CONDOMINIUM OFFERING PLAN FOR THE SALE
OF UNITS IN A CONDOMINIUM TO BE KNOWN AS

77 READE STREET CONDOMINIUM

77 Reade Street
New York City, New York 10007

30 Residential Units	$82,638,010
2 Commercial Units	$ 9,927,115
5 Garage Parking Space Units	$ 1,250,000
1 Garage Storage Space Unit	$ 250,000
TOTAL OFFERING	**$94,065,125**

SPONSOR AND SELLING AGENT
77 READE, LLC
636 Broadway
Suite 214
New York, New York 10012

SPONSOR'S ATTORNEY
CERTILMAN BALIN ADLER & HYMAN, LLP
90 Merrick Avenue
East Meadow, New York 11554

The Date of Acceptance for Filing is June 25, 2008. The Offering Plan May Not Be Used After June 24, 2009 Unless Extended by Amendment.

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

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL THE RESIDENTIAL UNITS, THIS PLAN MAY RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE RESIDENTIAL UNITS ARE NOT OWNED BY OWNER-OCCUPANTS OR INVESTORS WHO ARE UNRELATED TO THE SPONSOR. SEE THE SPECIAL RISK SECTION OF THE PLAN. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS OF THE CONDOMINIUM UNDER THE TERMS OF THIS OFFERING PLAN. SEE SPECIAL RISK 2 OF THE OFFERING 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 UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

THIS OFFERING PLAN HAS BEEN AMENDED
SEE INSIDE COVER

AMENDMENT NO. 6

To The Offering Plan of

77 READE STREET CONDOMINIUM

77 Reade Street
New York City, New York 10007

Dated: April 20, 2011

The Offering Plan dated June 25, 2008 as amended by Amendment No. 1 dated June 23, 2009, Amendment No. 2 dated December 23, 2009, Amendment No. 3 dated July 15, 2010, Amendment No. 4 dated March 10, 2011 and Amendment No. 5 dated April 14, 2011 is hereby further amended as follows:

I. SELLING AGENT

The Sponsor has engaged the firm of Corcoran Group Marketing ("Corcoran"), having an office at 888 Seventh Avenue, New York, New York 10106, to be the exclusive Selling Agent. Corcoran is a licensed real estate brokerage firm in the state of New York. Corcoran has no financial interest in the Property, the Sponsor, the managing agent or any other interested parties in this transaction, except for its fee for services rendered. All references made regarding the Selling Agent contained in the Offering Plan, as amended, are revised to reflect said change.

Other than as set forth above, there are no material changes which require an amendment to the Offering Plan.

77 READE, LLC
Sponsor

AMENDMENT NO. 5

To The Offering Plan of

77 READE STREET CONDOMINIUM

77 Reade Street
New York City, New York 10007

Dated: April 14, 2011

The Offering Plan dated June 25, 2008 as amended by Amendment No. 1 dated June 23, 2009, Amendment No. 2 dated December 23, 2009, Amendment No. 3 dated July 15, 2010 and Amendment No. 4 dated March 10, 2011 is hereby further amended as follows:

I. PRICE CHANGE

Effective as of the date of this Amendment the prices of certain Residential Units have been revised. Annexed hereto as Exhibit "A" is a revised Schedule A which includes said changes.

The revised prices do not affect any Residential Unit currently under contract.

Other than as set forth above, there are no material changes which require an amendment to the Offering Plan.

77 READE, LLC
Sponsor

EXHIBIT "A"

V. SCHEDULE A

77 READE STREET CONDOMINIUM

Unit Information and Sales Prices for the Period September 1, 2011 through August 31, 2012

Unit No.	Floor	Total Unit Sq. Footage*	Interior Sq. Footage	Storage Area Sq. Ftge	Roof Area Sq. Footage	Number of Rooms, Bedrooms (BR), Bathrooms (BTH)	Offering Price	% of Common Interest	Estimated Monthly Common Charges	Estimated Annual Common Charges	Estimated Annual R.E Taxes w/o 421a	Estimated Monthly R.E Taxes w/o 421a	Estimated Annual R.E Taxes with 421a	Estimated Monthly R.E Taxes with 421a
2A	2	3,497	2,691	205	601	4 BR, 4 BTH	$ 4,250,000	5.25%	$ 2,538.91	$ 30,466.93	$ 26,993.98	$ 2,249.50	$ 10,667.35	$ 888.95
2B	2	2,296	1,592	103	601	2 BR, 2 BTH	$ 2,295,000	3.24%	$ 1,566.87	$ 18,802.45	$ 16,659.14	$ 1,388.26	$ 6,583.28	$ 548.61
2D	2	958	855	103	0	STUDIO, 1 BTH	$ 975,000	1.58%	$ 764.09	$ 9,169.09	$ 8,123.90	$ 676.99	$ 3,210.36	$ 267.53
2E	2	2,011	1,523	103	385	2 BR, 2 BTH	$ 2,250,000	2.99%	$ 1,445.97	$ 17,351.64	$ 15,373.71	$ 1,281.14	$ 6,075.31	$ 506.28
2F	2	2,097	1,497	103	497	2 BR, 2 BTH	$ 2,175,000	3.01%	$ 1,455.64	$ 17,467.71	$ 15,476.55	$ 1,289.71	$ 6,115.95	$ 509.66
3A	3	1,941	1,838	103	0	3 BR, 3 BTH	$ 2,995,000	3.32%	$ 1,605.56	$ 19,266.70	$ 17,070.48	$ 1,422.54	$ 6,745.83	$ 562.15
3B	3	1,695	1,592	103	0	2 BR, 2 BTH	$ 2,250,000	2.89%	$ 1,397.61	$ 16,771.32	$ 14,859.54	$ 1,238.30	$ 5,872.12	$ 489.34
3C	3	955	853	102	0	STUDIO, 1 BTH	$ 1,075,000	1.57%	$ 759.26	$ 9,111.06	$ 8,072.48	$ 672.71	$ 3,190.05	$ 265.84
3D	3	955	855	100	0	STUDIO, 1 BTH	$ 985,000	1.58%	$ 764.09	$ 9,169.09	$ 8,123.90	$ 676.99	$ 3,210.36	$ 267.53
3E	3	1,621	1,523	98	0	2 BR, 2 BTH	$ 2,225,000	2.76%	$ 1,334.74	$ 16,016.90	$ 14,191.12	$ 1,182.59	$ 5,607.98	$ 467.33
3F	3	1,593	1,497	96	0	2 BR, 2 BTH	$ 2,125,000	2.71%	$ 1,310.56	$ 15,726.74	$ 13,934.03	$ 1,161.17	$ 5,506.38	$ 458.87
4A	4	1,941	1,838	103	0	3 BR, 3 BTH	$ 3,050,000	3.32%	$ 1,605.56	$ 19,266.70	$ 17,070.48	$ 1,422.54	$ 6,745.83	$ 562.15
4B	4	1,693	1,592	101	0	2 BR, 2 BTH	$ 2,300,000	2.89%	$ 1,397.61	$ 16,771.32	$ 14,859.54	$ 1,238.30	$ 5,872.12	$ 489.34
4C	4	952	853	99	0	STUDIO, 1 BTH	$ 1,095,000	1.57%	$ 759.26	$ 9,111.06	$ 8,072.48	$ 672.71	$ 3,190.05	$ 265.84
4D	4	965	855	110	0	STUDIO, 1 BTH	$ 995,000	1.58%	$ 764.09	$ 9,169.09	$ 8,123.90	$ 676.99	$ 3,210.36	$ 267.53
5A	5	1,948	1,838	110	0	3 BR, 3 BTH	$ 3,125,000	3.33%	$ 1,610.40	$ 19,324.74	$ 17,121.89	$ 1,426.82	$ 6,766.15	$ 563.85
5B	5	1,702	1,592	110	0	2 BR, 2 BTH	$ 2,375,000	2.89%	$ 1,397.61	$ 16,771.32	$ 14,859.54	$ 1,238.30	$ 5,872.12	$ 489.34
5C	5	963	853	110	0	STUDIO, 1 BTH	$ 1,115,000	1.58%	$ 764.09	$ 9,169.09	$ 8,123.90	$ 676.99	$ 3,210.36	$ 267.53
5D	5	965	855	110	0	STUDIO, 1 BTH	$ 1,005,000	1.58%	$ 764.09	$ 9,169.09	$ 8,123.90	$ 676.99	$ 3,210.36	$ 267.53
5E	4	1,670	1,523	147	0	2 BR, 2 BTH	$ 2,300,000	2.79%	$ 1,349.25	$ 16,191.00	$ 14,345.37	$ 1,195.45	$ 5,668.93	$ 472.41
5F	4	1,597	1,497	100	0	2 BR, 2 BTH	$ 2,200,000	2.72%	$ 1,315.40	$ 15,784.77	$ 13,985.45	$ 1,165.45	$ 5,526.70	$ 460.56
6A	6	1,938	1,838	100	0	3 BR, 3 BTH	$ 3,200,000	3.32%	$ 1,605.56	$ 19,266.70	$ 17,070.48	$ 1,422.54	$ 6,745.83	$ 562.15
6E	5	1,623	1,523	100	0	2 BR, 2 BTH	$ 2,350,000	2.76%	$ 1,334.74	$ 16,016.90	$ 14,191.12	$ 1,182.59	$ 5,607.98	$ 467.33
6C	6	953	853	100	0	STUDIO, 1 BTH	$ 1,130,000	1.57%	$ 759.26	$ 9,111.06	$ 8,072.48	$ 672.71	$ 3,190.05	$ 265.84
PHA	7, 8	3,545	2,169	260	1116	3 BR, 2 1/2 BTH	$ 4,625,000	4.66%	$ 2,253.59	$ 27,043.03	$ 23,960.37	$ 1,996.70	$ 9,468.54	$ 789.05
PHB	7, 8	4,471	2,389	250	1832	3 BR, 2 1/2 BTH	$ 5,100,000	5.46%	$ 2,640.47	$ 31,685.60	$ 28,073.73	$ 2,339.48	$ 11,094.04	$ 924.50
PHC	6, 7, 8	4,242	2,946	250	1046	3 BR, 1 Media, 2,2- 1/2 BTH	$ 6,195,000	5.99%	$ 2,896.78	$ 34,761.31	$ 30,798.84	$ 2,566.57	$ 12,170.94	$ 1,014.25
PHD	6, 7	2,267	1,647	288	332	2 BR, 2 1/2 BTH	$ 3,300,000	3.29%	$ 1,591.05	$ 19,092.61	$ 16,916.22	$ 1,409.69	$ 6,684.87	$ 557.07
PHE	5, 6	3,275	2,551	250	474	3 BR, 2 1/2 BTH	$ 5,200,000	4.95%	$ 2,393.83	$ 28,725.96	$ 25,451.46	$ 2,120.96	$ 10,057.79	$ 838.15
		56,329	45,528	3917	6884		$ 74,260,000	87.15%	$ 42,145.94	$ 505,750.98	$ 448,099.99	$ 37,341.67	$ 177,077.99	$ 14,756.50

Unit No.	Floor	Total Unit Sq. Footage*	Interior Sq. Footage	Storage Area Sq. Ftge	Roof Area Sq. Footage	Number of Rooms, Bedrooms (BR), Bathrooms (BTH)	Offering Price	% of Common Interest	Estimated Monthly Common Charges	Estimated Annual Common Charges	Estimated R.E Taxes w/o ICIP	Estimated Monthly R.E Taxes w/o ICIP	Estimated R.E Taxes with ICIP	Estimated Monthly R.E Taxes with ICIP
G1	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
G2	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
G3	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
G4	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
G5	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
GS	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
1A	1, Bsmt	8,701	8,701	N/A	0	Commercial	$ 7,702,985	7.79%	$ 1,392.19	$ 16,706.27	$ 129,633.57	$ 10,802.80	$ 121,639.53	$ 10,136.63
1B	1, Bsmt	4,046	4,046	N/A	0	Commercial	$ 2,224,130	3.62%	$ 646.95	$ 7,763.38	$ 60,240.50	$ 5,020.04	$ 56,525.69	$ 4,710.47
		12,747	12,747		0		$ 11,427,115	12.85%	$ 2,220.22	$ 26,642.67	$ 195,870.05	$ 16,322.52	$ 180,646.22	$ 15,053.86
Total		69,076	58,275				$ 85,687,115	100.00%						

AMENDMENT NO. 4

To The Offering Plan of

77 READE STREET CONDOMINIUM

77 Reade Street
New York City, New York 10007

Dated: March 10, 2011

The Offering Plan dated June 25, 2008 as amended by Amendment No. 1 dated June 23, 2009, Amendment No. 2 dated December 23, 2009 and Amendment No. 3 dated July 15, 2010 is hereby further amended as follows:

I. UNITS

As of January 26, 2011, Sponsor has not commenced its sales program.

II. REVISED FLOOR PLANS

Residential Units 2A and 2C have been combined and will now be referred to as Residential Unit 2A. In addition, the storage spaces allocated to Residential Units 2A and 2C have been combined to make one storage space allocated to Residential Unit 2A as a Limited Common Element. As a result, there will now be 29 Residential Units and 29 Storage Spaces allocated to the Residential Units as Limited Common Elements in the Condominium. In addition, the floor plans have changed for certain Units which have revised the square footages and percentages of common interest allocated to each Unit. Annexed hereto as Exhibit "A" is the revised site plan, the revised overall floor plans and the individual Unit plans. In addition, the Addendum to the Description of Property Report which outlines changes that have been made since the original Offering Plan, as amended, is annexed hereto as Exhibit "B".

III. BUDGET/SCHEDULE A

The proposed first year budget annexed as Exhibit "A" to Amendment No. 3 dated July 15, 2010 has not changed. The Certification of Adequacy of the Budget as well as the Certification of Adequacy of the Common Charges payable by the Non-Residential Unit Owners by Midboro Management, Inc., 148 West 37th Street, 8th Floor, New York, New York 10018 are annexed hereto and made a part of this Amendment as Exhibit "C". Annexed hereto as Exhibit "D" is an updated Schedule A which reflects the updated offering prices, revised square footages, revised percentages of common interest and current common charges and real estate taxes.

IV. PREFERRED LENDER/PURCHASE AGREEMENT

The Sponsor has obtained a Fannie Mae project approval through Bank of America, N.A. Although it is possible to utilize other lenders, it might be prudent to be pre-qualified through Bank of America due to their knowledge and experience in regard to this Condominium. No language regarding financing will be added to a Purchase Agreement until such time as the Development is 51% pre-sold and all Fannie Mae conditions for approval are satisfied. Annexed hereto as Exhibit "E" is the proposed pre-qualification language that will appear in a rider to the Purchase Agreement that Sponsor is currently utilizing.

V. CLOSING

Sponsor anticipates closing the first Unit in the Condominium on or about September 1, 2011.

