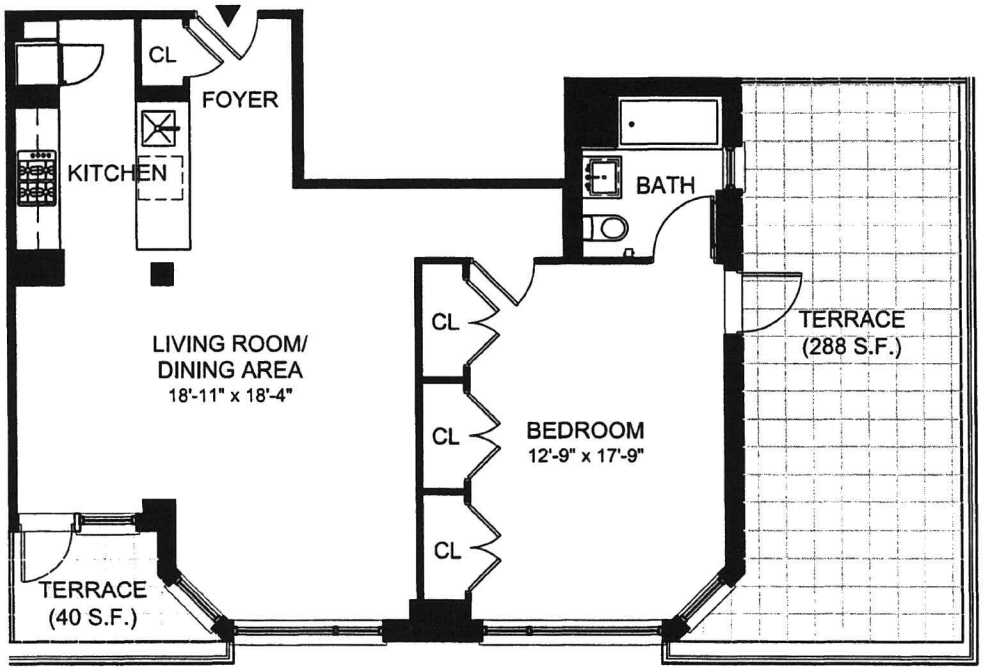
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211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK



KEY PLAN



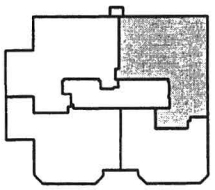
RESIDENTIAL UNIT #11C .... 840 SQ. FT.
TWO TERRACES .... 288 SQ. FT. & 40 SQ. FT.

0 4' 8' 16'

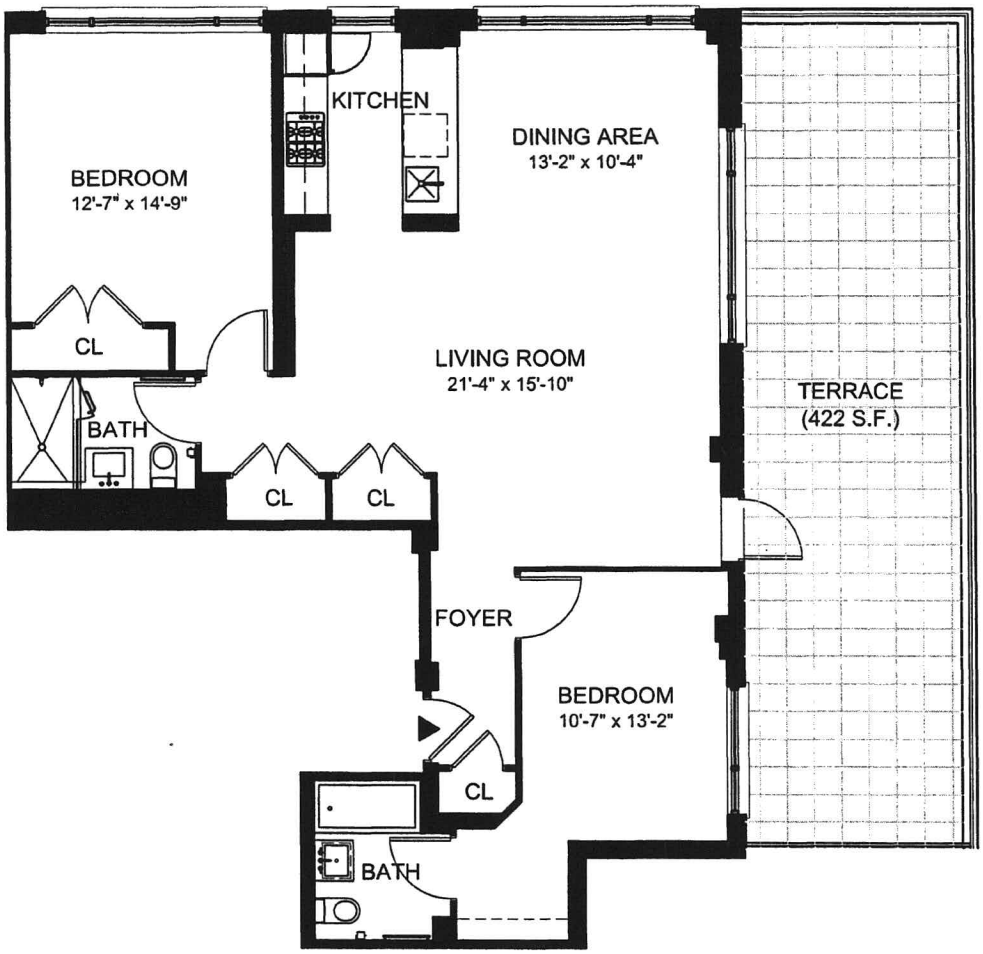
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211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK



KEY PLAN



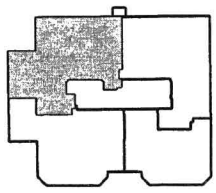
RESIDENTIAL UNIT #11D .... 1,166 SQ. FT.
TERRACE .... 422 SQ. FT.

0 4' 8' 16'

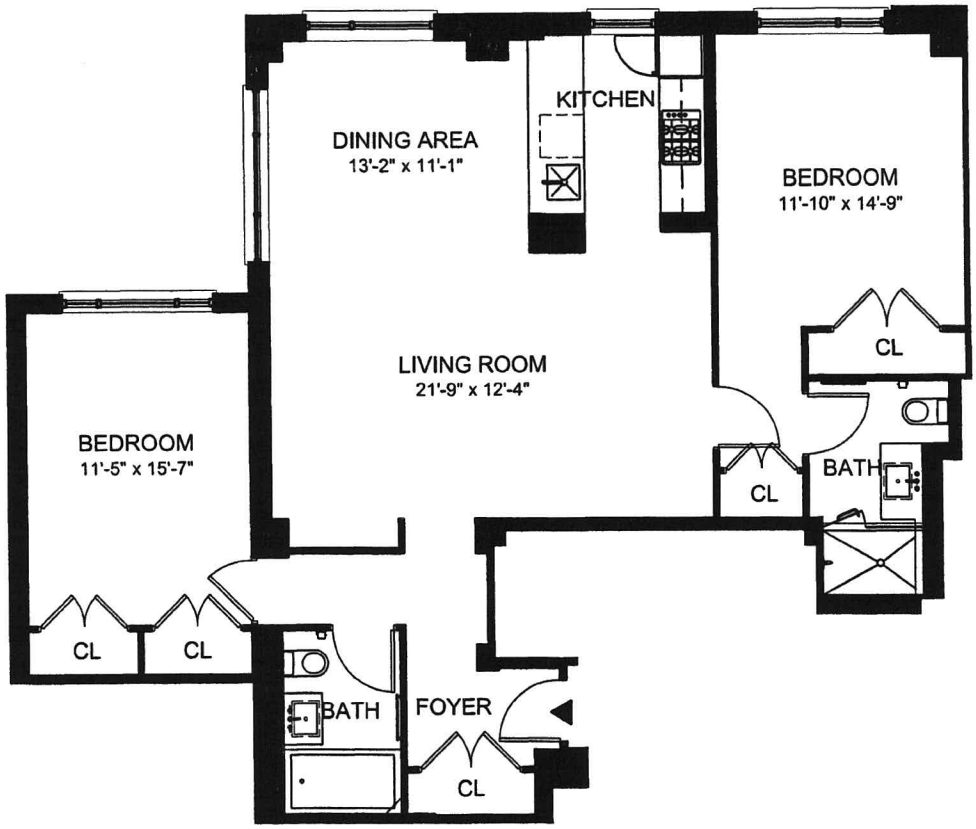
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211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK



KEY PLAN



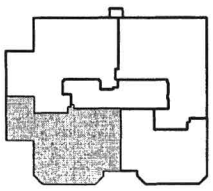
RESIDENTIAL UNIT #12A .... 1,218 SQ. FT.

0 4' 8' 16'

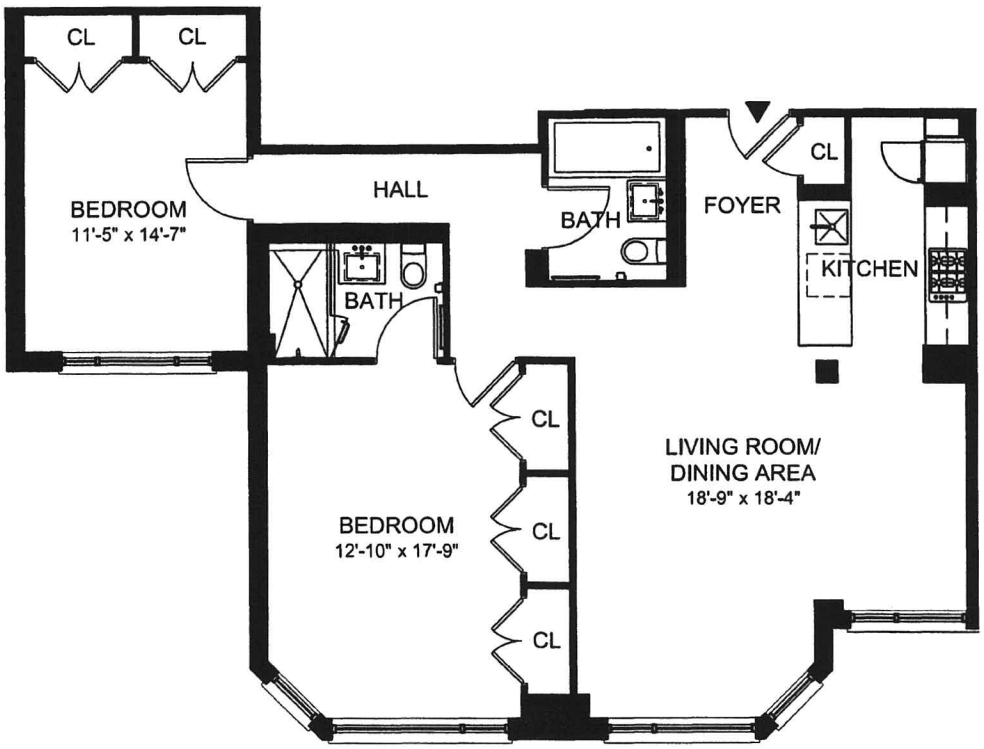
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211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK



KEY PLAN



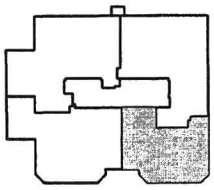
RESIDENTIAL UNIT #12B .... 1,139 SQ. FT.

0 4' 8' 16'

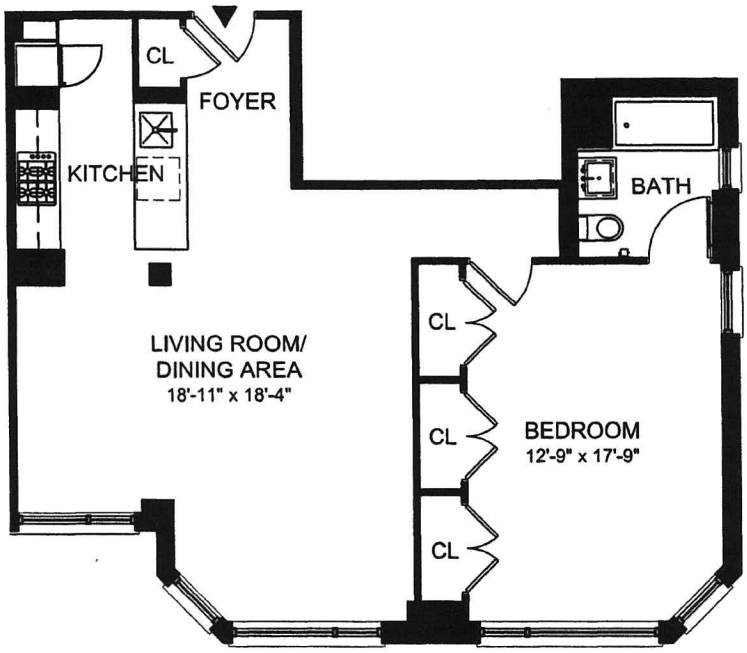
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211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK



KEY PLAN



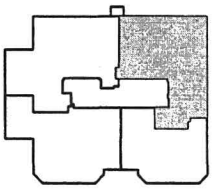
RESIDENTIAL UNIT #12C .... 840 SQ. FT.

0 4' 8' 16'

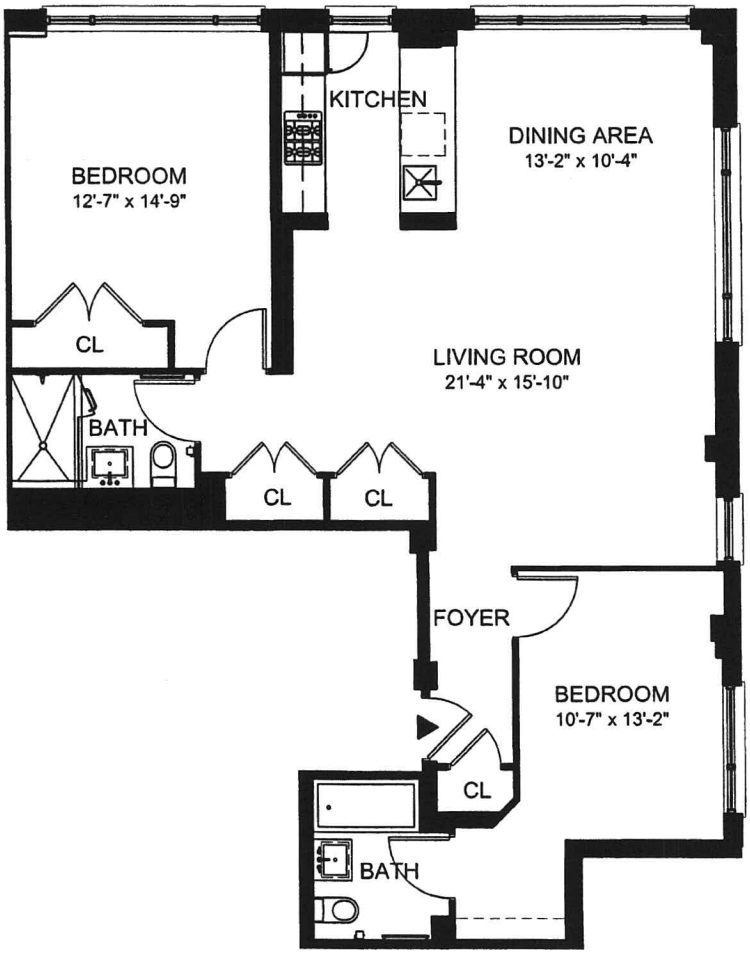
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211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK



KEY PLAN



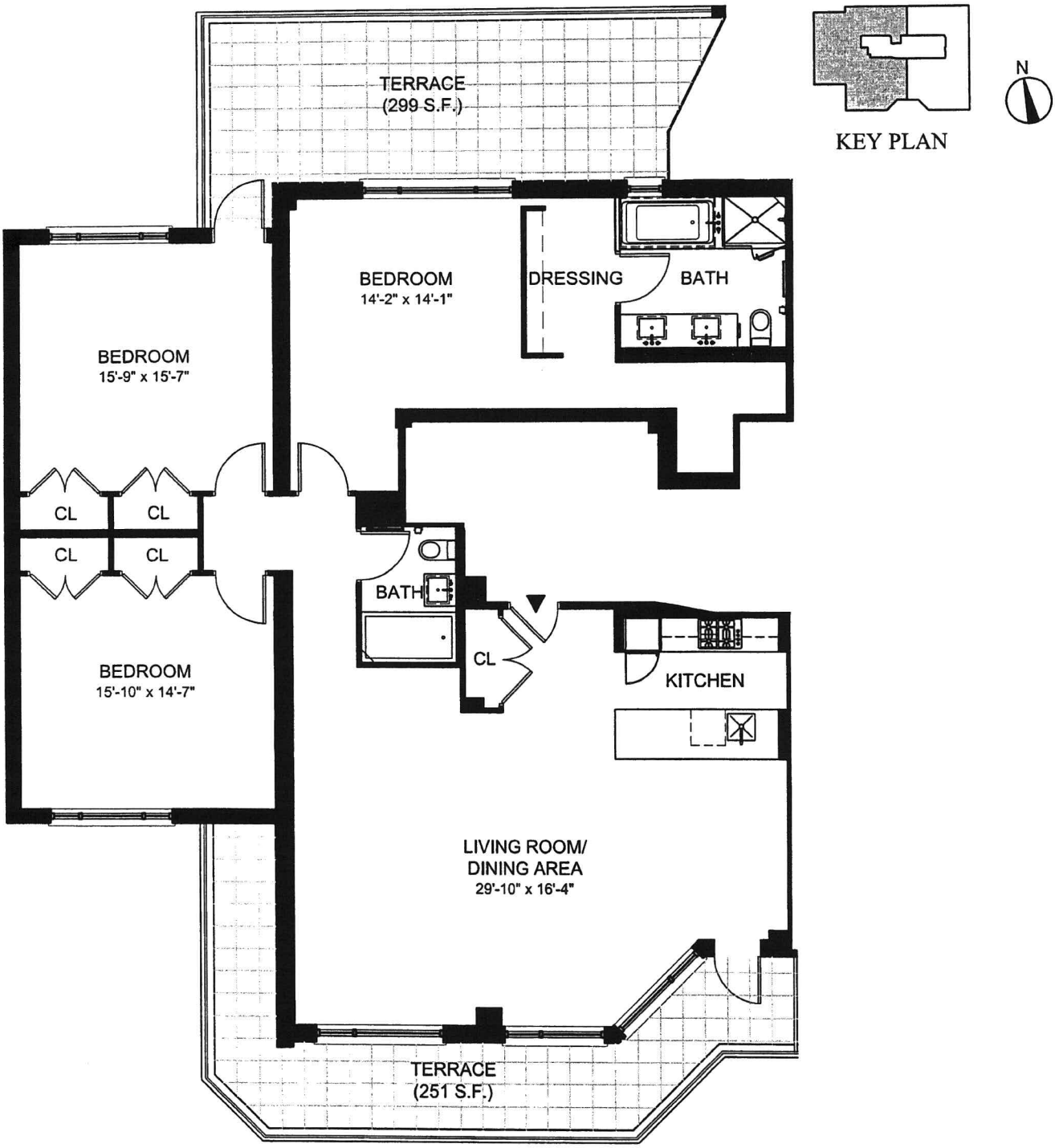
RESIDENTIAL UNIT #12D .... 1,166 SQ. FT.

0 4' 8' 16'

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211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK

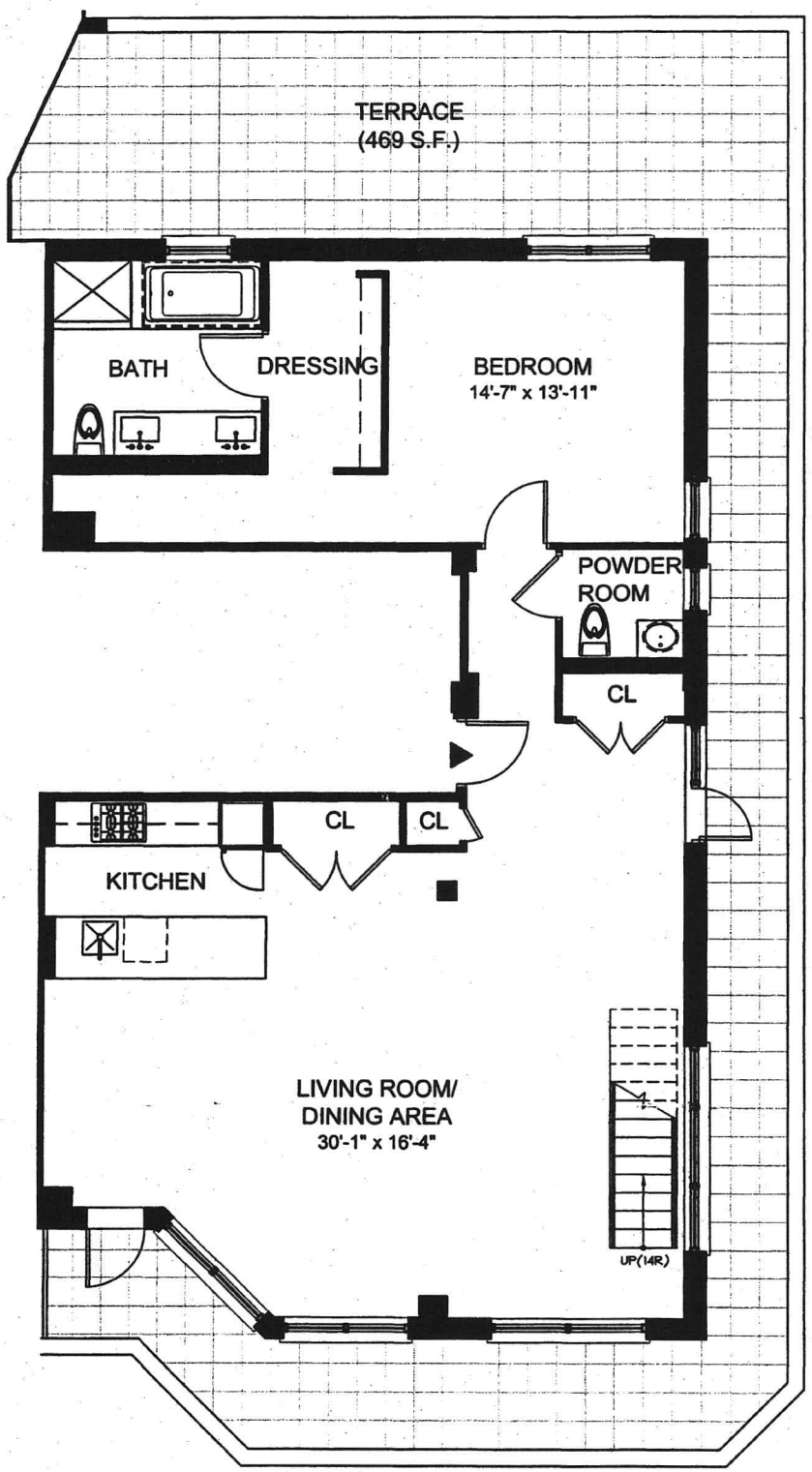


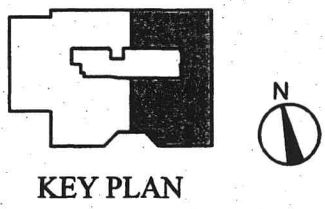
RESIDENTIAL UNIT #PHA .... 1,789 SQ. FT.
TWO TERRACES .... 251 SQ. FT. & 299 SQ. FT.

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211 EAST 51st STREET CONDOMINIUM

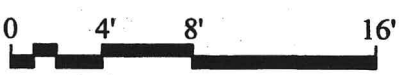
211 EAST 51st STREET NEW YORK, NEW YORK





KEY PLAN

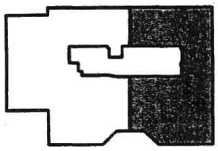
RESIDENTIAL UNIT #PHB .... 2,405 SQ. FT.
THREE TERRACES .... 469 SQ. FT., 618 SQ. FT. & 1,324 SQ. FT.