VI. MODIFICATION TO UNITS

Unit Owners will not be permitted to make any changes, additions or alterations to their Unit prior to the issuance of a Permanent Certificate of Occupancy for the Unit and/or Building. Unit Owners are responsible for obtaining all necessary permits from the City of New York and any other required municipal agencies for any changes the Unit Owner makes to their Unit subsequent to the Closing of Title with the Sponsor. Sponsor will not be liable for nor responsible to a Unit Owner in the event an inspection by the Department of Buildings of the City of New York prevents the issuance of a renewal and/or extension of a Temporary Certificate of Occupancy or Permanent Certificate of Occupancy as a result of changes made to the Unit by a Unit Owner.

VII. DECLARATION OF CONDOMINIUM AND BY-LAWS

The Declaration of Condominium and By-Laws have been revised to update said documents, to include reference to the Storage Spaces as Residential Units Limited Common Elements as follows:

1. Article Third of the Declaration titled "Definitions" a new definition is added as number 19 and the subsequent definitions are renumbered accordingly as follows:

    19. "Storage Space" – One of the storage spaces in the Condominium assigned to a specific Residential Unit as an Individual Residential Unit's Limited Common Element for the Residential Unit Owner's exclusive use.

2. Article Fourth of the Declaration titled "Community/Measurement of Unit", a new paragraph is added under Section "A. Community" as the third paragraph as follows"

The Condominium will also include twenty-nine (29) Storage Spaces that will be assigned to certain Units as reflected in Schedule B of the Declaration as a Limited Common Element for the Unit Owner's exclusive use.

3. Article Fifth of the Declaration titled "Common Elements", Paragraph B, 2 is revised to add an additional subparagraph (d) as follows:

(d) The Storage space assigned to a Residential Unit as reflected in Schedule B of the Declaration for the Residential Unit Owner's exclusive use.

4. Article Eighteenth of the Declaration titled "Use of Units", a new paragraph E is added as follows:

E. Storage Spaces may be used only for the storage of general household items and no combustible items are permitted to be stored therein in accordance with the Building Code of the City of New York.

5. Article Twenty-First of the Declaration titled "Covenants and Restrictions" a new subparagraph (n) is added and the subsequent paragraphs re-lettered accordingly as follows:

(n) Storage Spaces may be used only for the storage of general household items and no combustible items are permitted to be stored therein in accordance with the Building Code of the City of New York.

6. Article III of the By-Laws titled "Board of Managers", Section 7 titled "Repairs and Maintenance" is revised to add the following as the twelfth and thirteen paragraphs in said Section:

All structural repairs of the Storage Spaces shall be the responsibility of the Condominium and a General Expense of the Condominium. All general maintenance and repairs of the Storage Spaces shall be the responsibility of the Residential Unit Owner to which the Storage Space is assigned as an Individual Residential Unit's Limited Common Element.

Storage Spaces are to be used for storage of general household items. The Residential Unit Owners will not be permitted to store any combustible material or other items in a Storage Space that may be illegal or cause the Condominium insurance to be increased or is not in compliance with the building code of the City of New York.

7. Article VIII of the By-Laws titled "Rules and Regulations", Section 3 titled "Rules and Regulations for the Residential Units and General Residential Units' Limited Common Elements" is revised to add new paragraphs (ee), (ff), (gg) and (hh) and re-letter the subsequent paragraphs accordingly as follows:

(ee) No structural additions, alterations or improvements to a Storage Space will be permitted.

(ff) Storage Spaces may only be utilized by the Residential Unit Owner and occupants of the Residential Unit, including tenants of the Residential Unit to which the Storage Space is designated as a Limited Common Element.

(gg) Storage Spaces may be used only for the storage of general household items and no combustible items are permitted to be stored therein in accordance with the Building Code of the City of New York.

(hh) No Unit Owner shall make any changes, additions or alterations to a Unit prior to the issuance of a Permanent Certificate of Occupancy for the Building and/or Unit. No Unit Owner shall make any changes, additions or alterations to a Unit that will prevent the renewal or extension of a Temporary Certificate of Occupancy and/or a Permanent Certificate of Occupancy for the Unit or Building. Any Unit Owner making such change, addition and/or alteration shall be solely liable and responsible and shall pay all costs and expenses required to replace and/or repair the Unit as may be required by the Department of Buildings of the City of New York or any other City, State or Municipal agency so that the Unit and/or Building shall obtain a renewal or extension of a Temporary Certificate of Occupancy and/or the issuance of a Permanent Certificate of Occupancy. In the event the Unit Owner fails to replace and/or repair the Unit so as to obtain an extension or renewal of a Temporary Certificate of Occupancy and/or issuance of a Permanent Certificate of Occupancy, the Board of Managers of the Condominium shall have the right to enter into and upon the Unit upon reasonable notice and make all necessary changes required to obtain an extension or renewal of a Temporary Certificate of Occupancy or the issuance of a Permanent Certificate of Occupancy. All costs and expenses, including reasonable legal fees, incurred by the

Condominium shall be charged to the Unit Owner as a Common Charge of the Condominium.

No other changes have been made to the Declaration and/or By-Laws as previously disclosed as Exhibit "F" to Amendment No. 3 dated July 15, 2010 and are available upon request of the Sponsor.

VIII. PURCHASE AGREEMENT

Paragraph 27 of both the Residential and Commercial Purchase agreement are revised in applicable part to now read as follows:

27) **NO BROKER CONSULTED BY PURCHASER** – Purchaser represents that no broker other than Seller's broker, _____ _____ _____ (the "Broker") brought about this sale, and Purchaser agrees to indemnify Seller against any claim brought by any other broker for brokerage commission based upon Purchaser's acts. Seller shall pay the Broker pursuant to separate agreement. In the event Purchaser is represented or has consulted with an outside broker (other than the Broker), Purchaser shall be responsible for all costs and commissions associated therewith and Seller shall not be responsible for any co-broker commission unless the Seller, Broker and an outside Broker enter into a Co-Broker Agreement. This Paragraph shall survive Closing and delivery of the deed.

IX. CORRECTIONS

1. Closing Costs

As previously disclosed in Paragraph V of Amendment No. 3 dated July 15, 2010, the Offering Plan and the documents contained therein, as amended, are revised to reflect that Purchasers shall pay two (2) months Common Charges as initial working capital.

2. Attorney's Fee

As disclosed in Section XVI of the Offering Plan, titled Closing Costs and Adjustments, each Purchaser shall pay $1,500 to Sponsor's counsel, representing a fee for services in connection with preparing the Residential Unit Deed, the Residential Unit Owner's Power of Attorney and for coordinating and attending the Closing. Such fee shall be payable at or prior to the Closing by Purchaser's unendorsed, personal check made payable directly to the order of Sponsor's attorney. All references in the Offering Plan, Purchase Agreement and any other documents contained therein should reflect this fee.

3. **Super/Porter/Doorman**

The budget contained as Exhibit "A" to Amendment No. 3 dated July 15, 2010 budgets for one (1) fulltime super/porter plus 24 hour per day, 7 days per week doorman coverage.

4. **Gas**

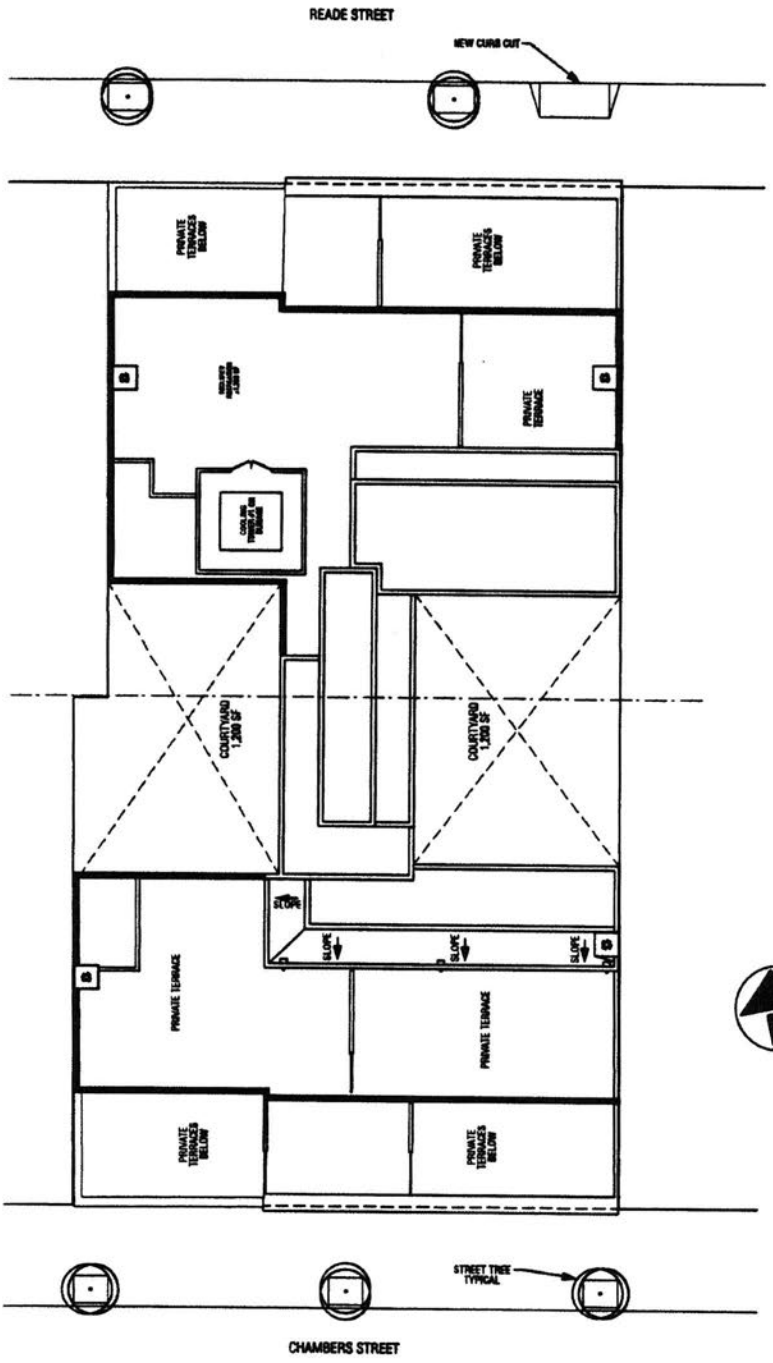
The gas metering for heating, hot water heating, cooking, and dryers will be a common expense of the Units.

X. EXTENSION

This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and, thereafter, said date is to be extended in a further Amendment to be filed.

Other than as set forth above, there are no material changes which require an amendment to the Offering Plan.

77 READE, LLC
Sponsor



NOT TO SCALE

THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

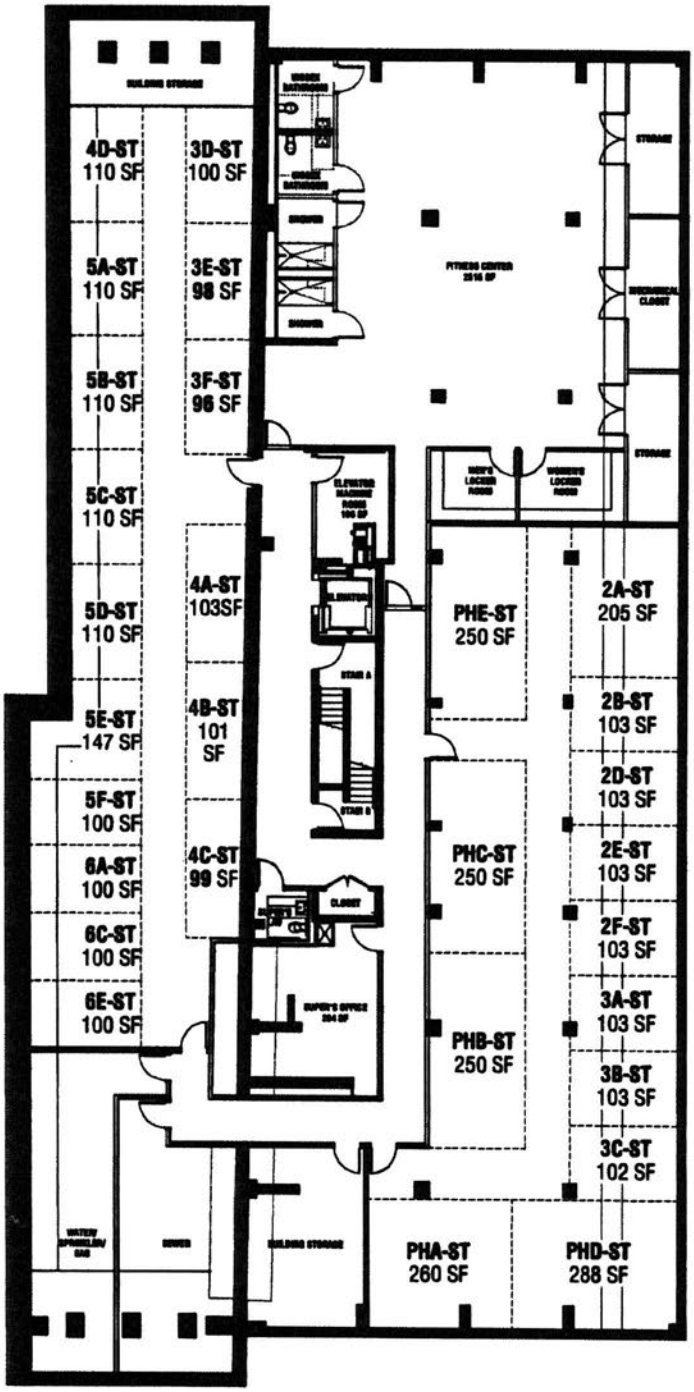
SITE PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP

EXHIBIT "A"



NOT TO SCALE

FLOOR AREA

FLOOR AREA: ±11,813 s.f.