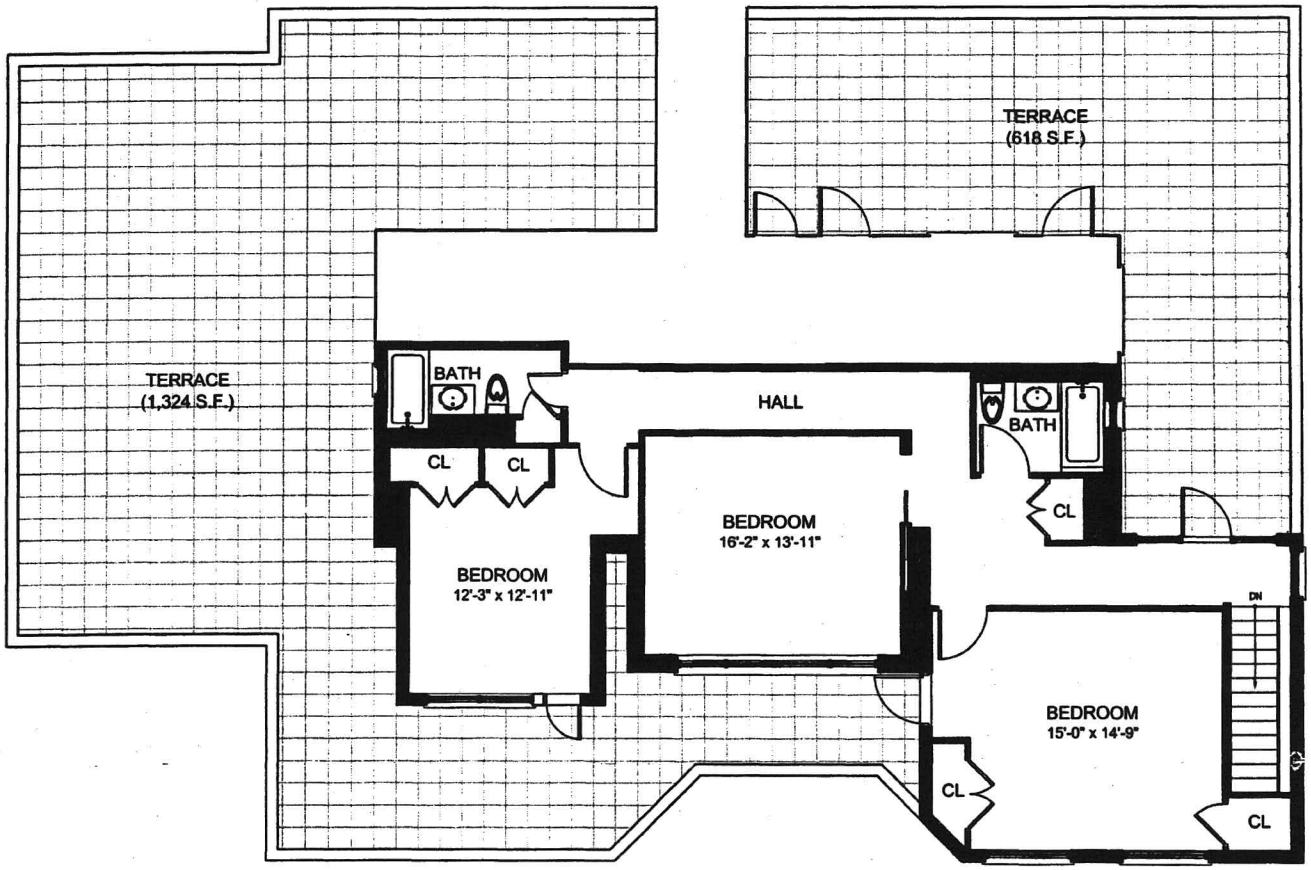
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211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET NEW YORK, NEW YORK



KEY PLAN

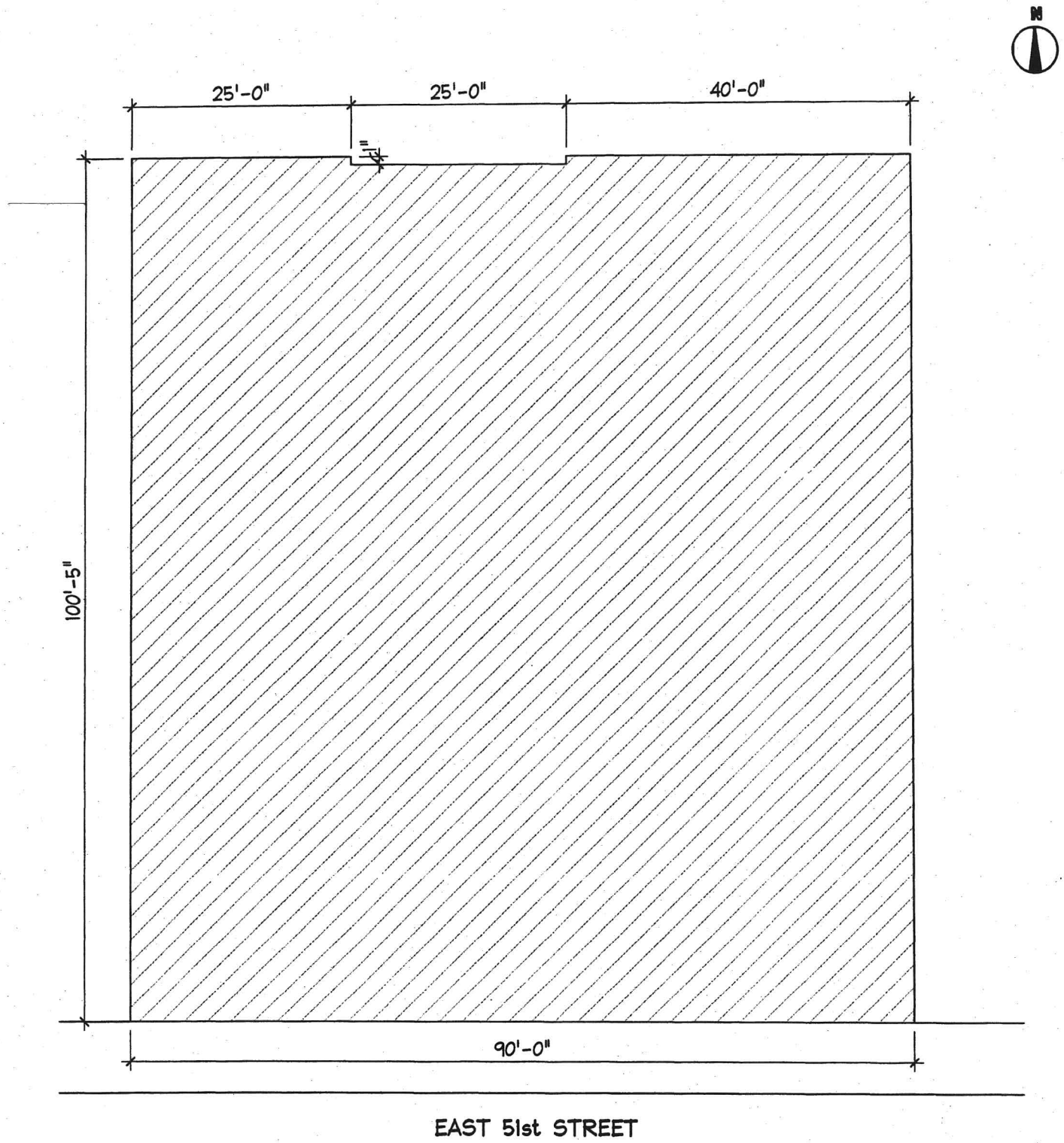


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THREE TERRACES .... 469 SQ. FT., 618 SQ. FT. & 1,324 SQ. FT.

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211 EAST 51st STREET CONDOMINIUM

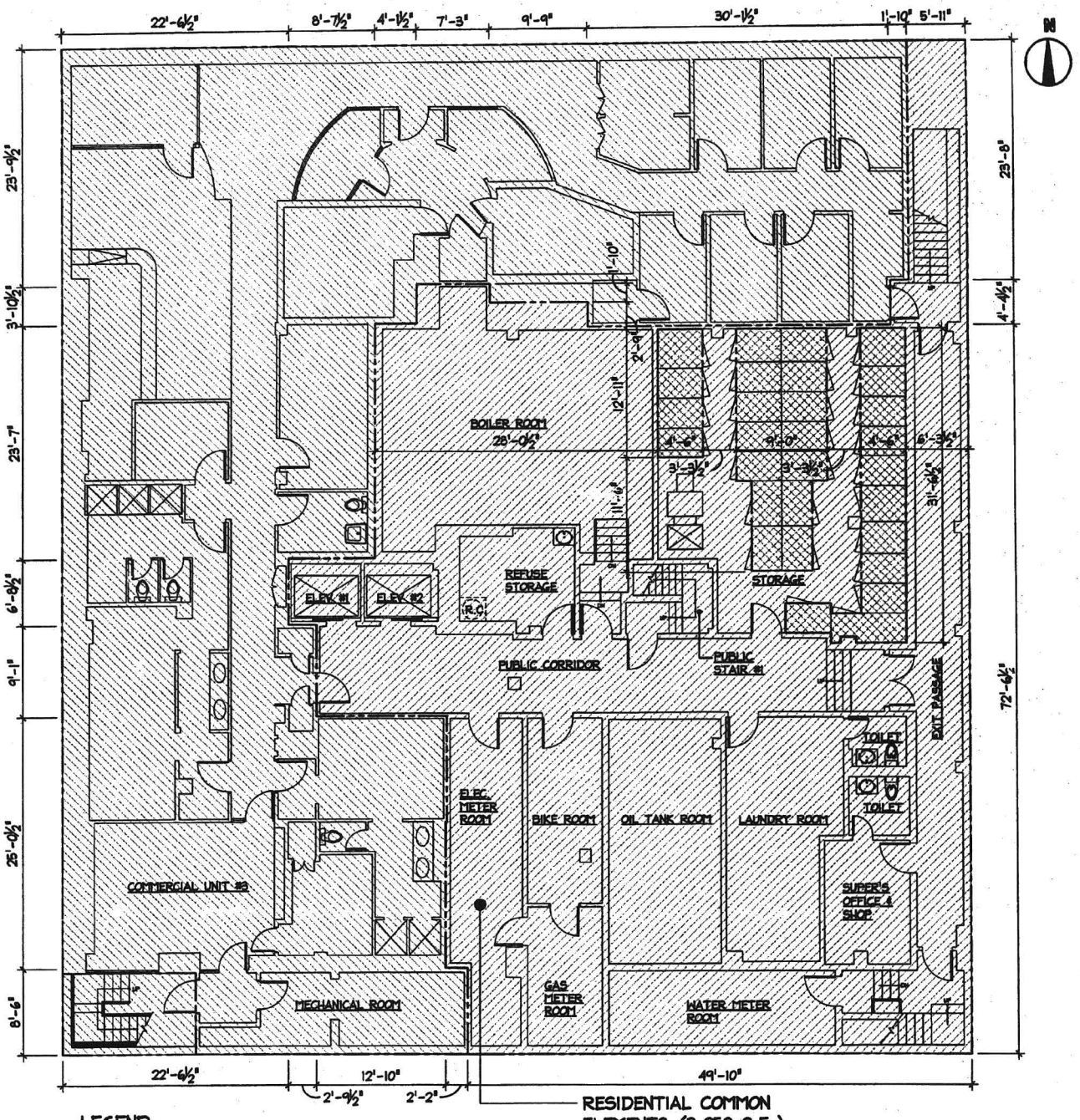
211 EAST 51st STREET NEW YORK, NEW YORK



PLOT PLAN

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET T NEW YORK, NEW YORK



LEGEND:

- RESIDENTIAL UNIT
- STORAGE UNIT
- RESIDENTIAL LIMITED COMMON ELEMENTS
- COMMERCIAL UNIT
- RESIDENTIAL COMMON ELEMENTS

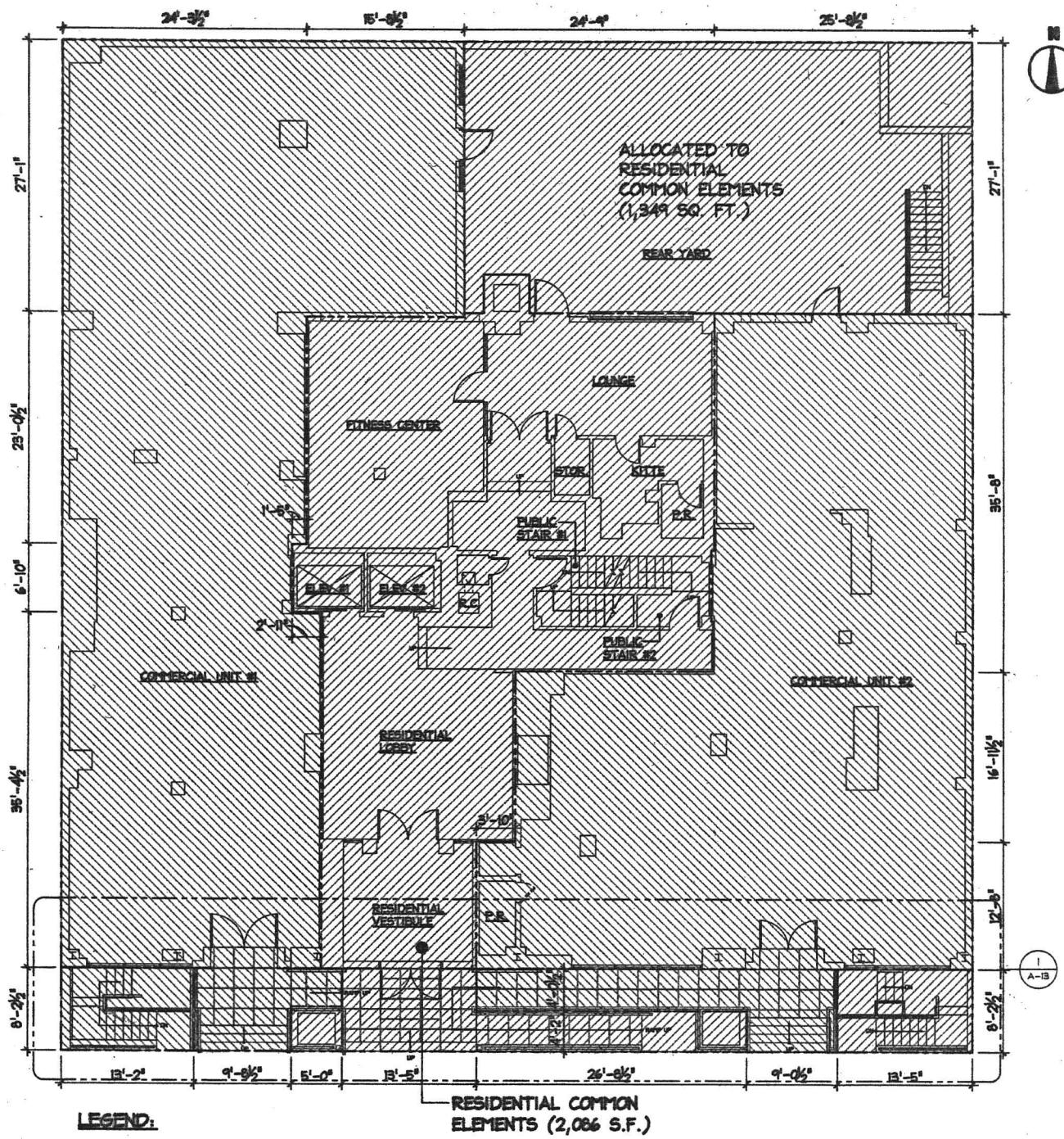
CELLAR PLAN

DIAGRAM OF ROOMS & COMMON ELEMENTS

ALL DIMENSIONS APPROXIMATE

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET T NEW YORK, NEW YORK



LEGEND:

- RESIDENTIAL UNIT
- RESIDENTIAL LIMITED COMMON ELEMENTS
- RESIDENTIAL COMMON ELEMENTS
- STORAGE UNIT
- COMMERCIAL UNIT

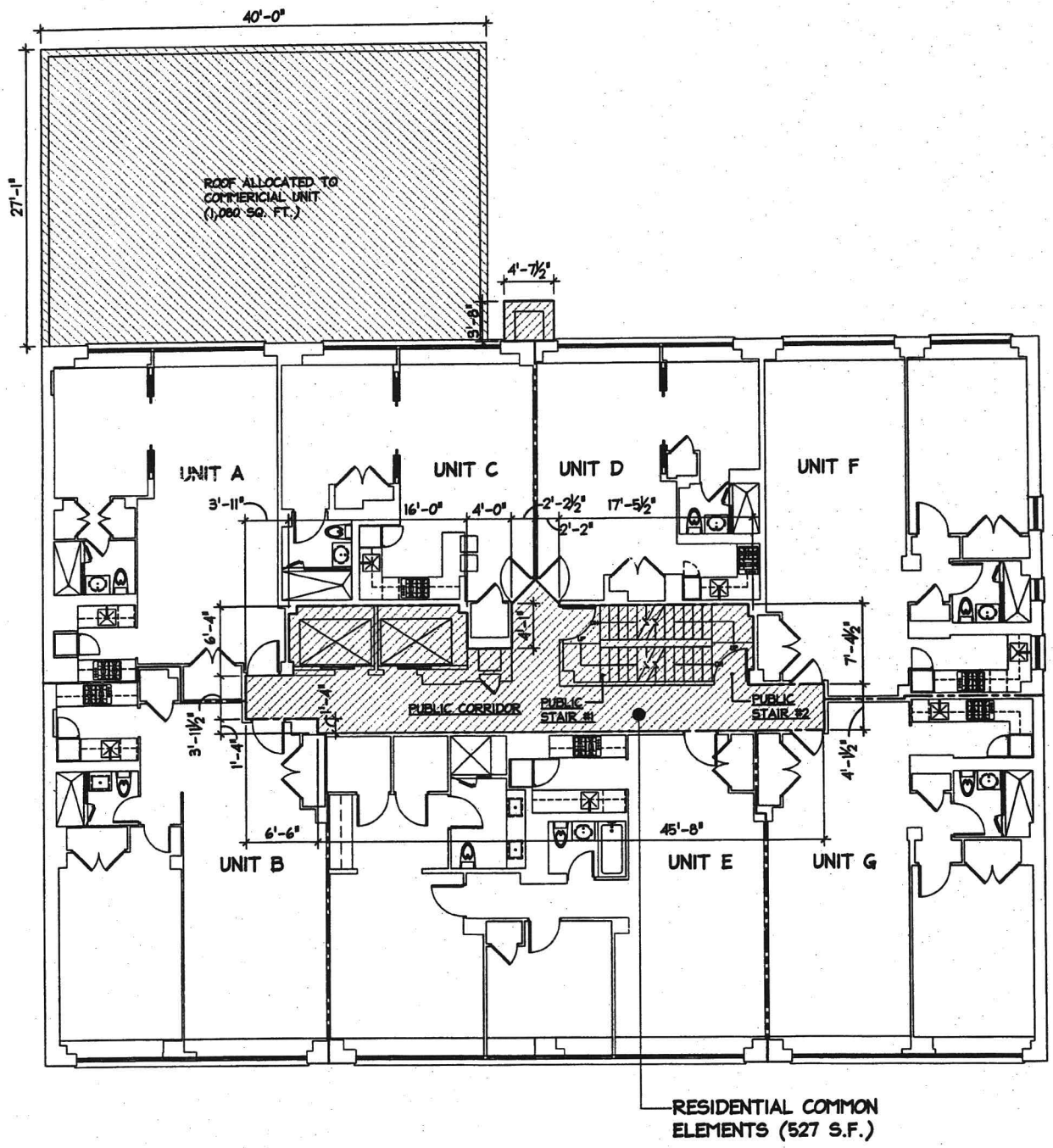
FIRST FLOOR PLAN

DIAGRAM OF ROOMS & COMMON ELEMENTS

ALL DIMENSIONS APPROXIMATE

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET T NEW YORK, NEW YORK



LEGEND:

- RESIDENTIAL UNIT
- STORAGE UNIT
- RESIDENTIAL LIMITED COMMON ELEMENTS
- COMMERCIAL UNIT
- RESIDENTIAL COMMON ELEMENTS

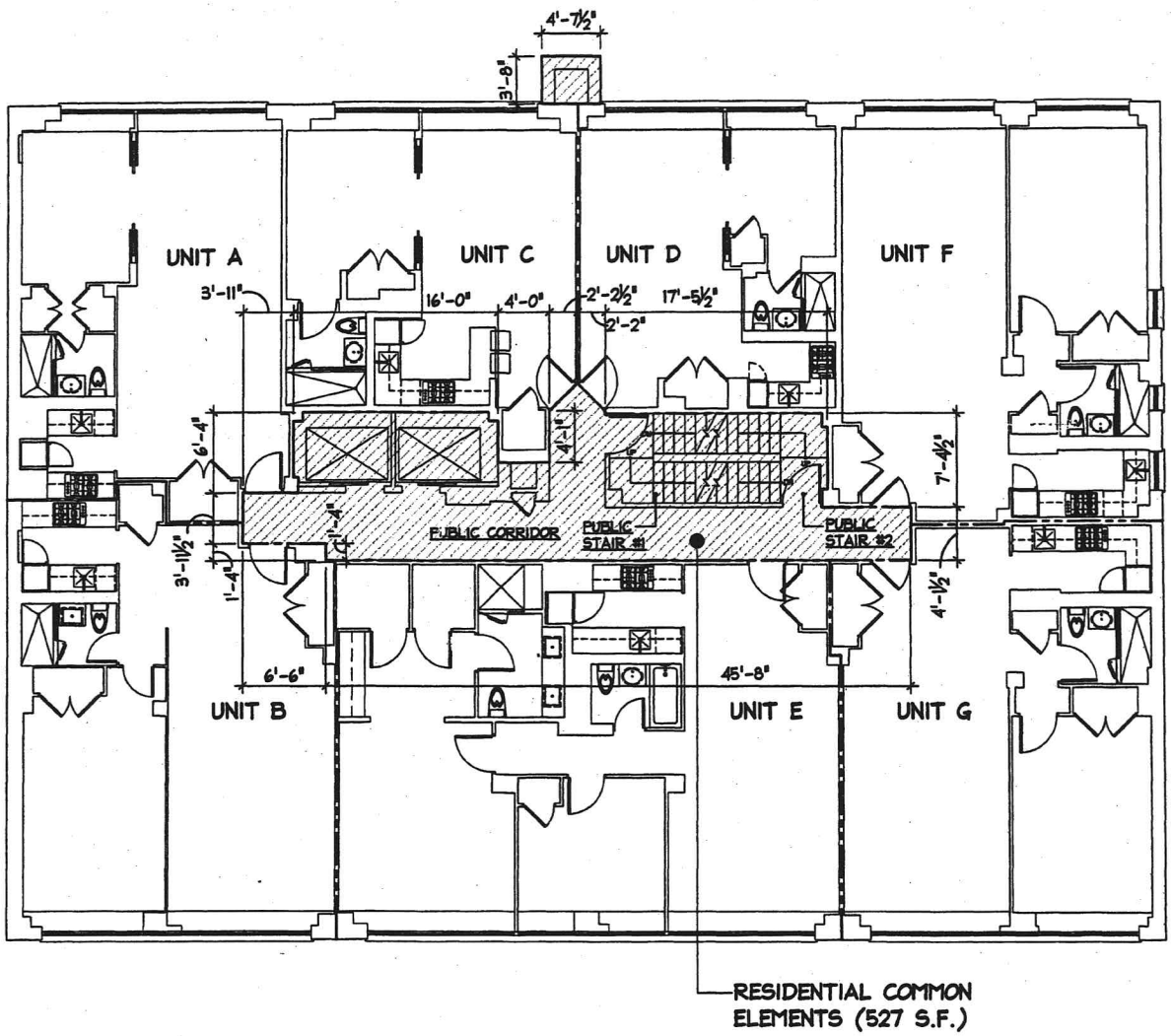
SECOND FLOOR PLAN

DIAGRAM OF ROOMS & COMMON ELEMENTS

ALL DIMENSIONS APPROXIMATE

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET T NEW YORK, NEW YORK



LEGEND:

- RESIDENTIAL UNIT
- RESIDENTIAL LIMITED COMMON ELEMENTS
- RESIDENTIAL COMMON ELEMENTS
- STORAGE UNIT
- COMMERCIAL UNIT

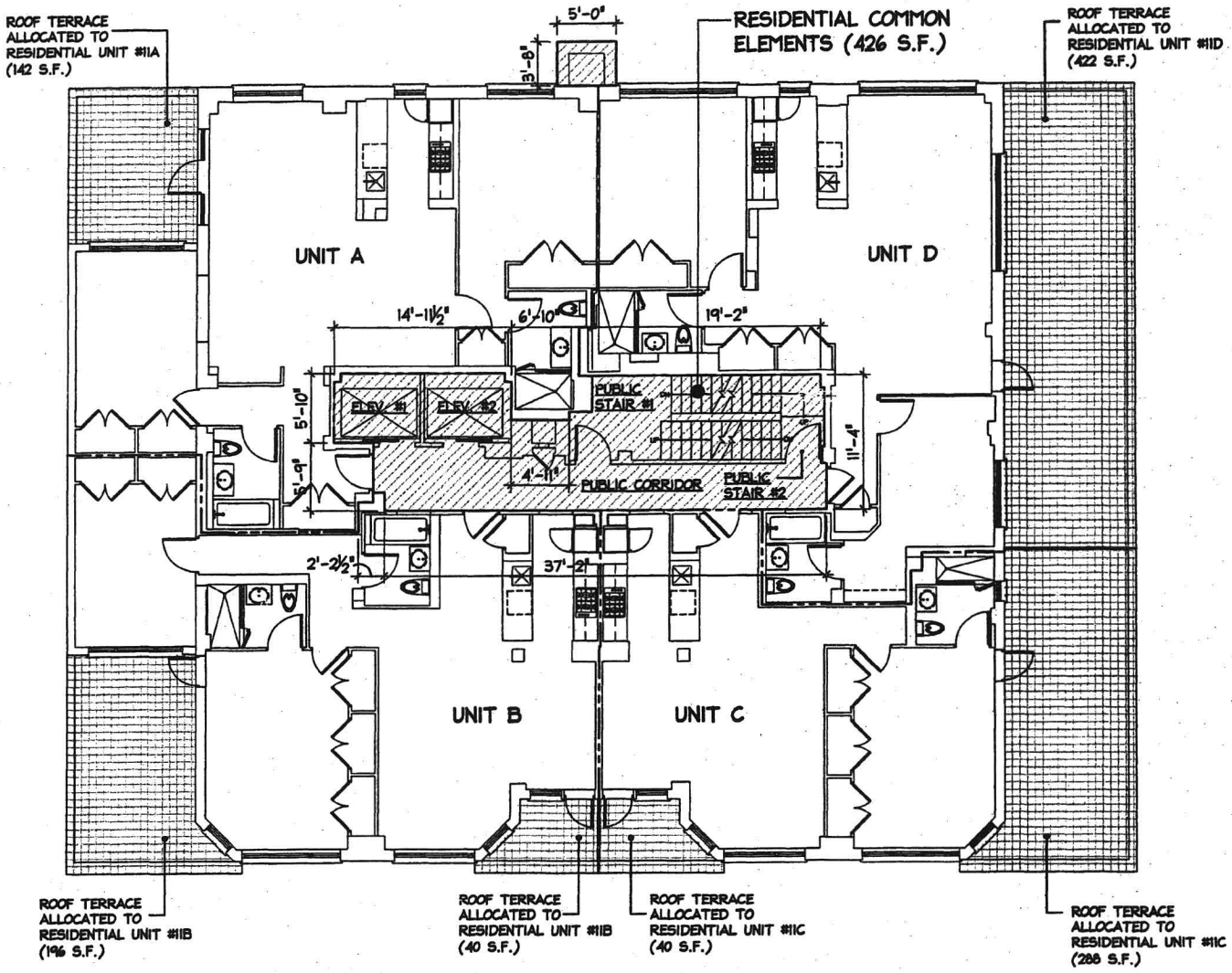
TYPICAL FLOOR PLAN (3rd TO 10th FLOORS)