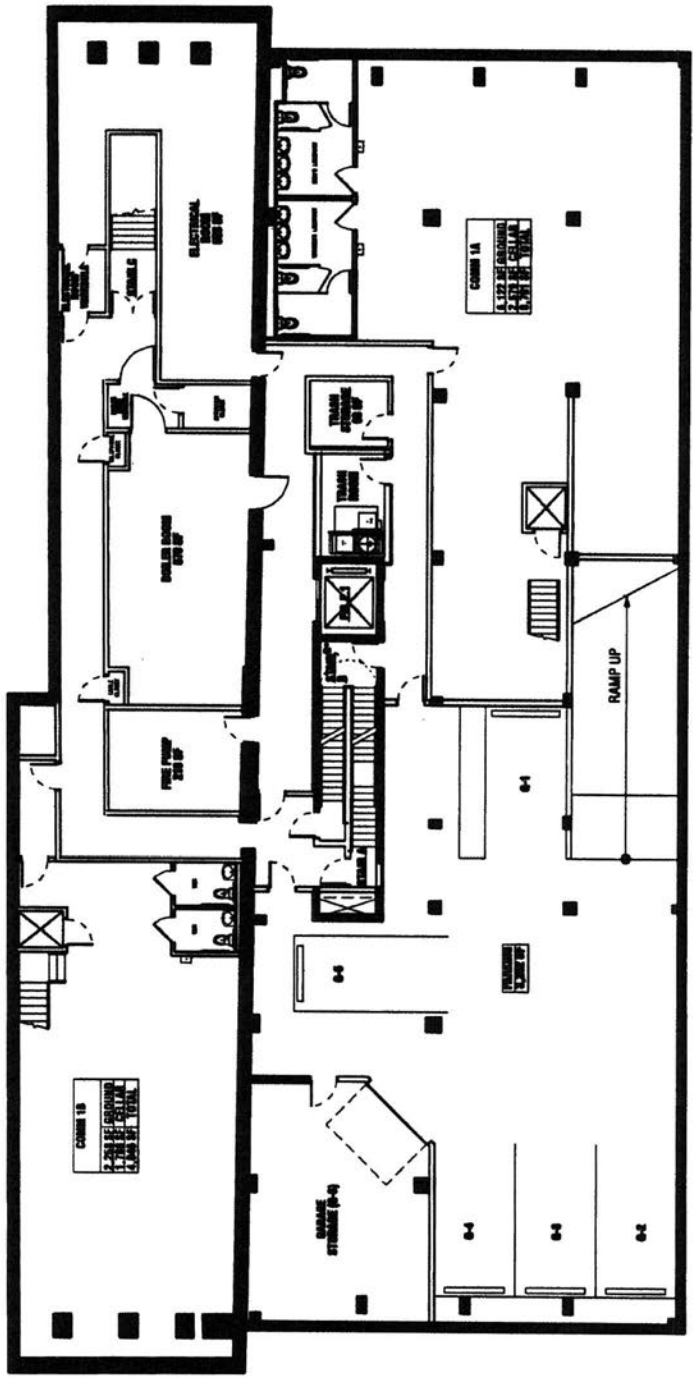
THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

SUB-CELLAR FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



NOT TO SCALE

FLOOR AREA

FLOOR AREA: ±11,813 s.f.

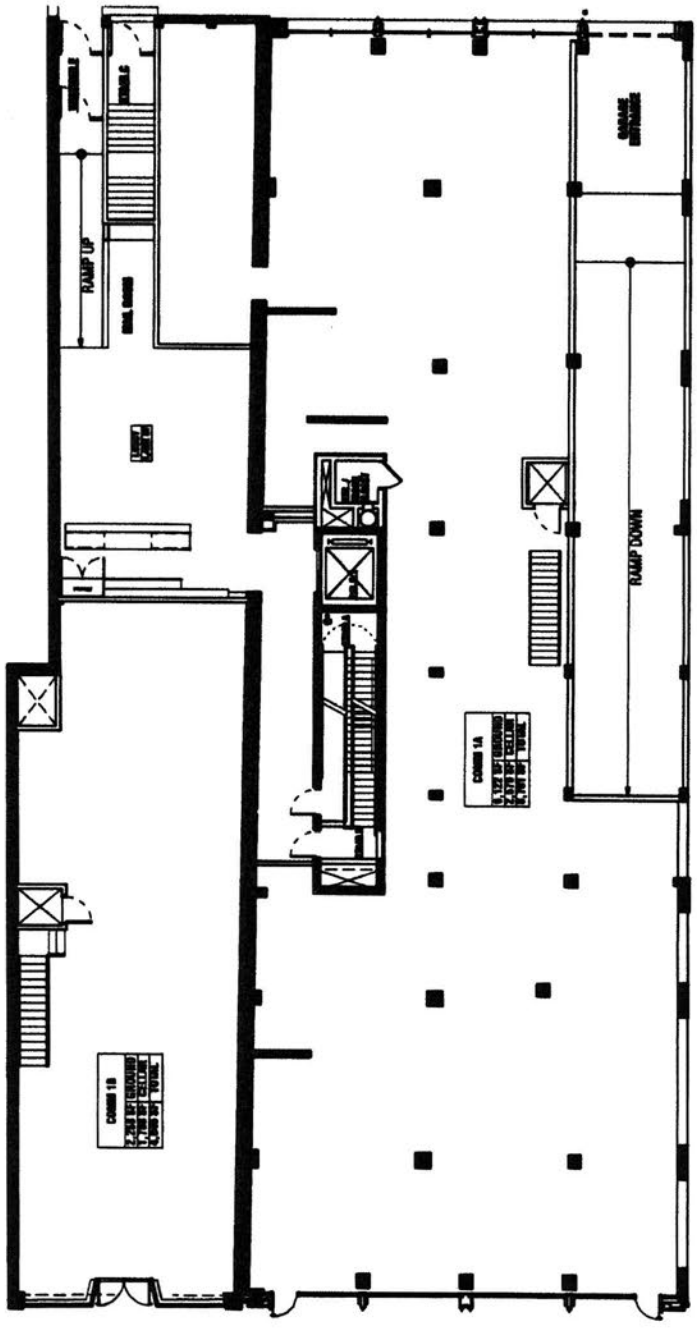
THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

CELLAR FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



NOT TO SCALE

FLOOR AREA

FLOOR AREA 10,263 s.f.

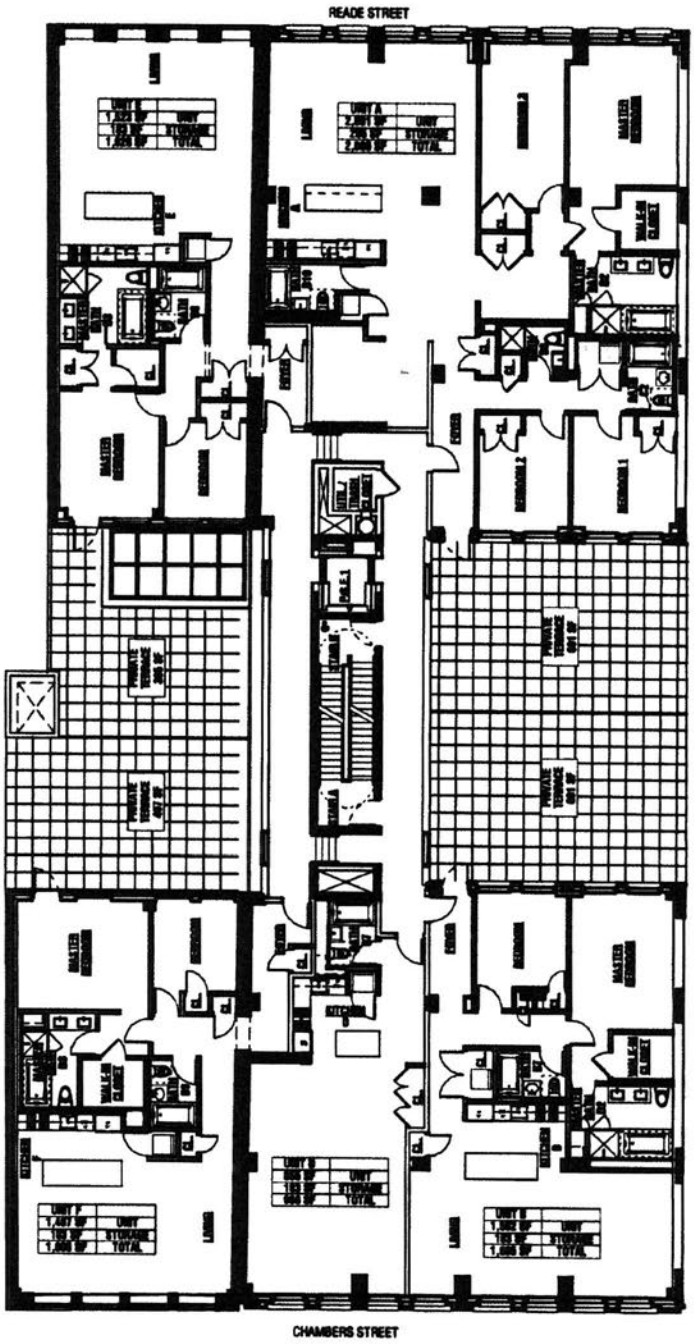
THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

GROUND FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



NOT TO SCALE

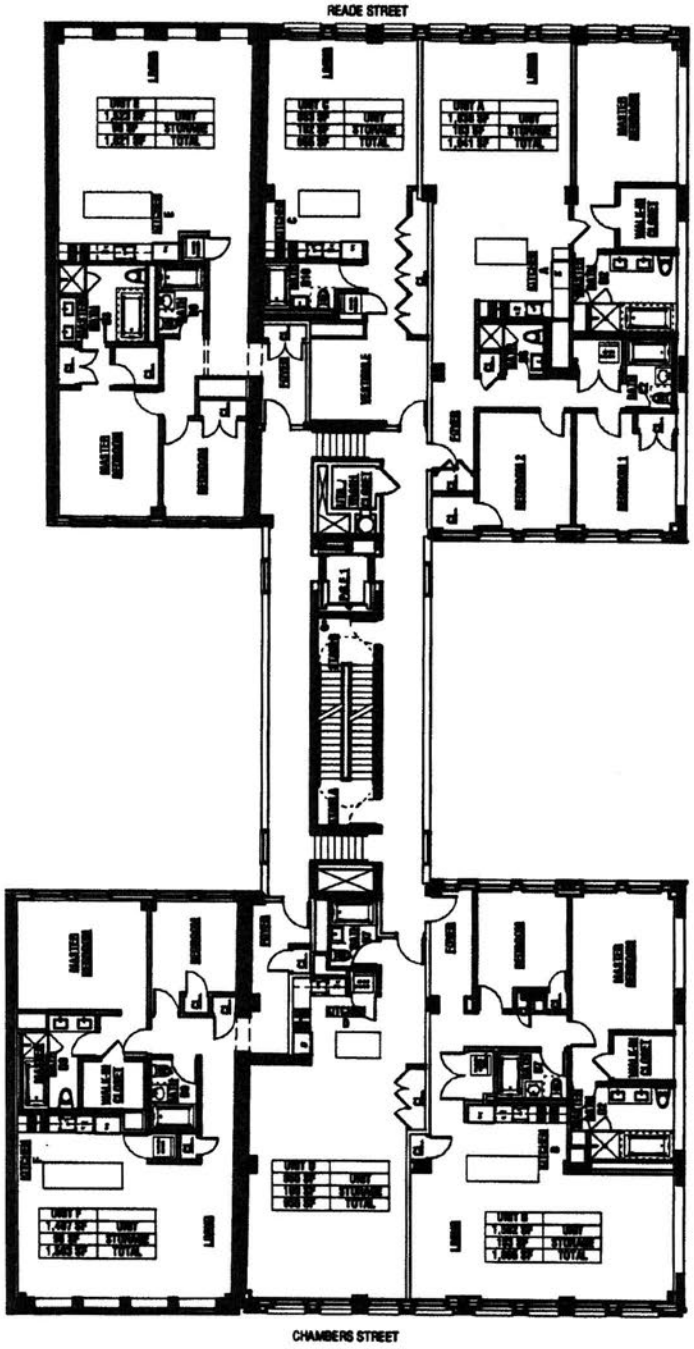
FLOOR AREA

FLOOR AREA	9,288 s.f.

THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

SECOND FLOOR PLAN
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



NOT TO SCALE

FLOOR AREA

FLOOR AREA	9,288 s.f.

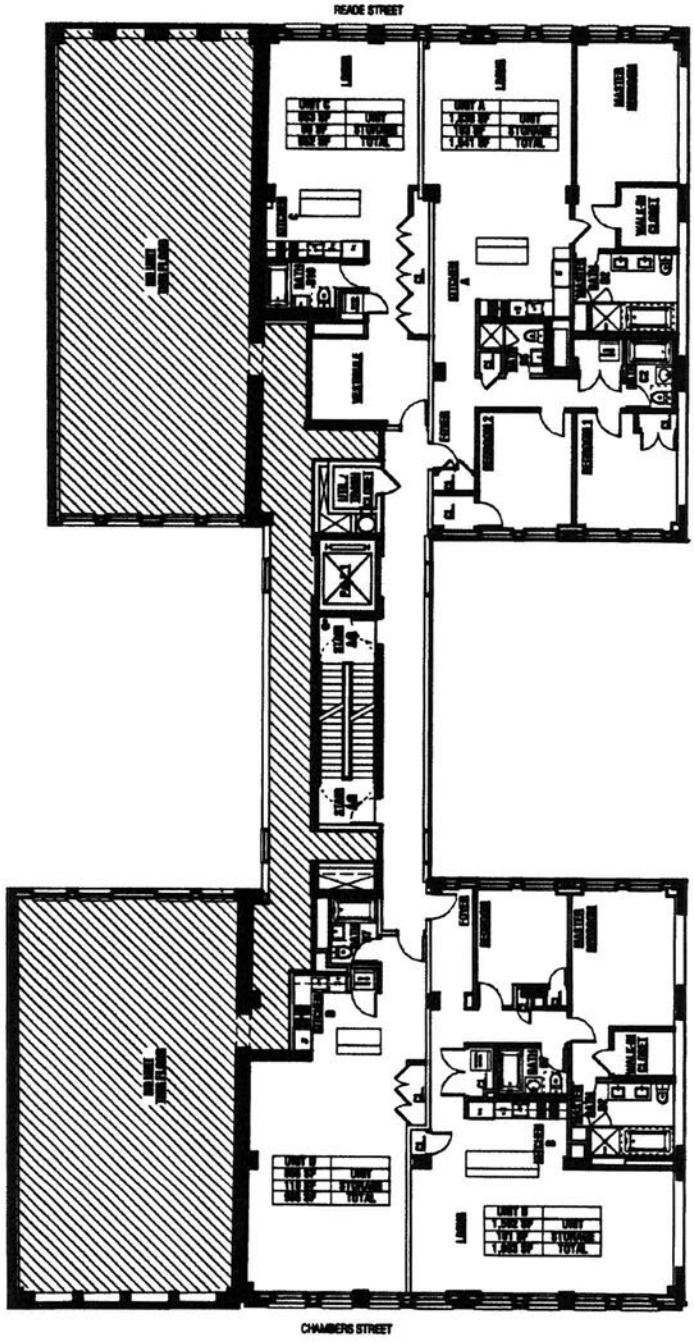
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THIRD FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



N

NOT TO SCALE

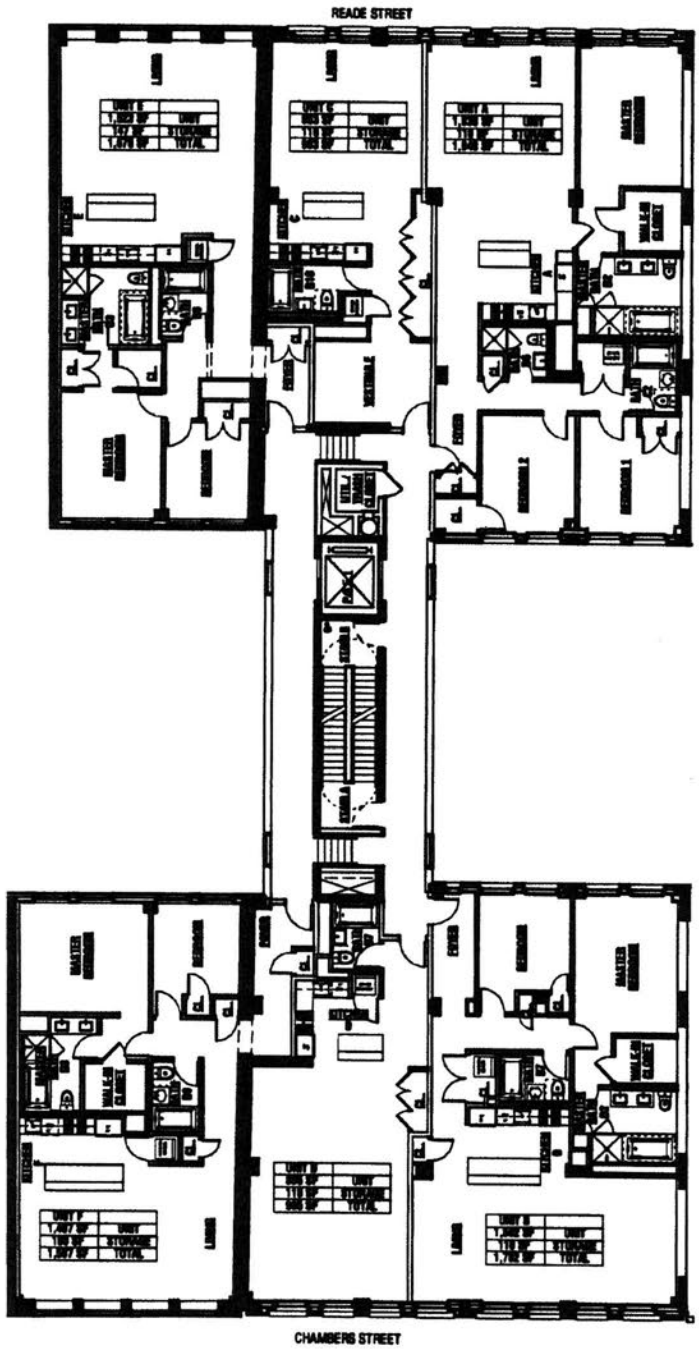
FLOOR AREA

FLOOR AREA	5,884 s.f.