DIAGRAM OF ROOMS & COMMON ELEMENTS

ALL DIMENSIONS APPROXIMATE

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET T NEW YORK, NEW YORK



LEGEND:

- RESIDENTIAL UNIT
- RESIDENTIAL LIMITED COMMON ELEMENTS
- RESIDENTIAL COMMON ELEMENTS
- STORAGE UNIT
- COMMERCIAL UNIT

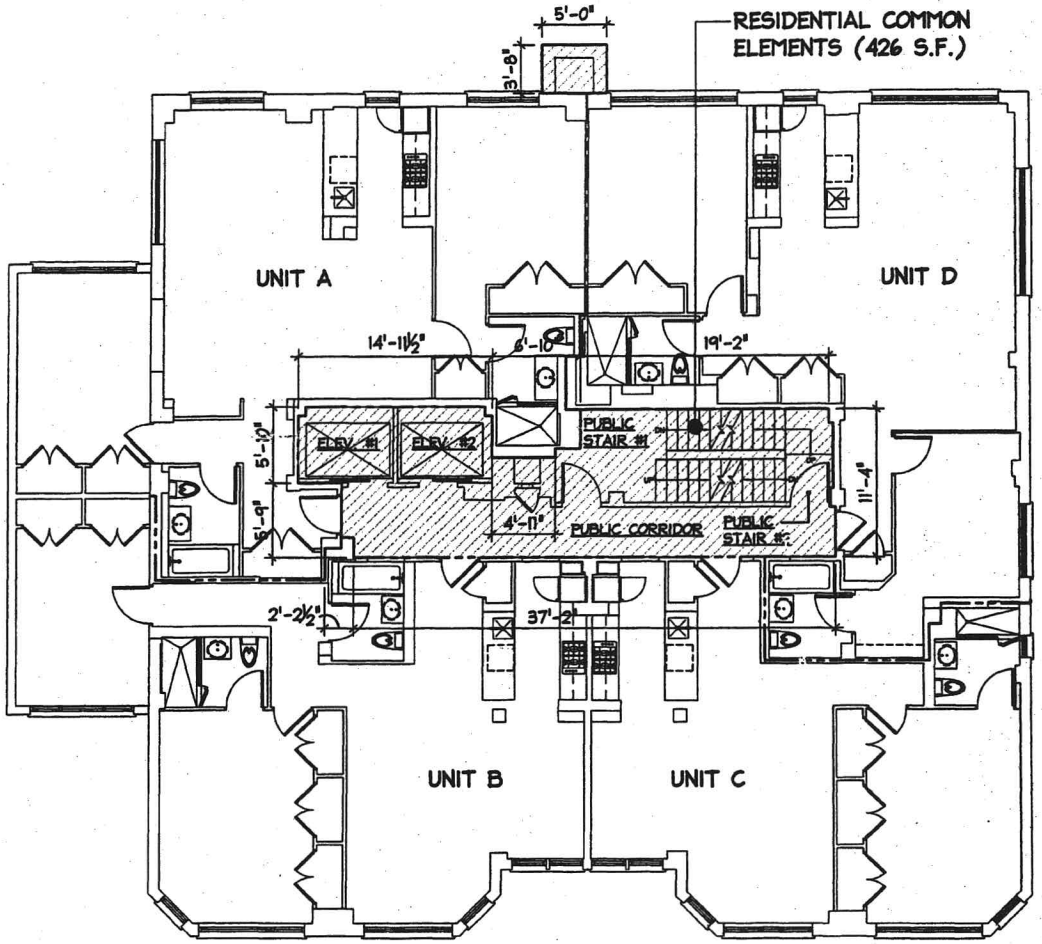
ELEVENTH FLOOR PLAN

DIAGRAM OF ROOMS & COMMON ELEMENTS

ALL DIMENSIONS APPROXIMATE

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET T NEW YORK, NEW YORK



LEGEND:

- RESIDENTIAL UNIT
- RESIDENTIAL LIMITED COMMON ELEMENTS
- RESIDENTIAL COMMON ELEMENTS
- STORAGE UNIT
- COMMERCIAL UNIT

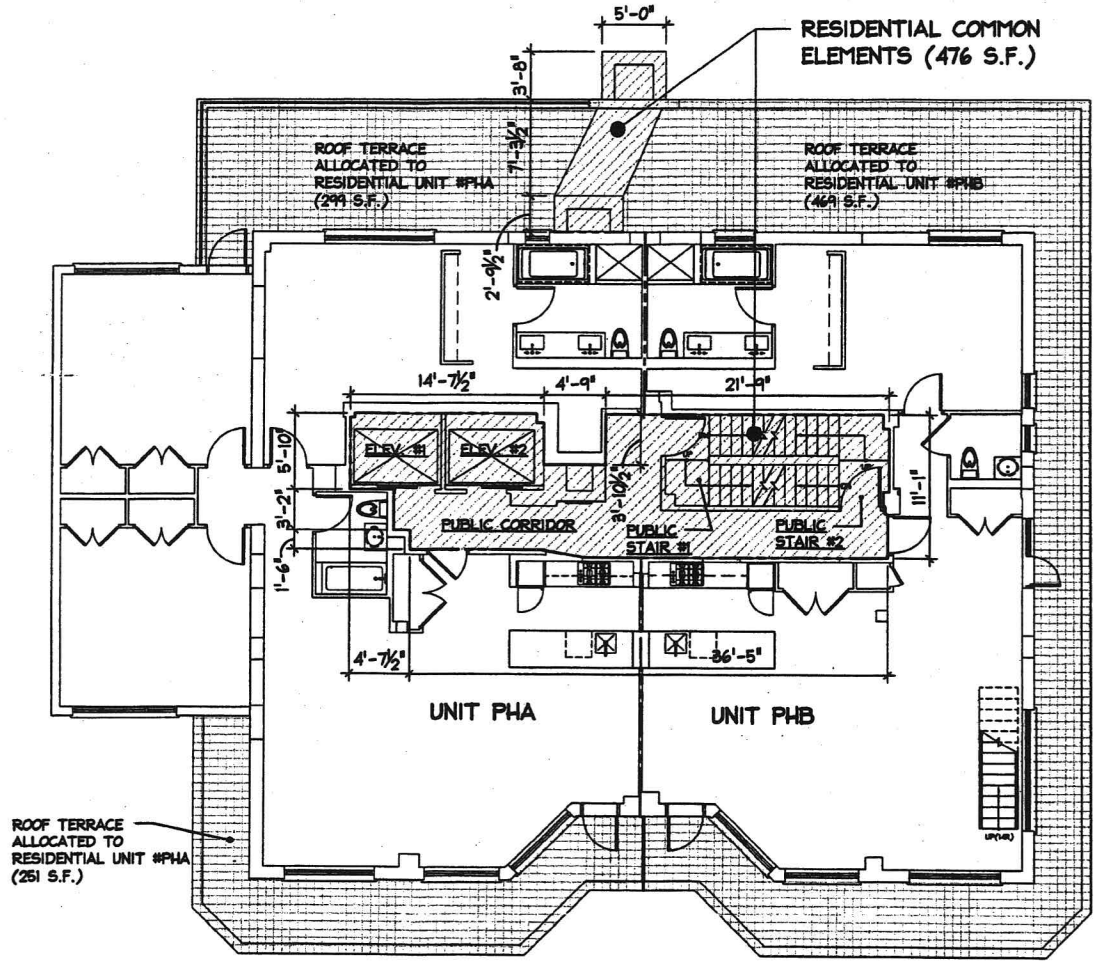
TWELFTH FLOOR PLAN

DIAGRAM OF ROOMS & COMMON ELEMENTS

ALL DIMENSIONS APPROXIMATE

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET T NEW YORK, NEW YORK



LEGEND:

- RESIDENTIAL UNIT
- RESIDENTIAL LIMITED COMMON ELEMENTS
- RESIDENTIAL COMMON ELEMENTS
- STORAGE UNIT
- COMMERCIAL UNIT

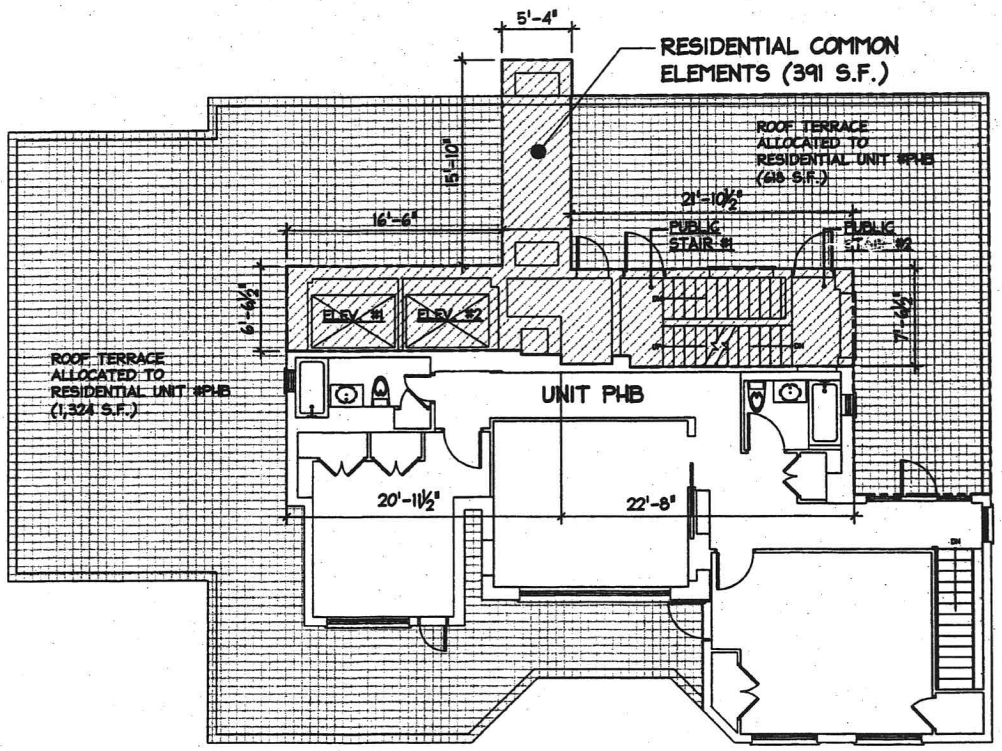
THIRTEENTH FLOOR PLAN (LOWER PENTHOUSE)

DIAGRAM OF ROOMS & COMMON ELEMENTS

ALL DIMENSIONS APPROXIMATE

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET T NEW YORK, NEW YORK



LEGEND:

- RESIDENTIAL UNIT
- RESIDENTIAL LIMITED COMMON ELEMENTS
- RESIDENTIAL COMMON ELEMENTS
- STORAGE UNIT
- COMMERCIAL UNIT

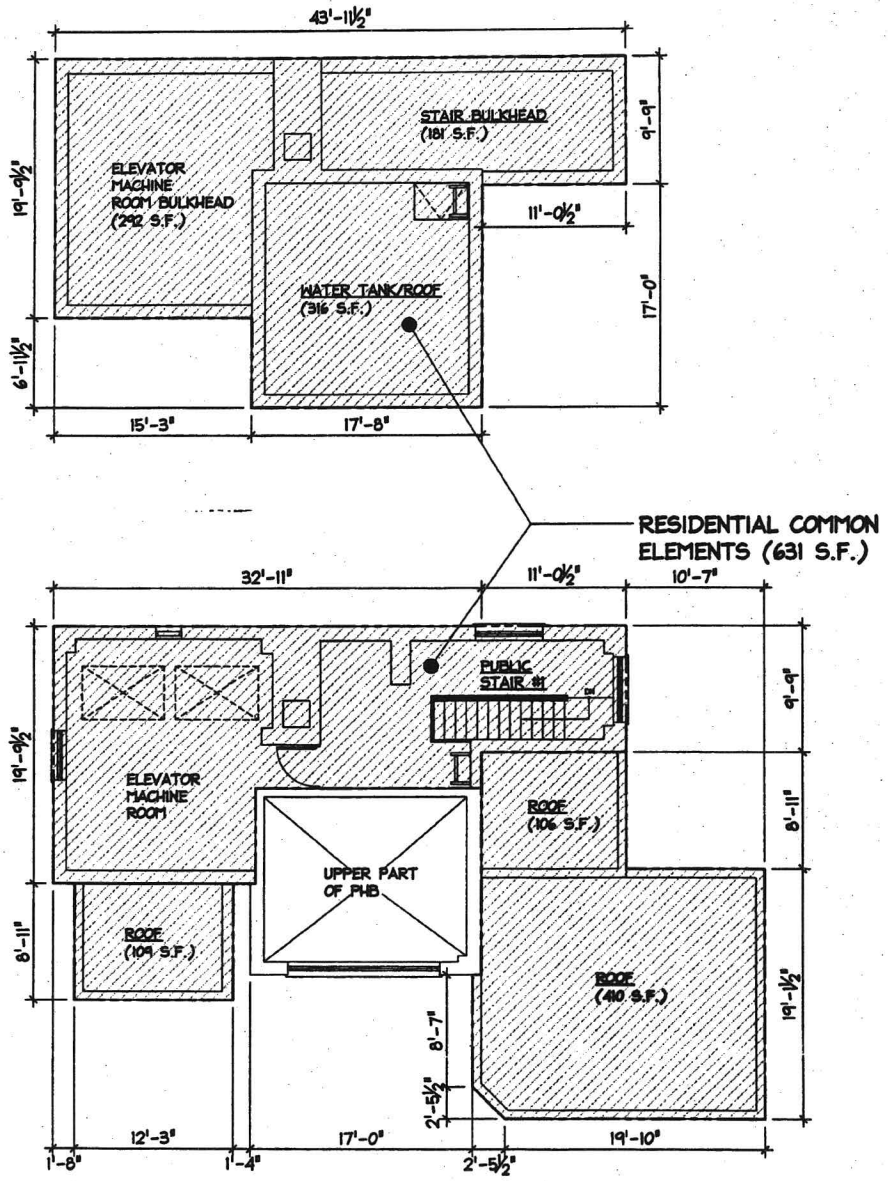
FOURTEENTH FLOOR PLAN (UPPER PENTHOUSE)

DIAGRAM OF ROOMS & COMMON ELEMENTS

ALL DIMENSIONS APPROXIMATE

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET T NEW YORK, NEW YORK



LEGEND:

- RESIDENTIAL UNIT
- STORAGE UNIT
- RESIDENTIAL LIMITED COMMON ELEMENTS
- COMMERCIAL UNIT
- RESIDENTIAL COMMON ELEMENTS

ROOF PLAN

DIAGRAM OF ROOMS & COMMON ELEMENTS

ALL DIMENSIONS APPROXIMATE

211 EAST 51st STREET CONDOMINIUM

211 EAST 51st STREET T NEW YORK, NEW YORK

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ESCROW AGREEMENT

AGREEMENT made this 8th day of January 2008, between 211-51 Property, LLC, as sponsor ("Sponsor") of the offering plan for The 211 East 51st Street Condominium and Belkin Burden Wenig & Goldman, LLP with an address at 270 Madison Avenue, New York, New York, ("Escrow Agent") as Escrow Agent.

WHEREAS, 211-51 Property, LLC is the Sponsor of an offering plan to develop to condominium ownership, the premises located at 211 East 51st Street, New York, New York, which premises are known as The 211 East 51st Street Condominium;

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

WHEREAS, Sponsor desires that Escrow Agent act as escrow agent for deposits and payments by purchasers and subscribers, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

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 Hudson Valley Bank (depository bank) at its branch located at 60 East 42nd Street, New York, New York 10165. The account number is _____.

1.2 The name of the account is "Belkin Burden Wenig & Goldman, LLP, Escrow Account".

1.3 A member or members of the 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 or an amendment thereto.

1.5 The escrow account is/is not (cross out inapplicable provision) an Interest-on-Lawyer Account ("IOLA") account 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 shall be made payable to, or endorsed by the purchaser or subscriber to the order of Belkin Burden Wenig & Goldman, LLP, as escrow agent for offering plan. 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 (5) business days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2 Sponsor shall deliver to the Escrow Agent all deposits submitted pursuant to a subscription or purchase agreement, within three (3) business days after tender of the deposit by a prospective purchaser to the Sponsor or any agent engaged by the Sponsor, along with the form of tender of deposit attached hereto as Exhibit A to this Escrow Agreement, executed by the Sponsor.

2.3 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, the Escrow Agent shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan or amendment thereto, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after the tender of the deposit, the purchaser may cancel the subscription or purchase agreement 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 the escrow regulations promulgated by the Attorney General 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 deposited by 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 (d) 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 art 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 an 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.

3.5 Escrow Agent shall disburse the purchaser's deposit(s) escrowed under this Escrow Agreement within twenty (20) business days after the escrowed funds are permitted to be released in accordance with this Agreement.

4. RECORD KEEPING

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 the 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 acknowledged its fiduciary obligations.

5.3 No disbursement need or will be made by Escrow Agent until the deposit has actually and finally cleared Escrow Agent's account.

5.4 Escrow Agent shall only be responsible for monies actually received and cleared, and monies earned thereon, if any.

5.5 Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statements or assertions contained in such writing or instrument; and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized to do so.

5.6 Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and the Escrow Regulations promulgated by the New York State Attorney General's Office, and no implied duties or obligations shall be read into this Agreement against Escrow Agent.

6. RESPONSIBILITIES OF SPONSOR

6.1 Sponsor agrees that Sponsor and its agents, including any selling agents, shall within three (3) business days of receipt of all deposits and payments deliver to Escrow Agent all such deposits and payments received by them prior to closing of an individual transaction.

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. INDEMNIFICATION

7.1. Escrow Agent shall not be liable for Sponsor's failure to tender the purchasers' funds to Escrow Agent within three (3) business days, for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct or gross negligence, and Sponsor agrees to indemnify and hold Escrow Agent harmless from any claims, demands, causes of action, liability, damages, judgments, including the cost of defending any action against it together with any reasonable attorneys' fees incurred therewith and/or reasonable value of services rendered by Escrow Agent's litigation attorneys representing Escrow Agent in connection with Escrow Agent's undertaking pursuant to the terms and conditions of this Escrow Agreement, unless such act or omission is a result of the willful misconduct or gross negligence of Escrow Agent.

7.2 Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner or execution, or validity of any written instructions delivered to it, nor as to the identity, authority, or rights of any person executing the same.

7.3 The duties of Escrow Agent shall be limited to the safekeeping of the deposits and for disbursements of same in accordance with the written instructions described in this Agreement.

8. TERMINATION OF AGREEMENT

8.1 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.

(d) Escrow Agent shall have no responsibility to verify qualifications of any successor escrow agent.

8.2 Upon termination of the duties of Escrow Agent as described in Paragraph 8.1 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 designated in the duly filed amendment related thereto.

8.3 Upon delivery of all funds held by the Escrow Agent to the new escrow agent pursuant to 8.2 supra, this Agreement shall be terminated and the Escrow Agent shall be released from all liability hereunder.

8.4 Upon Escrow Agent disbursing the deposit of an individual purchaser in accordance with the provisions of this Agreement, the escrow obligations shall terminate as regards said purchaser's deposit, and Escrow Agent shall thereafter be released of all liability in connection with said purchaser.

9. MISCELLANEOUS

9.1 In the event of a good faith disagreement about the interpretation of this Agreement, or about the rights and obligations, or the propriety, of any action contemplated by Escrow Agent hereunder, Escrow Agent may, at its sole discretion, retain purchaser's deposits and payments in escrow and apply to the Attorney General for a determination on the disposition of the down payment or file an action and deposit any applicable funds in court to resolve said disagreement. Escrow Agent shall be indemnified by Sponsor for all costs, including reasonable attorneys' fees or reasonable value of services rendered by Escrow Agent's litigation attorneys representing Escrow Agent *pro se*, in connection with the aforesaid action. No such action shall be filed

where the Escrow Agent's required course of action is clearly dictated within this Agreement.

10. SUCCESSORS AND ASSIGNS

10.1 This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

11. GOVERNING LAW

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

12. ESCROW AGENT'S COMPENSATION

12.1 Sponsor agrees that Escrow Agent's compensation, if any, 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.

13. SEVERABILITY

13.1 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.

14. ENTIRE AGREEMENT

14.1 This Agreement, read together with GBL Section 352-e(2-B) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

15. NOTICES

15.1 Any notice required to be given or given hereunder shall be given by depositing such notice in a post-paid wrapper, in an official depository under the exclusive care and custody of the United States Postal Services within New York State, or by Express Mail, Federal Express or similar overnight courier, facsimile transmission, messenger service (with proper receipt therefor) , addressed to the party at the address hereinabove set forth with a copy of any such notice by regular mail to the attorney for such party as follows:

IF TO ESCROW AGENT:

BELKIN BURDEN WENIG & GOLDMAN, LLP
270 Madison Avenue
New York, New York 10016

IF TO SPONSOR:

211-51 PROPERTY, LLC
c/o H.J. Realty Services, LLC
115 West 30th Street
New York, New York 10001

Any notice may be given by the attorney for a party and shall have the same force as if given by the party. Either party may, by notice, change the address at which notices are to be given hereunder.

16. CAPTIONS AND HEADINGS

16.1 The captions and headings used in this Agreement are intended for convenience and reference only and shall not imply or convey any additional meanings to the contents of the respective provisions.

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

ESCROW AGENT:
BELKIN BURDEN WENIG & GOLDMAN, LLP

By: Robert Jacobs
Robert Jacobs, Member

SPONSOR:
211-51 PROPERTY, LLC

By: _____
Henry J. Justin, Managing Member

TENDER OF ESCROW DEPOSIT

Date:_____

Tender of Deposit of $_____ , for Unit __at _____located at 209-211 East 51st Street, New York, New York.

Purchaser(s) named below has/have tendered on _____ 200__, the above escrow deposit to Sponsor/selling Agent as a deposit for the above Unit.

Purchaser(s)

Address of purchaser(s)

Phone Number of Purchaser(s):
Home:
Business:

Social Security Number(s) or
Tax Identification Number(s)
of Purchaser(s)

RECEIPT

The Sponsor/Selling Agent of the above named property hereby acknowledges receipt of the above escrow deposit.

By:_____

_____
Title of Position

Date of Receipt:_____

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APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS

(Send this application to the reviewing attorney assigned to the subject plan.)

Re: THE 211 EAST 51ST STREET CONDOMINIUM

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant: _____
2. Address of Applicant: _____
3. Name, Address, and Telephone Number of Applicant's Attorney (if any):

   Name: _____

   Address: _____

   Telephone No.: _____
4. This is an application for

   ☐ return of downpayment

   ☐ forfeiture of downpayment

   ☐ other
5. The project is:

   ☐ a conversion of occupied premises.

   ☐ newly constructed or rehabilitated.

   ☐ vacant [as is].
6. The project is structured as

   ☐ a cooperative

   ☐ a condominium

   ☐ a homeowners association

   ☐ a timeshare

   ☐ other _____

7. Name and Address of Sponsor:

_____

_____

_____

_____

8. Name and Address of Escrow Agent:

_____

_____

_____

_____

9. If downpayments are maintained in an escrow account:

(a) Name and address of bank _____

_____

(b) Account number [if known]: _____

(c) Initial interest rate (if known): _____

10. If downpayments have been secured by bonds:

(d) Name and address of bond issuer or surety: _____

_____

(e) Copy of bond included in this application. [DO NOT SEND ORIGINAL BOND]. If not included, explain;

_____

_____

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit:

_____

(b) Date of expiration of the letter of credit, if known:

_____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

❒ has been declared effective. Approximate date _____.