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FOURTH FLOOR PLAN
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



N

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UNIT AREA SUMMARY

FLOOR AREA	9,288 s.f.

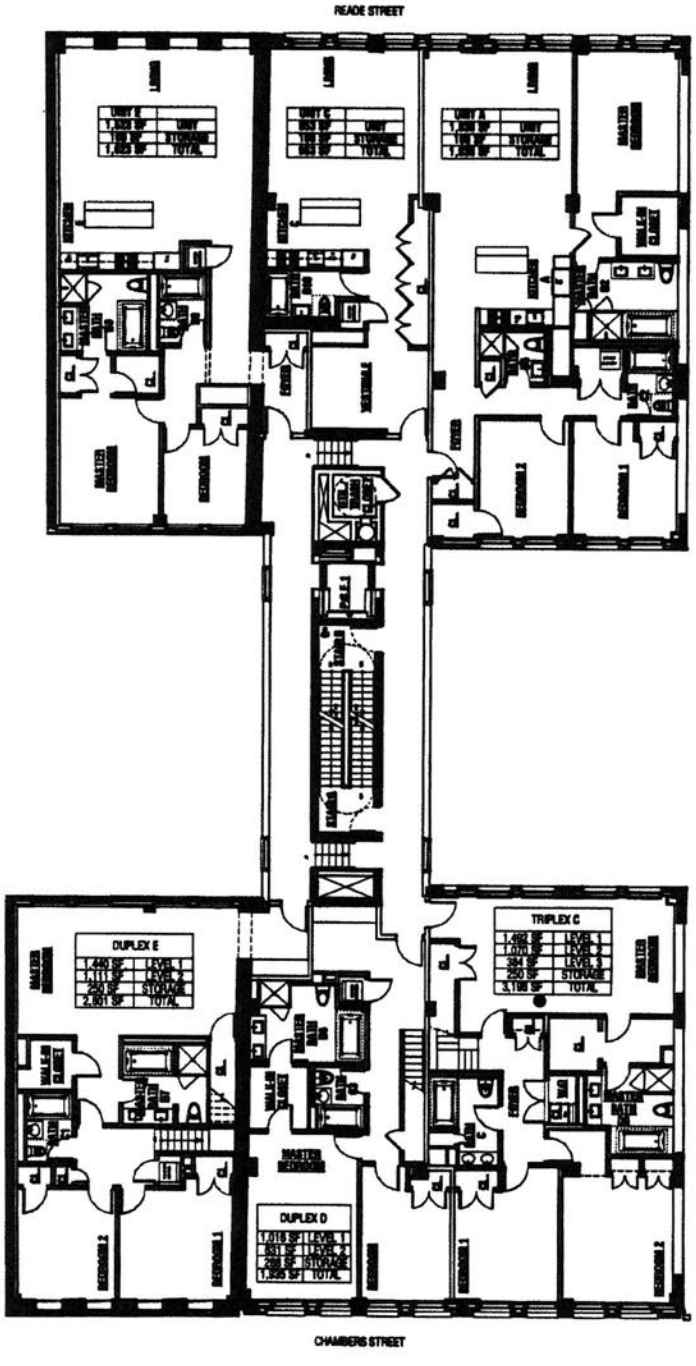
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FIFTH FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



NOT TO SCALE

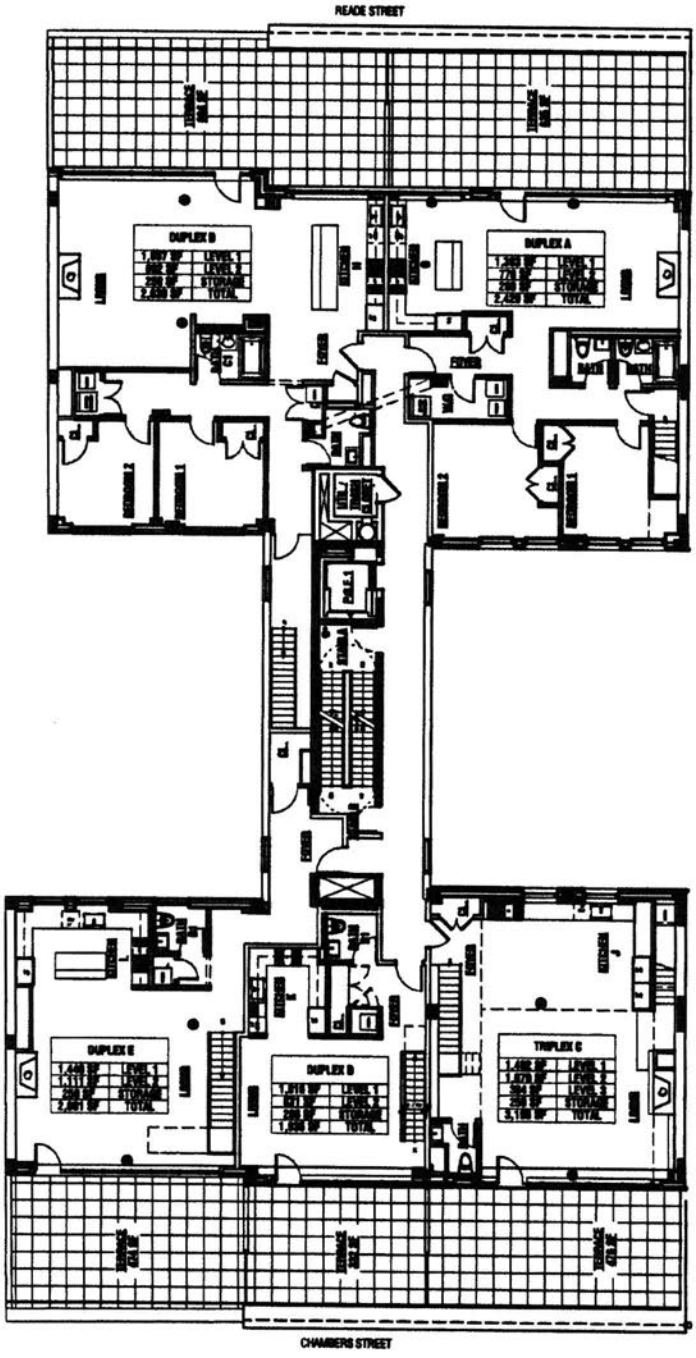
FLOOR AREA

FLOOR AREA 9,288 s.f.

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SIXTH FLOOR PLAN
77 READE STREET
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NOT TO SCALE

FLOOR AREA

FLOOR AREA	6,705 s.f.

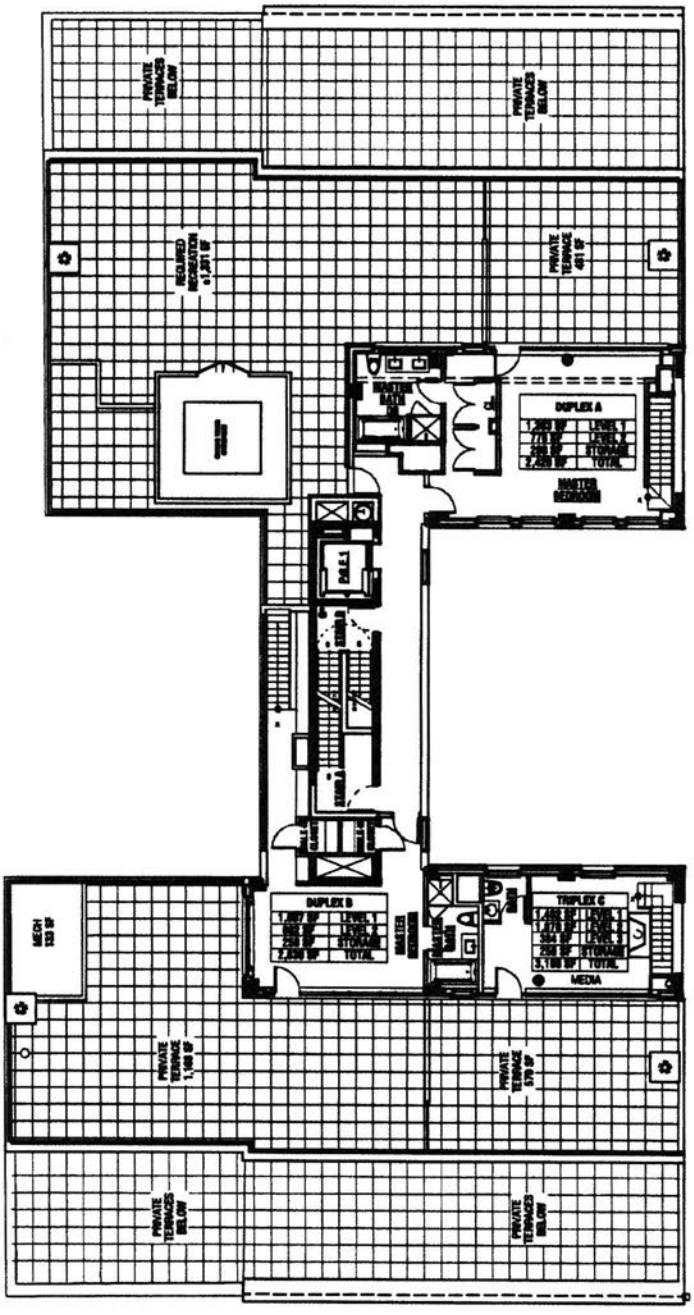
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PENTHOUSE PLAN

77 READE STREET

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NOT TO SCALE

FLOOR AREA

FLOOR AREA	2,404 s.f.

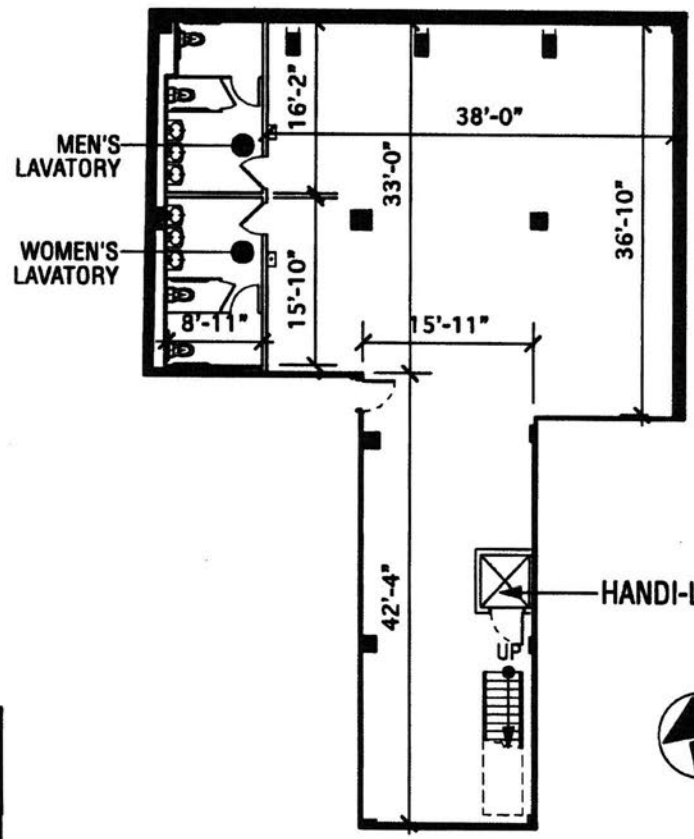
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PH MEZZANINE PLAN

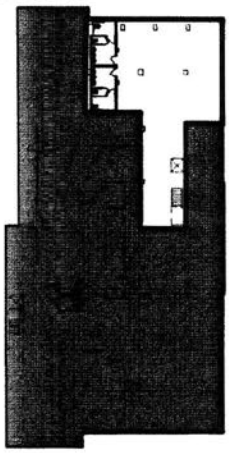
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

COMM. 1A (CELLAR)	2,579 s.f.
COMM. 1A (GROUND FLOOR)	6,122 s.f.
TOTAL COMM. 1A AREA	**8,701 s.f.**

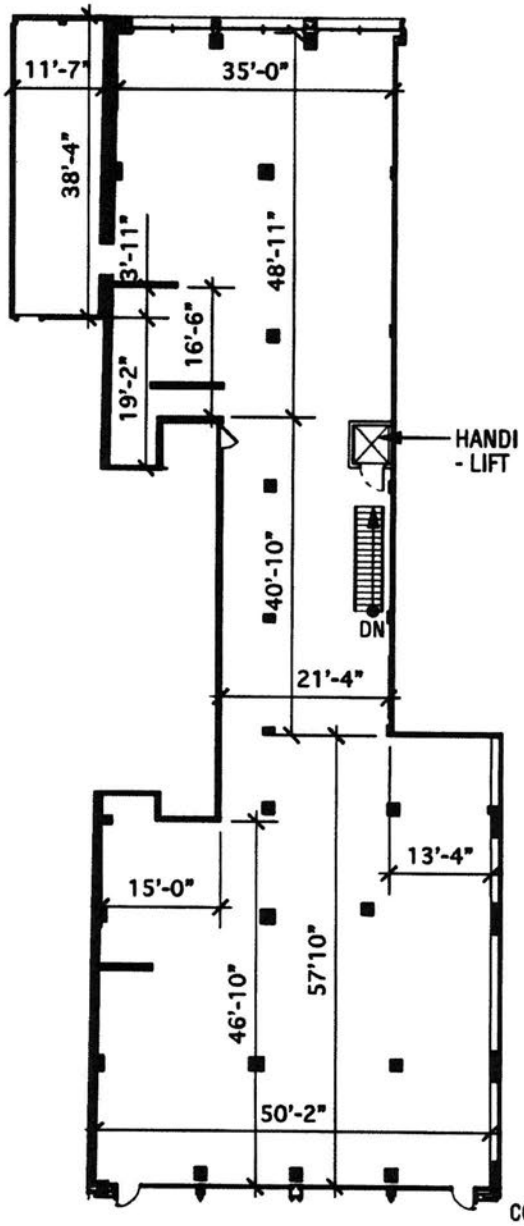
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CELLAR - COMMERCIAL 1A