❒ has not been declared effective.

(c) If effective, the plan

❒has closed or the first unit has closed. Approximate date _____

❒ has not closed

❒ don't know.

(d) Downpayments are secured by

❒ escrow account

❒ bonds

❒ letter of credit

13. Contract information:

(a) Copy of contract and all of 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):_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons:

_____

_____

_____

_____

NOTE: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____

Date: _____

Name (Printed):_____

Telephone: _____

(Home): _____

(Business)_____

Mailing Address: _____

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S 352-eeee. Conversions to cooperative or condominium ownership in the city of New York. 1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan". Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan". A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan". A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the

attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or

development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominimum ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive

purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such

tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their

dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units

in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers, at which time the cooperative corporation or the condominium association shall assume responsibility for the provision of all services and facilities required by law on a non-discriminatory basis.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant`s rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

* NB Expires June 15, 2011

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S 352-e. Real estate syndication offerings. 1. (a) It shall be illegal and prohibited for any person, partnership, corporation, company, trust or association, or any agent or employee thereof, to make or take part in a public offering or sale in or from the state of New York of securities constituted of participation interests or investments in real estate, mortgages or leases, including stocks, bonds, debentures, evidences of interest or indebtedness, limited partnership interests or other security or securities as defined in section three hundred fifty-two of this article, when such securities consist primarily of participation interests or investments in one or more real estate ventures, including cooperative interests in realty, unless and until there shall have been filed with the department of law, prior to such offering, a written statement or statements, to be known as an "offering statement" or "prospectus" concerning the contemplated offering which shall contain the information and representations required by paragraph (b) of this subdivision unless the security offering is exempted hereunder or under section three hundred fifty-nine-f, subdivision two, of this article by rule or action of the attorney general. The term "real estate" as used in the paragraph shall not include mineral, oil or timber leases or properties, or buildings, structures, land or other realty housing or containing business offices or industry, owned or leased by the issuer, where the issuer is not primarily engaged in the business of buying and selling such building or other realty or leases or interests therein. The circulation or dissemination of a non-firm offer (including circulation or dissemination of a preliminary prospectus pursuant to section ten (b) of the securities act of nineteen hundred thirty-three, and the rules thereto appertaining) shall not constitute making or taking part in a public offering within the meaning of this section.

(b) The detailed terms of the transaction; a description of the property, the nature of the interest, and how title thereto is to be held; the gross and net income for a reasonable period preceding the offering where applicable and available; the current gross and net income where applicable and available; the basis, rate and method of computing depreciation; a description of major current leases; the essential terms of all mortgages; the names, addresses and business background of the principals involved, the nature of their fiduciary relationship and their financial relationship, past, present and future, to the property offered to the syndicate and to those who are to participate in its management; the interests and profits of the promoters, offerors, syndicate organizers, officers, directors, trustees or general partners, direct and indirect, in the promotion and management of the venture; all restrictions, if any, on transfer of participants` interests; a statement as to what stock or other security involved in the transaction, if any, is non-voting; a statement as to what disposition will be made of the funds received and of the

transaction if not consummated, which statement shall represent that all moneys received from the sale of such securities until actually employed in connection with the consummation of the transaction as therein described, shall be kept in trust and that in the event insufficient funds are raised through the offering or otherwise to effectuate the purchase or purchases or other consummation of the contemplated transaction, or that the intended acquisition shall not be completed for any other reason or reasons, then such moneys, less such amounts actually employed in connection with the consummation of the transaction, shall be fully returned to the investor; which of the securities offered are unsecured; clearly distinguish between leasehold and fee ownership, between fact and opinion; a commitment to submit annual reports to all participants, including an annual balance sheet and profit and loss statement certified by an independent certified public accountant; clearly distinguish between those portions of promised distributions which are income and those which are a return of principal or capital; in the case of qualified leasehold condominiums, as defined in section three hundred thirty-nine-e of the real property law, a disclosure of the unique requirements imposed on the unit owners of such condominiums by the provisions of sections three hundred thirty-nine-bb and three hundred thirty-nine-cc of such law; and such additional information as the attorney general may prescribe in rules and regulations promulgated under subdivision six hereof as will afford potential investors, purchasers and participants an adequate basis upon which to found their judgment and shall not omit any material fact or contain any untrue statement of a material fact.

(c) All advertising in connection with an offering of securities described in this subdivision shall be consistent with the representations and information required to be set forth as hereinbefore in this subdivision provided.

2. Unless otherwise provided by regulation issued by the attorney general, the offering statement or statements or prospectus required in subdivision one of this section shall be filed with the department of law at its office in the city of New York, prior to the public offering of the security involved. No offer, advertisement or sale of such securities shall be made in or from the state of New York until the attorney general has issued to the issuer or other offerer a letter stating that the offering has been filed. The attorney general, not later than thirty days after the submission of such filing, shall issue such a letter or, in the alternative, a notification in writing indicating deficiencies in the offering statement, statements or prospectus; provided, however, that in the case of a building or group of buildings to be converted to cooperative or condominium ownership which is occupied in whole or in part for residential purposes, such letter or notification shall be issued in not sooner than four months and not later than six months from the date of submission of such

filing. The attorney general may also refuse to issue a letter stating that the offering statement or statements or prospectus has been filed whenever it appears that the offering statement or statements or prospectus does not clearly set forth the specific property or properties to be purchased, leased, mortgaged, or otherwise to be acquired, financed or the subject of specific investment with a substantial portion of the offering proceeds.

2-a. (a) For the purposes of this subdivision the following words shall have the following meanings:

(i) "Plan". Every offering statement or prospectus submitted to the department of law for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership, other than a plan governed by the provisions of either section three hundred fifty-two-eee or three hundred fifty-two-eeee of this chapter, or a plan for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(ii) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(iii) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this subdivision; provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(iv) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this subdivision; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the

onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

(b) The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of this section has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless the plan provides that:

(i) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintainance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(ii) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(iii) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(iv) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to

whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(c) The provisions of this subdivision shall be applicable in any city, town or village not covered by the provisions of section three hundred fifty-two-eeee of this chapter, or which has not elected to be covered by section three hundred fifty-two-eee of this chapter, provided the local legislative body elects, by majority vote to adopt by resolution, coverage provided by this section. A certified copy of such resolution shall be filed in the office of the attorney general at Albany and shall become effective on the date of such filing.

2-b. In the case of offerings of cooperatives, condominiums, interest in homeowners association and other cooperative interests in realty, including homes subject to deed or covenant or agreements requiring investment therein, the attorney general may refuse to issue a letter of acceptance unless the offering statement, prospectus or plan shall provide that all deposits, down-payments or advances made by purchasers of residential units shall be held in a special escrow account pending delivery of the completed apartment or unit and a deed or lease whichever is applicable, unless insurance of such funds in a form satisfactory to the attorney general has been obtained prior thereto. In addition to the general regulatory authority provided in this section, the attorney general is hereby authorized to adopt, promulgate, amend and rescind suitable rules and regulations to carry out the provisions of this subdivision, including, but not limited to, determining when escrow funds may be released, the nature of escrowees, and other terms and conditions relating thereto deemed necessary in the public interest.

2-c. Payment of legal fees for representation of a tenant or tenant`s association in a residential building undergoing conversion to cooperative or condominium ownership shall not be made from any reserve fund, working capital fund, or other fund established to cover expenses, repairs and capital improvements of buildings converted to cooperative or condominium ownership, unless made pursuant to a retainer agreement entered into before this subdivision shall have become a law. Payment of legal fees may be made, however, from another fund specifically designated for such purpose.

3. No offering literature shall be employed in the offering of securities as defined in subdivision one of this section except by the offering statement or statements filed in the department of law pursuant to the provisions of this section. All advertising in whatever form, including periodicals or on radio or television shall contain a statement that no offer of such securities is made except by such offering statement or statements.

4. In all literature employed in the offer and sale of securities

defined in subdivision one of this section and in all advertising in connection therewith there shall be contained, in easily readable print on the face thereof, a statement that the filing of an offering statement or statements or prospectus as required by subdivision one of this section with the department of law does not constitute approval of the issue or the sale thereof by the department of law or the attorney general of this state.

5. No offering or sale whatever of securities described in subdivision one of this section shall be made except on the basis of information, statements, literature, or representations constituting the offering statement or statements or prospectus described in such subdivision, and no information, statements, literature, or representations shall be used in the offering or sale of securities described in such subdivision unless it is first so filed and the prospective purchaser furnished with true copies thereof.

6. (a) The attorney general is hereby authorized and empowered to adopt, promulgate, amend and rescind suitable rules and regulations to carry out the provisions of this section, including regulations for the method, contents and filing procedures with respect to the statements required by subdivision one and the making of amendments thereto.

(b) The attorney general is hereby authorized and empowered to adopt, promulgate, amend and rescind suitable rules and regulations relating to the information furnished to investors of the sources of any distribution or distributions made by any issuer in connection with the sale of realty securities since January first, nineteen hundred sixty-one within the provisions of section three hundred fifty-two-e and section three hundred fifty-two-g of this article.

7. (a) The department of law shall collect the following fees for the filing of each offering statement or prospectus as described in subdivision one of this section: seven hundred fifty dollars for every offering not in excess of two hundred fifty thousand dollars; for every offering in excess of two hundred fifty thousand dollars, four-tenths of one percent of the total amount of the offering but not in excess of twenty thousand dollars of which one-half of said amount shall be a nonrefundable deposit paid at the time of submitting the offering statement to the department of law for review and the balance payable upon the issuance of a letter of acceptance for filing said offering statement. The department of law shall, in addition, collect a fee of two hundred twenty-five dollars for each amendment to an offering statement. For each application granted by the department of law which permits the applicant to solicit public interest or public funds preliminary to the filing of an offering statement or for the issuance of a "no-filing required" letter, the department of law shall collect a fee of two hundred twenty-five dollars. In the event the sponsor thereafter files an offering statement, the fee paid for the preliminary application shall be credited against the balance of the fee due and

payable on filing. For each application granted pursuant to section three hundred fifty-two-g of this article, the department of law shall collect a fee of two-tenths of one percent of the amount of the offering of securities; however, the minimum fee shall be seven hundred fifty dollars and the maximum fee shall be twenty thousand dollars.

(b) The attorney general may, in his discretion, require an inspection to be made by the department of law in connection with a real estate syndication, cooperative, or condominium offering, of lands and property thereon, situated outside of the state of New York, involved in such offering. In such case, prior to the acceptance of such filing, there shall be remitted to the department of law an amount equivalent to the cost of travel from New York to the location of the property involved in the offering and return, as estimated by the department of law, and a further reasonable amount estimated to be necessary to cover the additional expenses of such inspection. The department of law shall return to the person making the remittance any amount advanced in excess of the actual expenses incurred, and where there is a deficiency, the department of law shall be empowered to collect the difference between the actual expenses and the amount advanced.

(c) Notwithstanding the provisions of paragraph (a) of this subdivision, the department of law shall not collect any fees for the filing of an offering statement or prospectus or any amended filings thereto as described in subdivision one of this section whenever a conversion of a mobile home park, building or group of buildings or development from residential rental status to cooperative or condominium ownership is being made pursuant to article eighteen, nineteen or twenty of the private housing finance law.

8. Within four months after the end of its fiscal year, every syndicate which shall have been required to file an offering statement or statements or prospectus under subdivision one of this section shall file with the department of law at its office in the city of New York an annual report of the syndicate operation, including an annual balance sheet and profit and loss statement certified by an independent certified public accountant. The department of law shall collect a fee of five dollars for the filing of each such annual report.

9. Each offering statement or prospectus as described in subdivision one of this section, and all exhibits or documents referred to therein shall be available for inspection by any person who shall have purchased a security described in this section or shall have participated in the offering of such security.

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§ 26-703 Establishment of reserve fund. a. Within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or condominium board of managers, a reserve fund to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such buildings. Such reserve fund shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation of the state attorney general, except a fund for capital repairs, replacements and improvements substantially similar in purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve fund also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such fund shall be established in an amount equal to either (i) three per cent of the total price or, (ii) (A) three per cent of the actual sales price of all cooperative shares or condominium units sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one per cent of the total price, then the fund shall be established as a minimum of one per cent of the total price; plus (B) supplemental contributions to be made by the offeror at a rate of three per cent of the actual sales price of cooperative shares or condominium units for each unit or its allocable shares held by the offeror and sold to bona fide purchasers subsequent to the effective date of the plan and within five years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three per cent of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three per cent of the total price the offeror shall pay the difference between the amount contributed and three per cent of the total price. Supplemental contributions shall be made within thirty days of each sale.

c. The contributions required pursuant to this section may be made earlier or in an amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he or she has begun after the plan is submitted for filing to the state department of law and before the plan is declared effective; provided, however, that any such replacements must be set forth in the plan together with their actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one per cent of the total price.