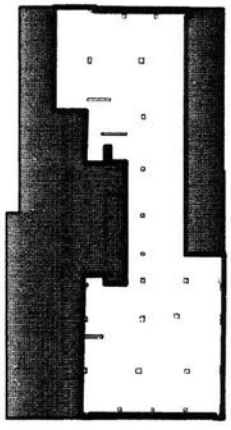
77 READE STREET

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KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

COMM. 1A (CELLAR)	2,579 s.f.
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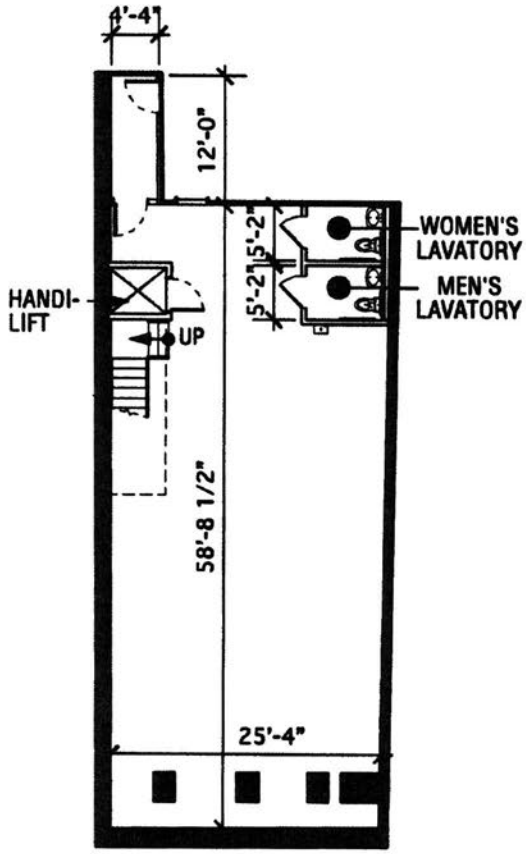
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GROUND FLOOR - COMMERCIAL 1A

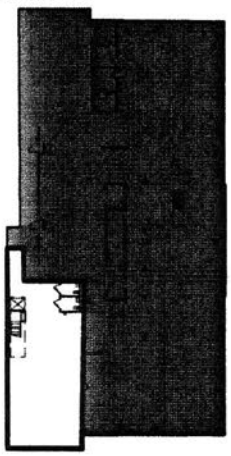
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



NOT TO SCALE

UNIT AREA SUMMARY

COMM. 1B (CELLAR)	1,788 s.f.
COMM. 1B (GROUND FLOOR)	2,258 s.f.
TOTAL COMM. 1B AREA	**4,046 s.f.**

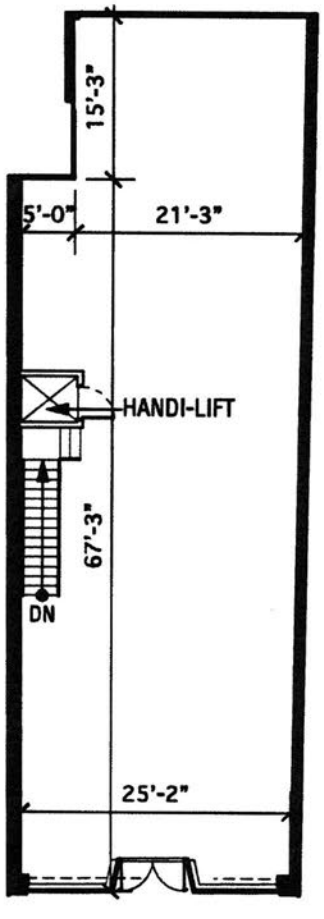
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CELLAR - COMMERCIAL 1B

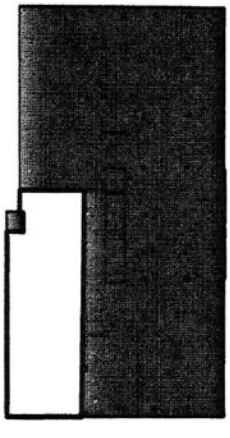
77 READE STREET

NEW YORK, NEW YORK

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KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

COMM. 1B (CELLAR)	1,788 s.f.
COMM. 1B (GROUND FLOOR)	2,258 s.f.
TOTAL COMM. 1B AREA	**4,046 s.f.**

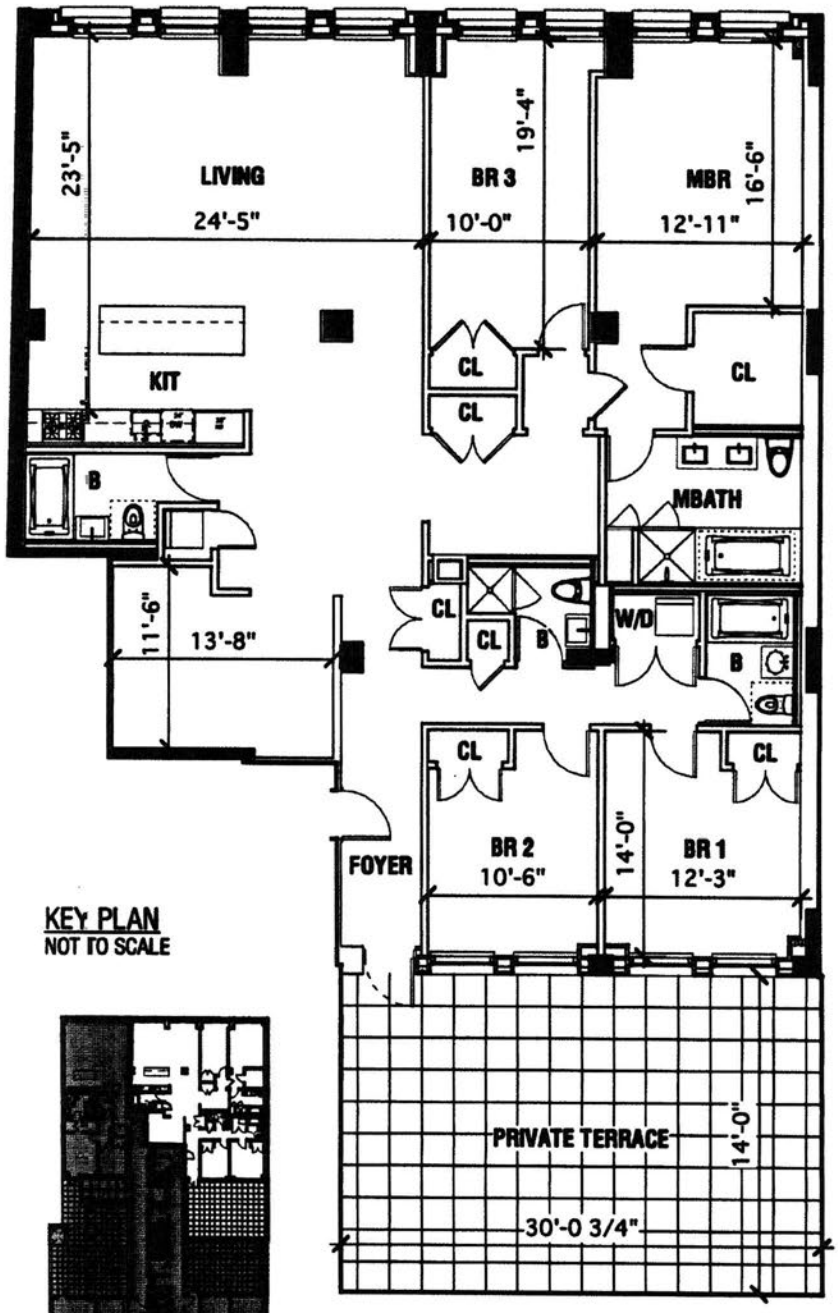
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GROUND FLOOR - COMMERCIAL 1B

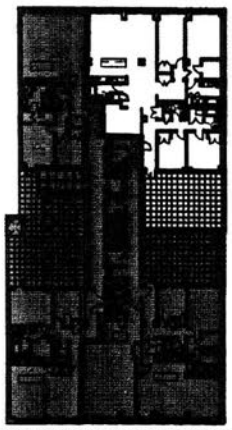
77 READE STREET

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KEY PLAN
NOT TO SCALE



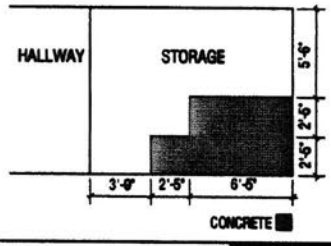
UNIT AREA SUMMARY

UNIT	2,691 s.f.
STORAGE	205 s.f.
TOTAL	2,896 s.f.
TERRACE	601 s.f.

N

NOT TO SCALE

SECTION THROUGH STORAGE UNIT



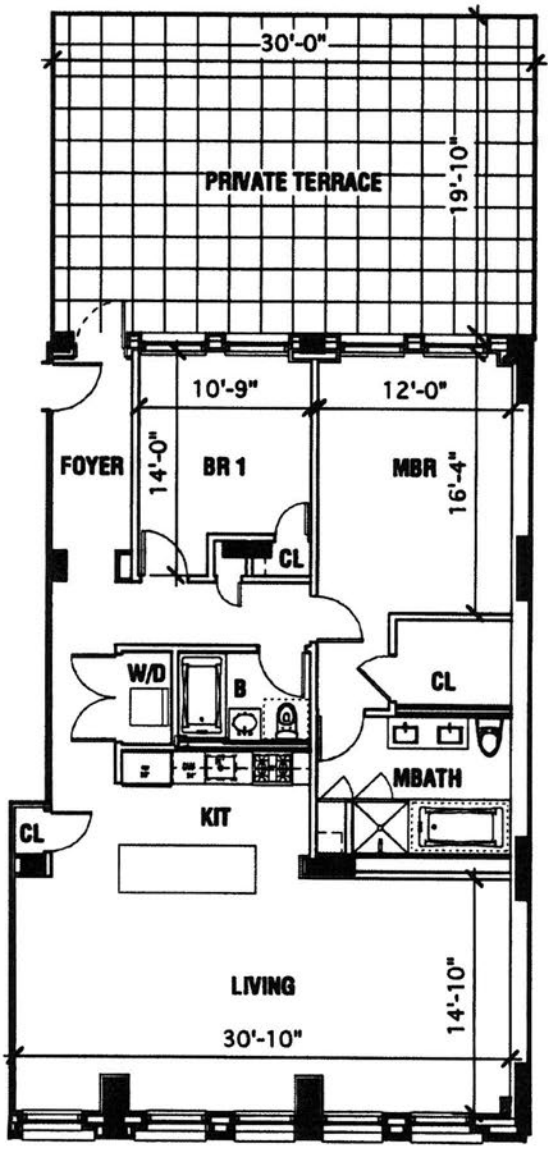
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SECOND FLOOR UNIT A

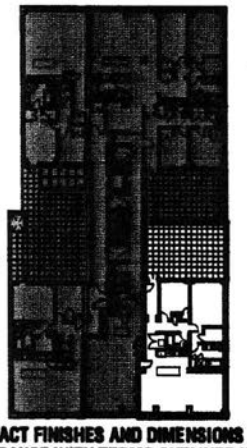
77 READE STREET

NEW YORK, NEW YORK

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KEY PLAN
NOT TO SCALE



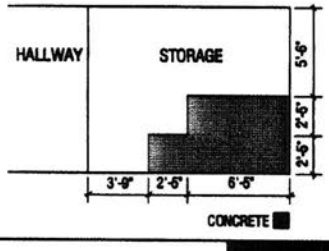
UNIT AREA SUMMARY

UNIT AREA	1,592 s.f.
STORAGE	103 s.f.
TOTAL	**1,695 s.f.**
TERRACE	**601 s.f.**

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NOT TO SCALE

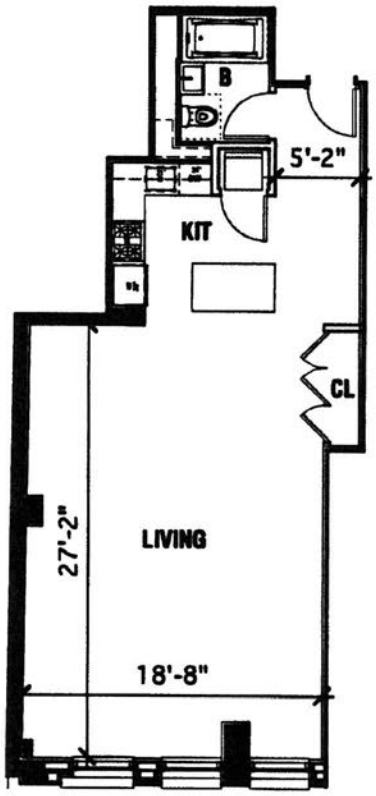
SECTION THROUGH STORAGE UNIT



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SECOND FLOOR UNIT B
77 READE STREET
NEW YORK, NEW YORK

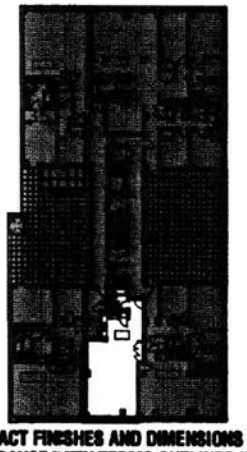
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

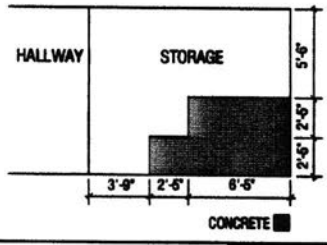
UNIT AREA	855 s.f.
STORAGE	103 s.f.
TOTAL	**958 s.f.**

KEY PLAN
NOT TO SCALE



N NOT TO SCALE

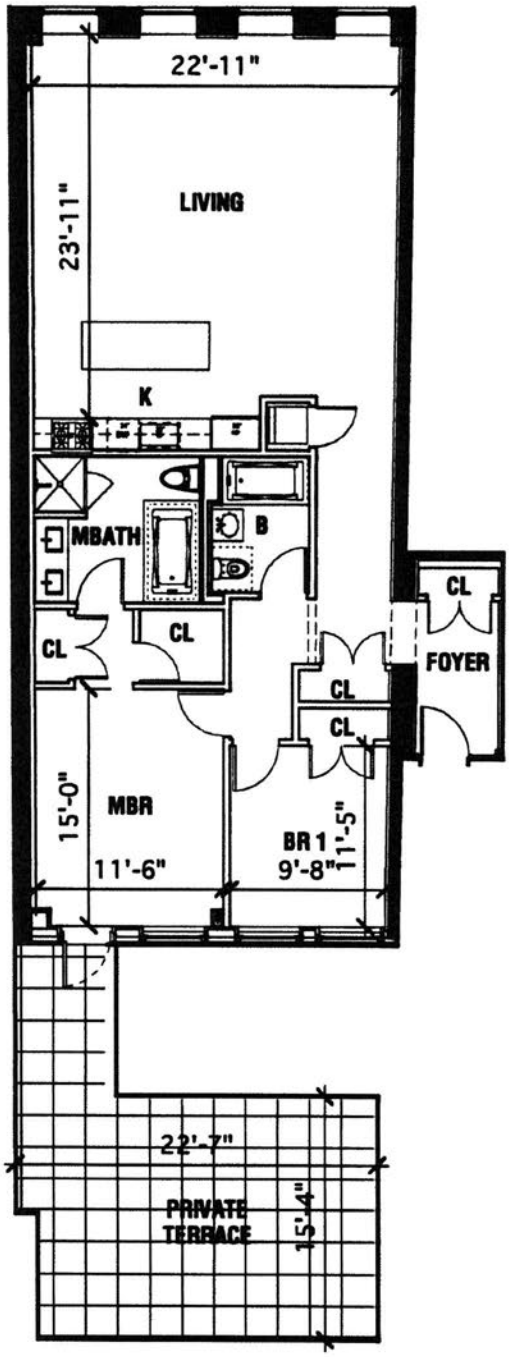
SECTION THROUGH STORAGE UNIT



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SECOND FLOOR UNIT D
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



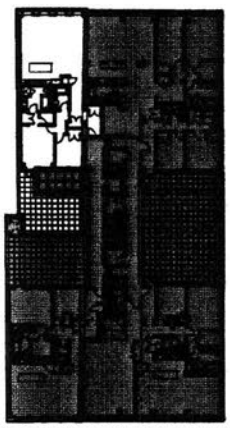
UNIT AREA SUMMARY

UNIT AREA	1,523 s.f.
STORAGE	103 s.f.
TOTAL	**1,626 s.f.**
TERRACE	**385 s.f.**

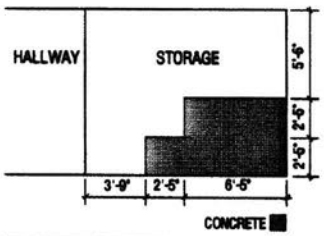
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NOT TO SCALE

KEY PLAN
NOT TO SCALE



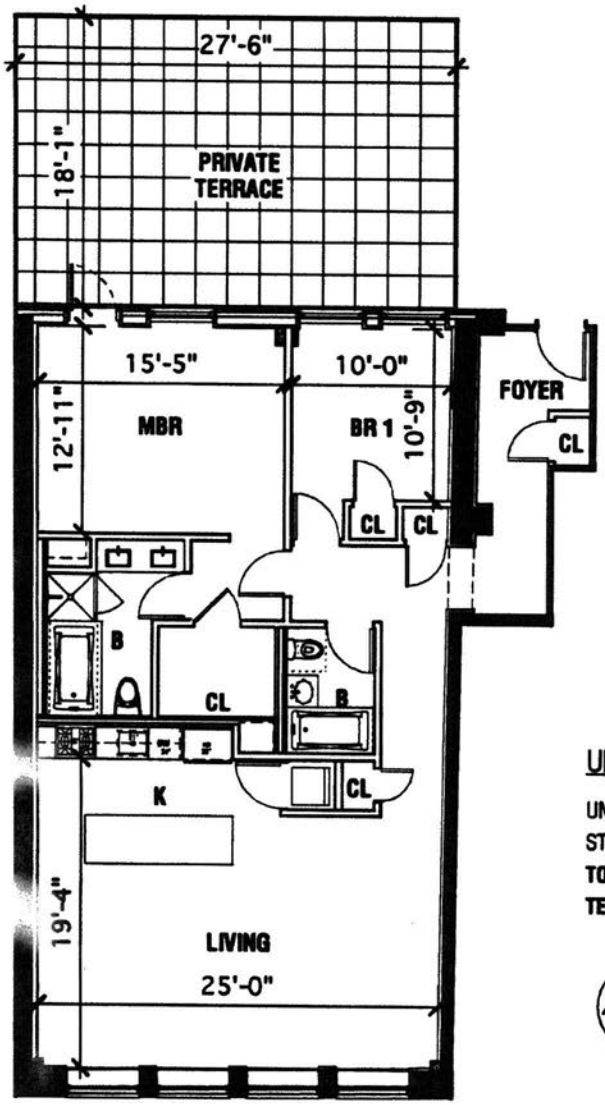
SECTION THROUGH STORAGE UNIT



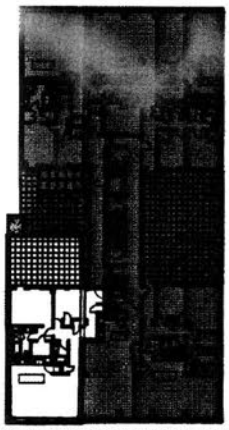
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SECOND FLOOR UNIT E
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



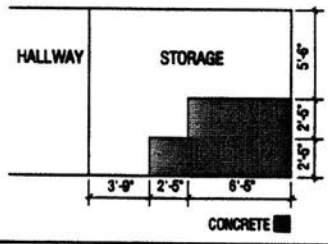
UNIT AREA SUMMARY

UNIT AREA	1,497 s.f.
STORAGE	103 s.f.
TOTAL	**1,600 s.f.**
TERRACE	**497 s.f.**

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NOT TO SCALE

SECTION THROUGH STORAGE UNIT



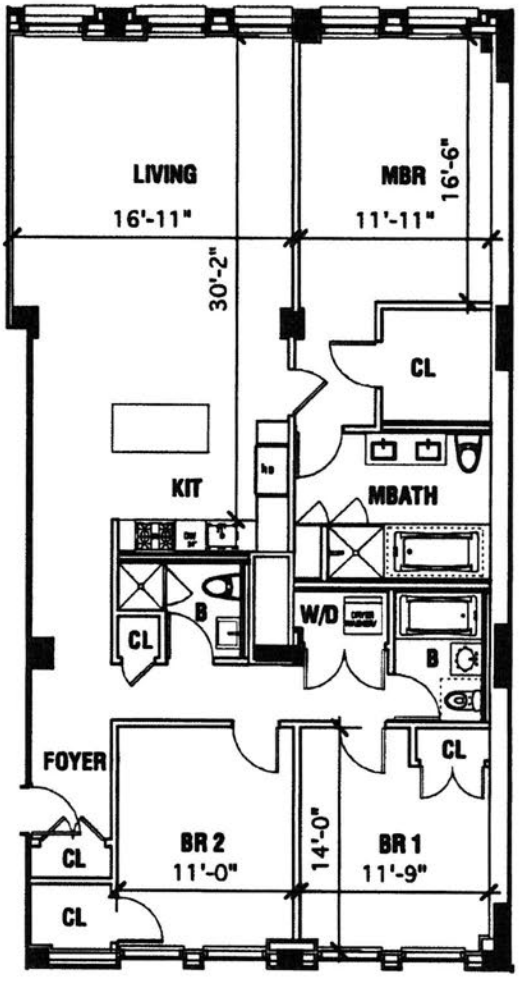
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SECOND FLOOR UNIT F

77 READE STREET

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UNIT AREA SUMMARY

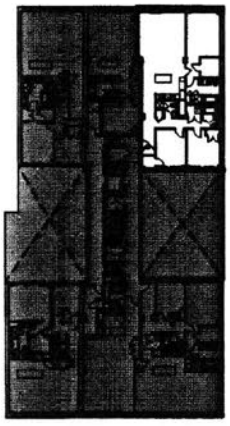
UNIT AREA	1,838 s.f.
STORAGE	103 s.f.
TOTAL	**1,941 s.f.**

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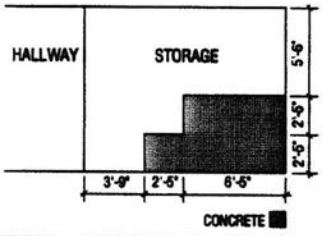
NOT TO SCALE

KEY PLAN

NOT TO SCALE



SECTION THROUGH STORAGE UNIT



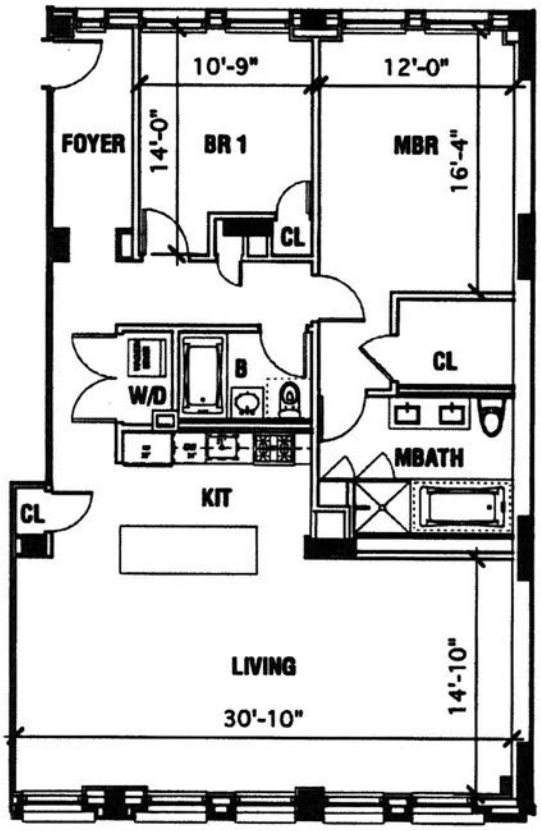
THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

THIRD FLOOR UNIT A

77 READE STREET

NEW YORK, NEW YORK

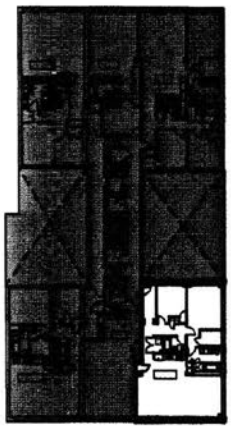
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

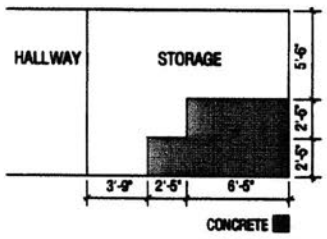
UNIT AREA	1,592 s.f.
STORAGE	103 s.f.
TOTAL	**1,695 s.f.**

KEY PLAN
NOT TO SCALE



N NOT TO SCALE

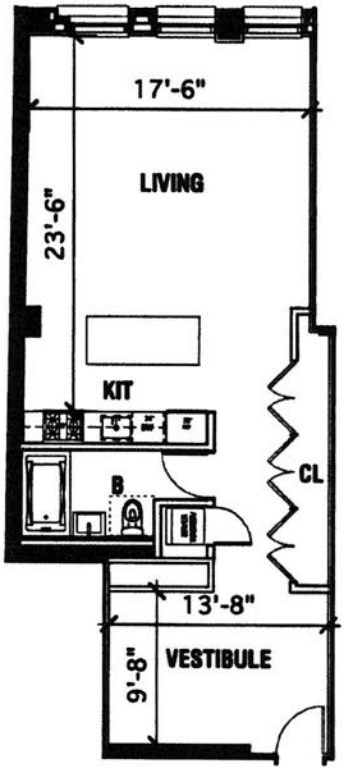
SECTION THROUGH STORAGE UNIT



THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

THIRD FLOOR UNIT B
77 READE STREET
NEW YORK, NEW YORK

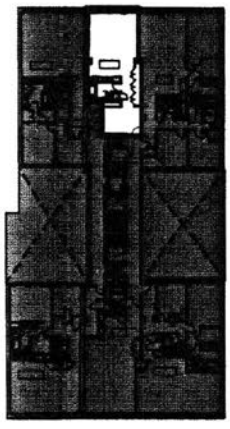
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

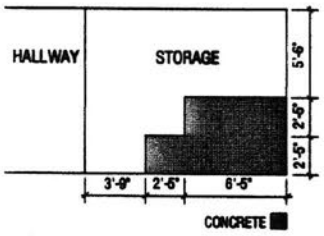
UNIT AREA	853 s.f.
STORAGE	102 s.f.
TOTAL	**955 s.f.**

KEY PLAN
NOT TO SCALE



NOT TO SCALE

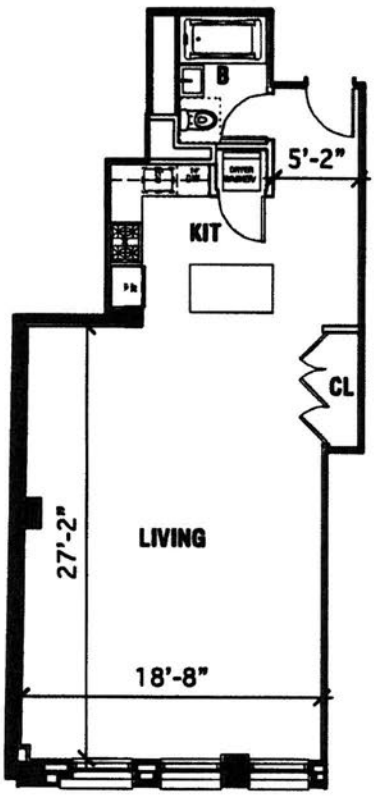
SECTION THROUGH STORAGE UNIT



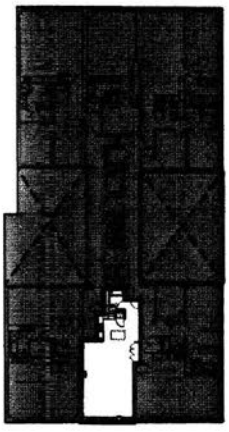
THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