§ **26-704 Report on status of reserve fund**. The cooperative corporation or condominium board of managers shall report to shareholders and unit owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund mandated by section 26-703 of this chapter.

§ **26-705 Posting of violations**. The offeror, not later than the thirtieth day following the acceptance of a plan for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law and until the closing of the conversion pursuant to such plan, shall post and maintain in a prominent place, accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the department of buildings and the department of housing preservation and development. All newly issued violations shall be posted within forty-eight hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listing shall be made available for inspection by the tenants.

§ **26-706 Report on condition of premises.** Where, pursuant to law or regulation of the state attorney general, an offeror is required to file a report with the state department of law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood, a copy of such report shall be submitted simultaneously to the commissioner of buildings.

§ **26-707 No waiver of rights**. Any provision purporting to waive the provisions of this chapter in any contract to purchase or agreement between an offeror and the cooperative corporation or the condominium board of managers pursuant to a conversion plan shall be void As against public policy.

§ **26-708 Criminal and civil penalties; enforcement.** a. Except as otherwise provided in subdivision b of this section, any person who knowingly violates or assists in the violation of any section of this chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred nor more than one thousand dollars. Except as otherwise provided in subdivision b of this section, any person who violates or assists in the violation of any section of this chapter shall be subject to a civil penalty of one hundred dollars per day per unit for each day that a building is not in compliance with the provisions of such sections; provided, however, that such civil penalty shall not exceed one thousand dollars per unit.

b. Any person who knowingly violates or assists in the violation of .section 26-703 of this chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than two times the amount required to be reserved by section 26-703 of this chapter which was not so reserved. Any person who violates or assists in the violation of section 26-703 of this chapter shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section 26-703 of this chapter is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section 26703 of this chapter.

c. In addition, any other action or proceeding in any court of competent jurisdiction that may be appropriate or necessary for the enforcement of the provisions of this chapter may be brought in the name of the city, including actions to secure permanent injunctions enjoining any acts or practices which constitute a violation of any provision of this chapter, mandating compliance with the provisions of this chapter or for such other relief as may be appropriate. In any such action or proceeding the city may apply to any court of competent jurisdiction, or to a judge or justice thereof, for a temporary restraining order or preliminary injunction enjoining and restraining all persons from violating any provision of this chapter, mandating compliance with the provisions of this chapter, or for such other relief as may be appropriate, until the hearing and determination of such action or proceeding and the entry of final judgment or order therein. The court, or judge or justice thereof, to whom such application is made, is hereby authorized forthwith to make any or all of the orders above specified, as may be required in such application, with or without notice, and to make such other or further orders or directions as may be necessary to render the same effectual. No undertaking shall be required as a condition of the granting or issuing of such order, or by reason thereof.

d. Nothing contained in this section shall impair any rights, remedies or causes of action accrued or accruing to purchasers of cooperative shares or condominium units.

e. The department of housing preservation and development is empowered to enforce the provisions of this chapter.

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THE 211 EAST 51ST STREET CONDOMINIUM
INSPECTION STATEMENT
AND
PUNCHLIST

UNIT NO.: _____ PURCHASER: _____
TELEPHONE NO. (HOME): _____
DATE: _____ TELEPHONE NO. (WORK): _____

As a result of Purchaser's pre-closing inspection, please be advised that except as set forth in the column below called "Exceptions, if any", Purchaser found the entire Unit, including without limitation the items listed in the "Items" column, in good condition and working order.

Items	OK Purchaser's Initials	Exceptions, if any	Purchaser's Initials	Sponsor's Initials
Windows	_____	_____	_____	_____
Electric Fixtures	_____	_____	_____	_____
Sink, Basin, Tub Bowl	_____	_____	_____	_____
Shower	_____	_____	_____	_____
Plumbing Fixtures	_____	_____	_____	_____
Kitchen Cabinets	_____	_____	_____	_____
Vanity, Medicine Cabinet Mirror	_____	_____	_____	_____
Door & Hardware	_____	_____	_____	_____
Appliances	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Purchaser understands that to prevent pilferage, some items, such as toilet sears, shower heads, faucet aerators and doorknobs, may be installed just prior to Purchaser's date of occupancy. Items listed in the "Exceptions, if any" column and initialed by Sponsor or its representative, will be completed in accordance with the Inspection Statement to which this list is attached.

The undersigned Purchaser(s) has (have) inspected the Unit on the date specified below, and finds the Unit satisfactory except for the items noted above, which items shall be considered "Punchlist Items" as described in the Inspection Statement to which this list is attached.

_____
Inspection Date and Time

_____ _____
Purchaser Sponsor's Representative

_____
Purchaser

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CERTIFICATIONS

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SPONSOR AND PRINCIPALS

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211-51 PROPERTY, LLC
115 West 30th Street, Suite 208
New York, NY 10001
Phone: (212) 216-0974 Fax: (212) 736-1520

CERTIFICATION BY SPONSOR AND PRINCIPALS OF SPONSOR

January 8, 2008

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

Re: 211 East 51st Street
New York, New York 10022

The undersigned do hereby state:

211-51 Property, LLC is the Sponsor of the Offering Plan for the Sale of Condominium Units at 211 East 51st Street, New York, New York (the "Plan"). The undersigned are the Sponsor and the principals of Sponsor of the Plan.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Plan. We have investigated the facts set forth in the Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Plan does, and that documents submitted hereafter by us which amend or supplement the 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 statements 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.

211-51 PROPERTY, LLC

By: 211-51 Managing Member, LLC
Managing Member

Henry J. Justin, Managing Member

Henry J. Justin

Sworn to before me this
8 day of January, 2008

Notary Public

DENISE C. DENICOLA
NOTARY PUBLIC, State of New York
No. 01DE4862888
Qualified in New York County
Commission Expires June 23, 20 10

SPONSOR'S ARCHITECT

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C M A DESIGN STUDIO, P.C.
Carballude - Morris & Associates

ARCHITECTURE
PLANNING
INTERIOR DESIGN

PRINCIPALS
Alfredo G. Carballude, R.A.
Michele H. Morris, R.A.

CERTIFICATION OF ARCHITECT

July 25, 2007

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

Re: 211 East 51st Street Condominium
211 East 51st Street
New York, New York

The Sponsor of the Offering Plan to establish the captioned property (the "**Property**") as a condominium (the "**Offering Plan**") retained our firm to prepare a report describing the project which involves renovating the Property from a commercial building to a mixed-use residential and commercial building (the "**Project**"). We also were retained to prepare plans for the Project. We accordingly prepared the plans dated 05/03/07and 05/03/07 (collectively, the "**Plans**") and prepared the report dated June 24th, 2007 (the "**Report**"), a copy of which Report is intended to be incorporated into the Offering Plan so prospective purchasers may rely on it.

We are registered architects in the State of New York

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

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

148 West 24th Street New York, N.Y. 10011 212 • 358 • 8877 (FAX) 212 • 463 • 9286 cma@cmads.com

We certify that the Report:

(i) sets forth in narrative form the physical condition of the entire Property as it will exist upon completion of construction, provided that construction is in accordance with the Plans and Specifications.

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the Property as it will exist upon completion of construction, provided that construction is in accordance with the Plans and Specifications.

(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 expectations or unwarranted by existing circumstances.

(vii) does not contain any representation or statement which is false, where we (a) know the truth, (b) with reasonable effort could have known the truth, (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing the 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.

This certification is made under penalty of perjury for the benefit of all personas 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.

CMA DESIGN STUDIO, P.C.

By: _____
Alfredo G. Carballude, R.A., President



Sworn to before me this
25th day of July,2007

_____
Notary Public

LOIS J. MAWBY
Notary Public, State of New York
No. 01MA4910054
Qualified in New York County
Commission Expires October 26, 2009

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SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

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TAUBE
MANAGEMENT
Realty, LLC
LICENSED REAL ESTATE BROKER
767 Third Ave., 8th Floor • New York, NY 10017
Tel 212.288.0757 • Fax 212.288.1947

CERTIFICATION BY SPONSOR'S EXPERT AS TO ADEQUACY OF BUDGET PURSUANT TO PART 20 OF THE REGULATIONS ISSUED UNDER GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

September 21, 2007

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

Re: Condominium Offering Plan – 211 East 51st Street (the "Condominium"), located at 211 East 51st Street, New York, New York 10022 (the "Property")

Dear Sir/Madam:

H.J. Development, LLC a Delaware limited liability company, the Sponsor ("Sponsor") of the Condominium Offering Plan ("Offering Plan") for the Property, retained Taube Management Realty, LLC to review Schedule B, with the footnotes thereto, containing projections of income and expenses for the first year of condominium operations. Our experience in this field includes more than 25 years in the real estate management business. We have managed more than 20 apartment houses in Manhattan and most of which are tenant-owned as cooperatives or condominiums. Joseph Taube, the President Chairman of this company, has been involved actively in the operation, management, and conversion of residential buildings to tenant-ownership since 2000.

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 (Attorney General) in Part 20 insofar as they are applicable to Schedule B.

I reviewed Schedule B and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. I also relied upon my experience in managing residential buildings. I certify that the projections in Schedule B appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that Schedule B and accompanying notes thereto:

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

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

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

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

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

(vii) do not contain any representation of 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 representation or statement made.

I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This letter 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 understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Sincerely,

Taube Management Realty, LLC

By: _____
Joseph Taube, President

Sworn before me this 21st
day of September, 2007

_____
Notary Public

JANET KANE
Notary Public, State of New York
No. 01KA4662615
Qualified in New York County
Commission Expires March 30, 2011

SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY COMMERCIAL UNIT OWNERS

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TAUBE
MANAGEMENT
corp.
LICENSED REAL ESTATE BROKER
204 East 83rd Street • New York, NY 10028
Tel 212.288.0077 • Fax 212-734.2065

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

July 24, 2007

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

Re: 211 East 51st Street
New York, New York 10022

The undersigned hereby certifies:

The Sponsor of the Condominium Offering Plan for the captioned property (the "**Plan**") retained our firm to prepare Schedule B ("**Schedule B**") which includes, among other things, projections of common charges payable by the Commercial Unit Owner during the anticipated first year of condominium operation. Our certification is based on our experience in the management of residential and mixed-use cooperatives, condominiums and rental properties.

We hold the following licenses related to property management: Real Estate Broker's. We have been engaged in the business of property management for approximately 20 years. We currently manage approximately 18 residential and mixed-use properties, [many of which are cooperatives or condominiums]. Among those properties are One Ave B, 82 Beaver Street, 259 Bowery, 84 Front Street, Etc.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the Commercial Unit identified in Schedule B.

We have reviewed Schedule B as it impacts on the Commercial Unit and investigated the facts set forth in Schedule B and the facts underlying it with due diligence in order to form a basis for this Certification. We also have relied on our experience in managing residential and mixed-use buildings.

We certify that the projections in Schedule B for common charges payable by the Owner of the Commercial Unit appear reasonable and adequate under existing

circumstances to meet the anticipated operating expenses fairly attributable to the Commercial Unit during the projected first year of condominium operation, and that the allocation of common charges attributable to the Commercial Unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for common charges payable by the Owner of the Commercial Unit:

(i) sets forth in detail the projected common charges for the Commercial Unit for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning common charges payable by the Owner of the Commercial Unit during the first year of condominium operation;

(iii) does not omit any material fact;

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

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

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

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth, (b) with reasonable effort could have known the truth, (c) made no reasonable effort to ascertain the truth or (d) did not have knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan so that potential purchasers may rely on it. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the Commercial Unit for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the

civil and criminal penalties of the General Business Law and Penal Law.

TAUBE MANAGEMENT Realty, LLC

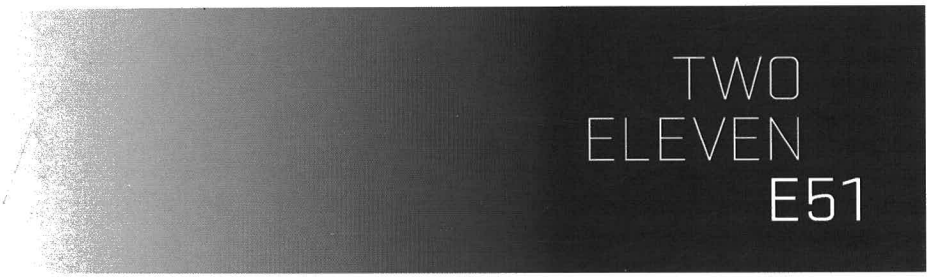
By: _____
Name: Joe Taube
Title: Pres.

Sworn to before me this

24 day of July, 2007

_____
Notary Public

ANNETTE JENNINGS
Notary Public, State of New York
No. 01JE6066336
Qualified in Queens County
Commission Expires March 19, 2010


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