THIRD FLOOR UNIT C
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

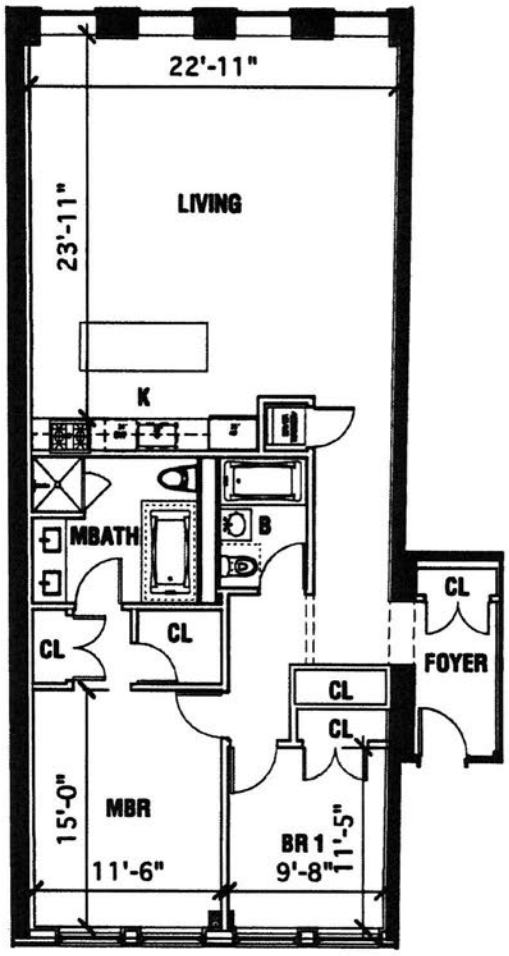
UNIT AREA SUMMARY

UNIT AREA	855 s.f.
STORAGE	100 s.f.
TOTAL	**955 s.f.**

THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

THIRD FLOOR UNIT D
77 READE STREET
NEW YORK, NEW YORK

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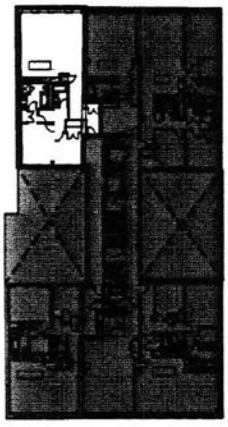
UNIT AREA SUMMARY

UNIT AREA	1,523 s.f.
STORAGE	98 s.f.
TOTAL	**1,621 s.f.**

N

NOT TO SCALE

KEY PLAN
NOT TO SCALE



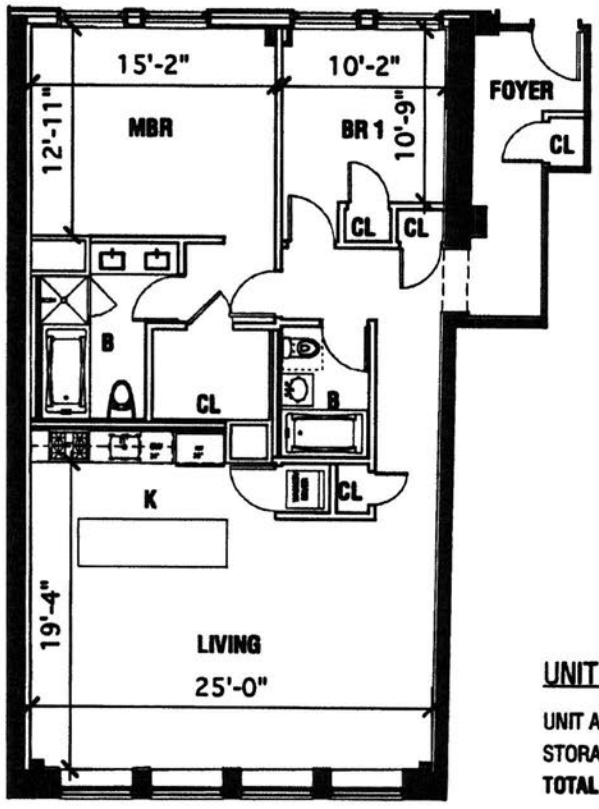
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THIRD FLOOR UNIT E

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



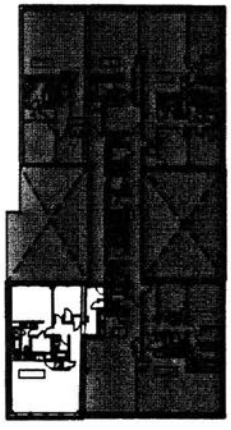
UNIT AREA SUMMARY

UNIT AREA	1,497 s.f.
STORAGE	96 s.f.
TOTAL	1,593 s.f.

N

NOT TO SCALE

KEY PLAN
NOT TO SCALE



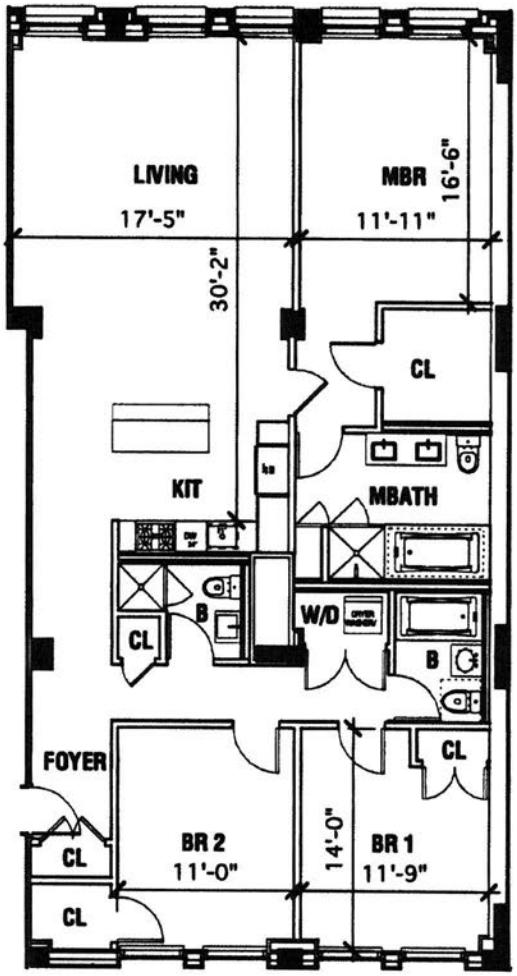
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THIRD FLOOR UNIT F

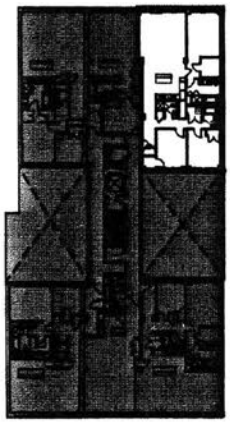
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

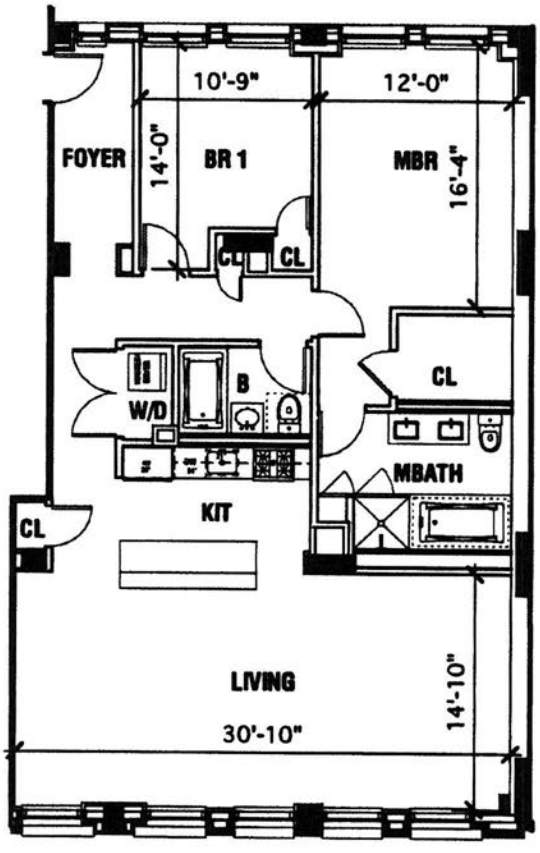
UNIT AREA SUMMARY

UNIT AREA	1,838 s.f.
STORAGE	103 s.f.
TOTAL	**1,941 s.f.**

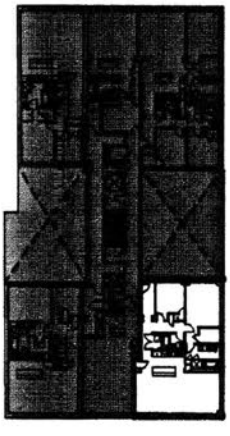
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FOURTH FLOOR UNIT A
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

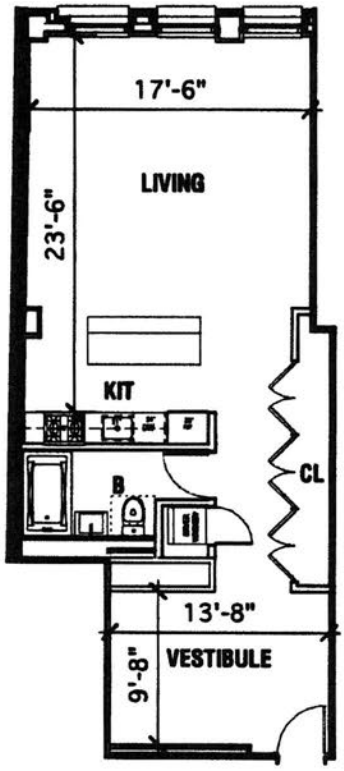
UNIT AREA SUMMARY

UNIT AREA	1,592 s.f.
STORAGE	101 s.f.
TOTAL	**1,693 s.f.**

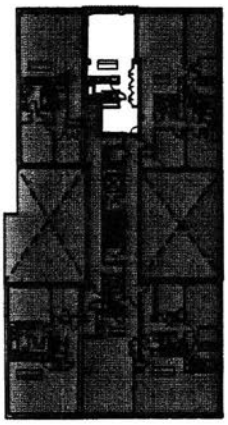
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FOURTH FLOOR UNIT B
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



NOT TO SCALE

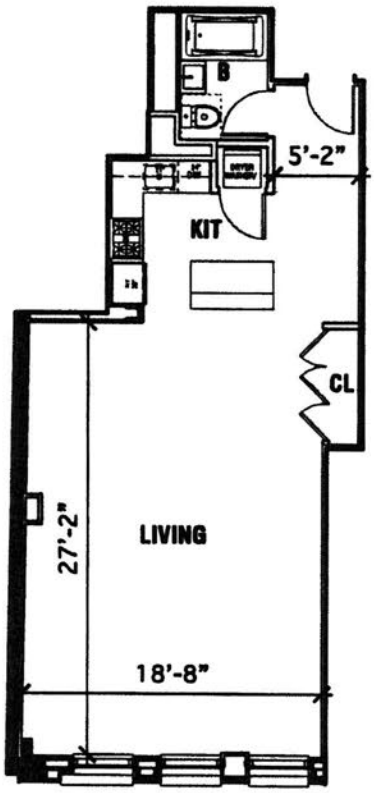
UNIT AREA SUMMARY

UNIT AREA	853 s.f.
STORAGE	99 s.f.
TOTAL	952 s.f.

THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

FOURTH FLOOR UNIT C
77 READE STREET
NEW YORK, NEW YORK

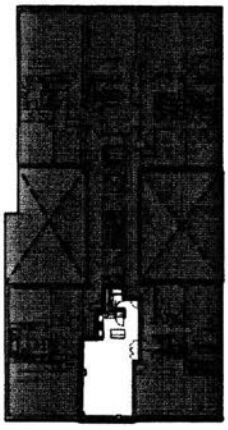
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

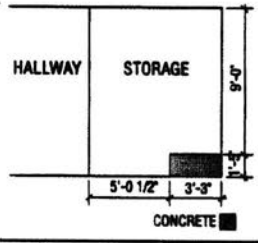
UNIT AREA	855 s.f.
STORAGE	110 s.f.
TOTAL	**965 s.f.**

KEY PLAN
NOT TO SCALE



N NOT TO SCALE

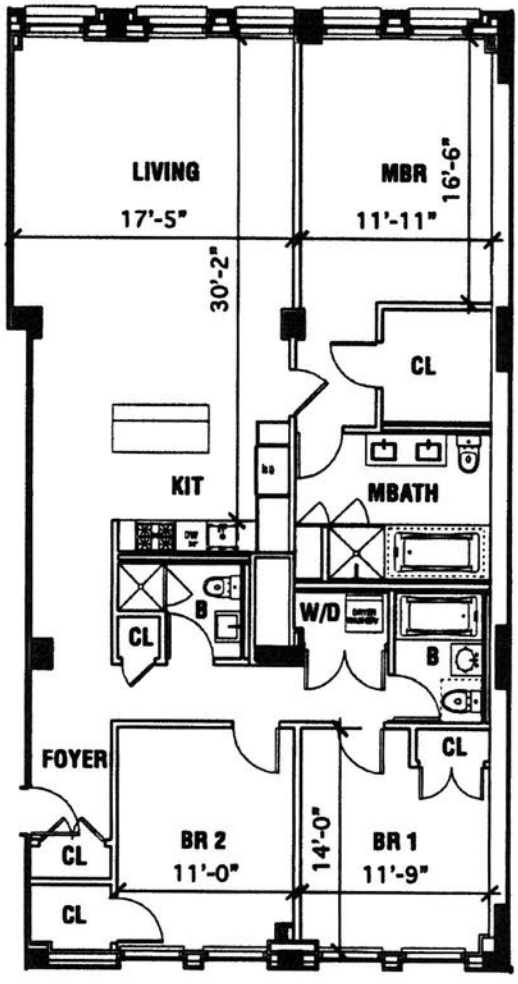
SECTION THROUGH STORAGE UNIT



THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

FOURTH FLOOR UNIT D
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP

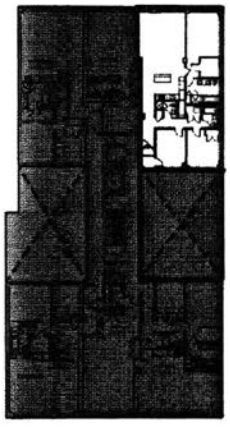


UNIT AREA SUMMARY

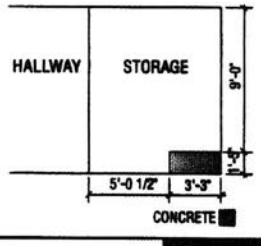
UNIT AREA	1,838 s.f.
STORAGE	110 s.f.
TOTAL	**1,948 s.f.**

NOT TO SCALE

KEY PLAN
NOT TO SCALE



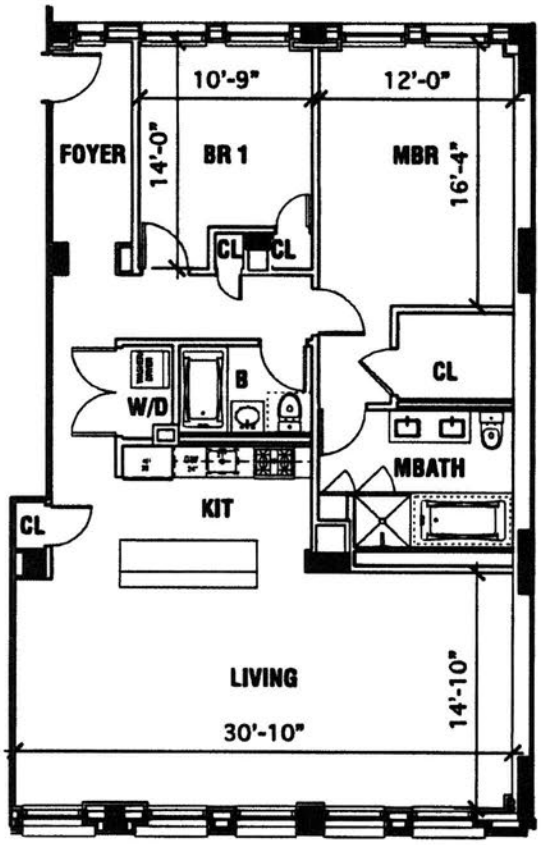
SECTION THROUGH STORAGE UNIT



THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

FIFTH FLOOR UNIT A
77 READE STREET
NEW YORK, NEW YORK

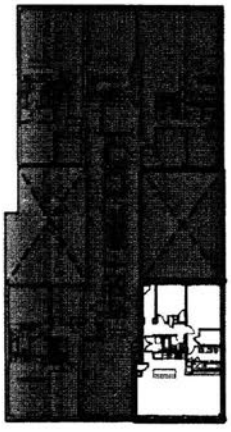
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

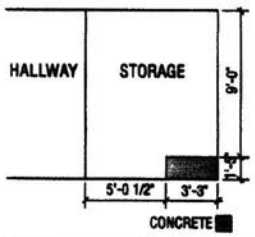
UNIT AREA	1,592 s.f.
STORAGE	110 s.f.
TOTAL	**1,702 s.f.**

KEY PLAN
NOT TO SCALE



N NOT TO SCALE

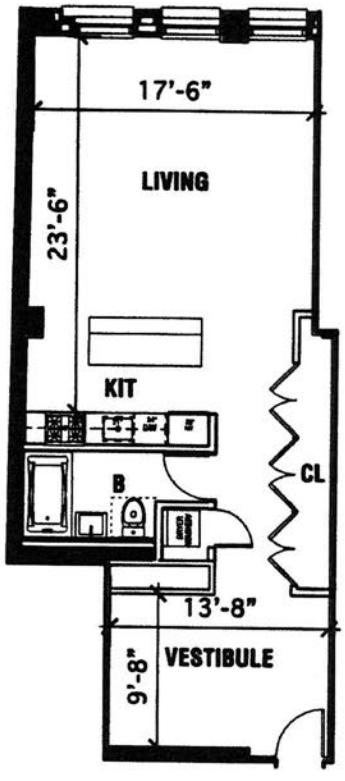
SECTION THROUGH STORAGE UNIT



THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

FIFTH FLOOR UNIT B
77 READE STREET
NEW YORK, NEW YORK

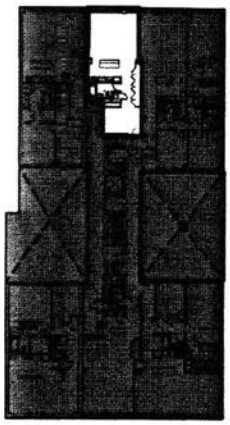
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

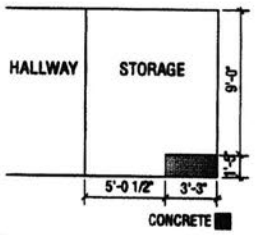
UNIT AREA	853 s.f.
STORAGE	110 s.f.
TOTAL	**963 s.f.**

KEY PLAN
NOT TO SCALE



N NOT TO SCALE

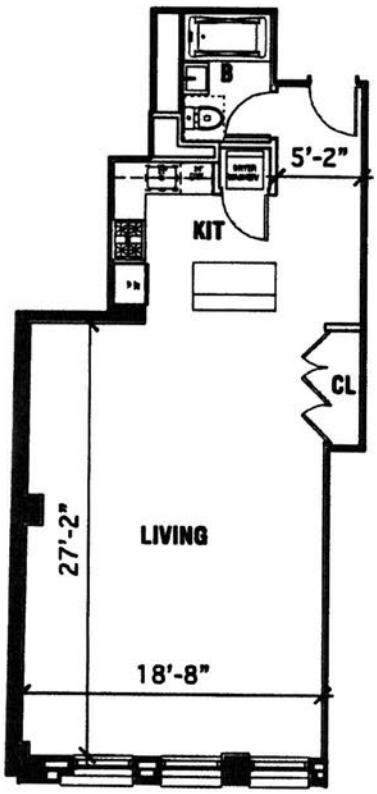
SECTION THROUGH STORAGE UNIT



THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

FIFTH FLOOR UNIT C
77 READE STREET
NEW YORK, NEW YORK

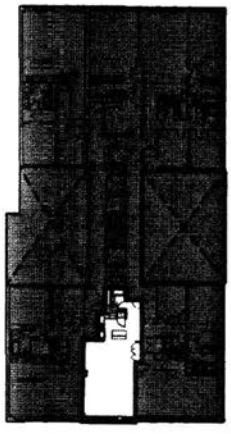
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

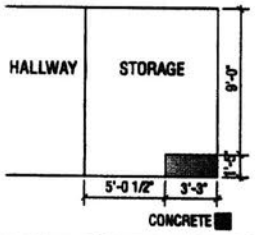
UNIT AREA	855 s.f.
STORAGE	110 s.f.
TOTAL	**965 s.f.**

KEY PLAN
NOT TO SCALE



N NOT TO SCALE

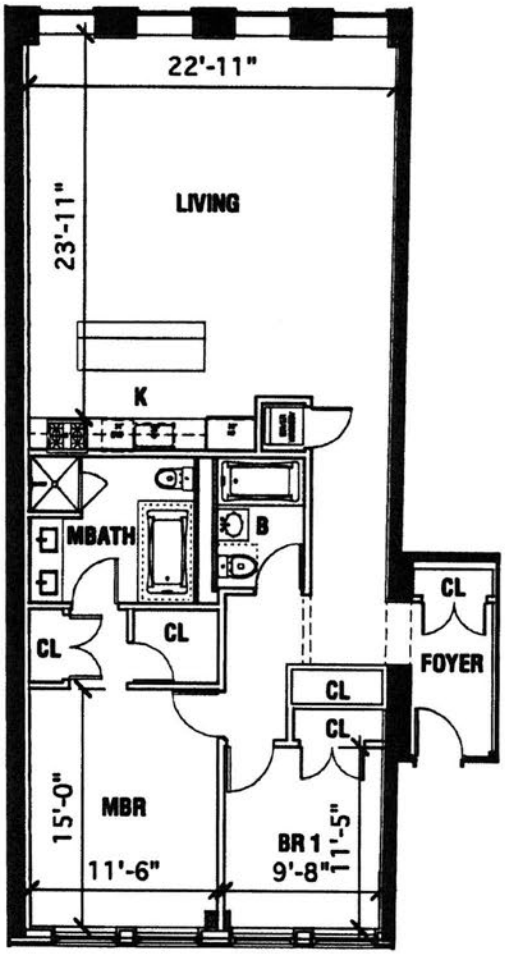
SECTION THROUGH STORAGE UNIT



THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

FIFTH FLOOR UNIT D
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

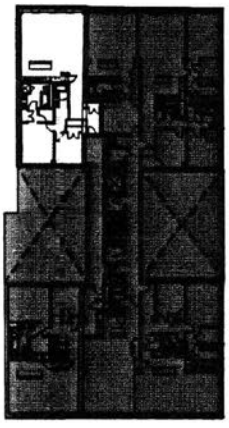
UNIT AREA	1,523 s.f.
STORAGE	147 s.f.
TOTAL	**1,670 s.f.**

N

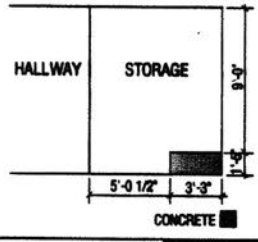
NOT TO SCALE

KEY PLAN

NOT TO SCALE



SECTION THROUGH STORAGE UNIT



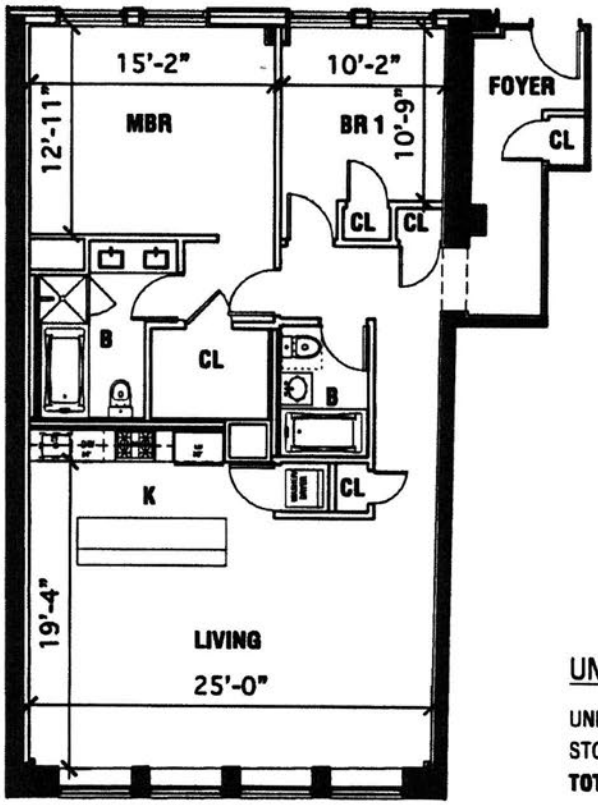
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FIFTH FLOOR UNIT E

77 READE STREET

NEW YORK, NEW YORK

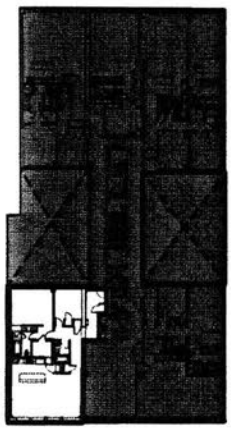
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

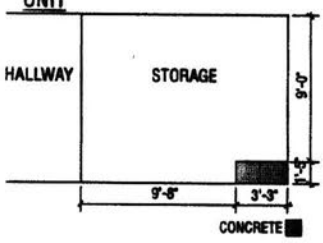
UNIT AREA	1,497 s.f.
STORAGE	100 s.f.
TOTAL	**1,597 s.f.**

KEY PLAN
NOT TO SCALE



NOT TO SCALE

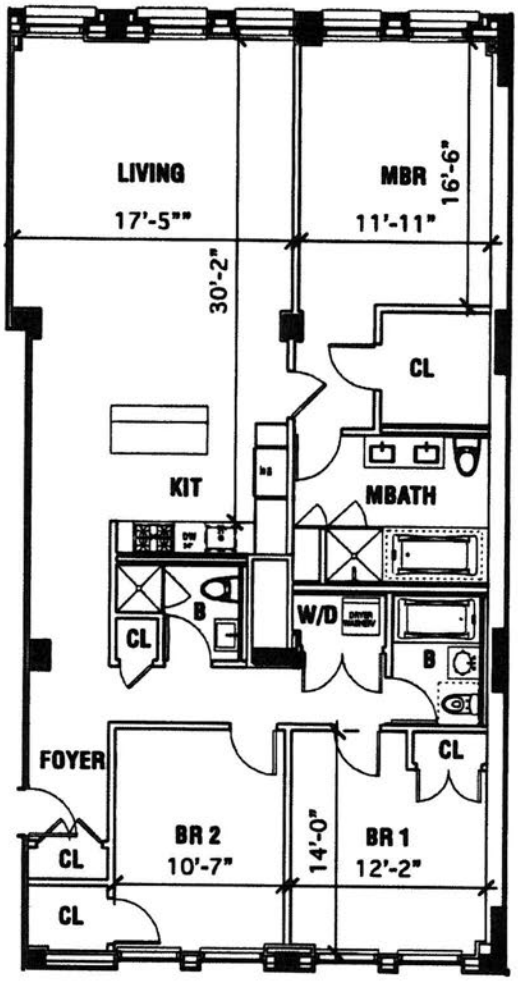
SECTION THROUGH STORAGE UNIT



THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

FIFTH FLOOR UNIT F
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



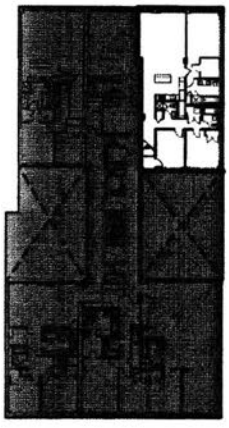
UNIT AREA SUMMARY

UNIT AREA	1,838 s.f.
STORAGE	100 s.f.
TOTAL	**1,938 s.f.**

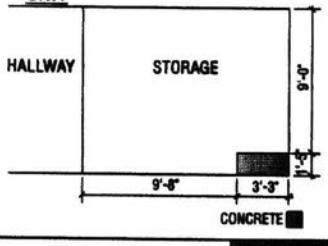
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NOT TO SCALE

KEY PLAN
NOT TO SCALE



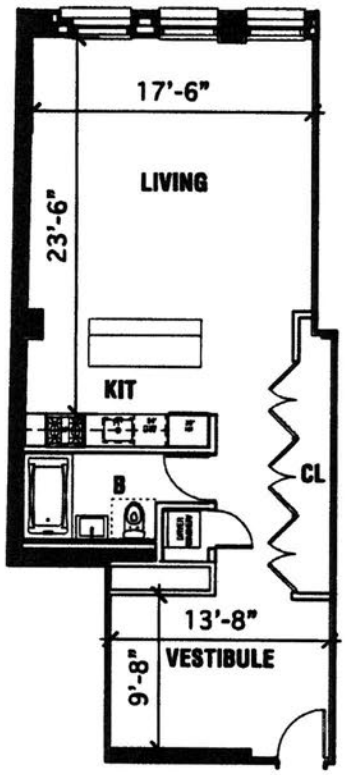
SECTION THROUGH STORAGE UNIT



THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

SIXTH FLOOR UNIT A
77 READE STREET
NEW YORK, NEW YORK

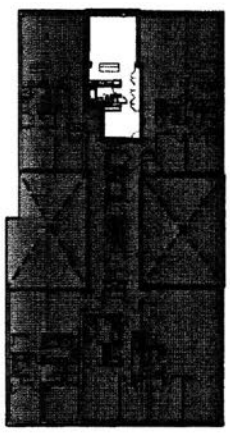
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

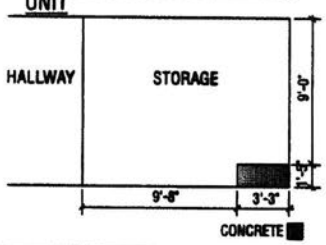
UNIT AREA	853 s.f.
STORAGE	100 s.f.
TOTAL	**953 s.f.**

KEY PLAN
NOT TO SCALE



N NOT TO SCALE

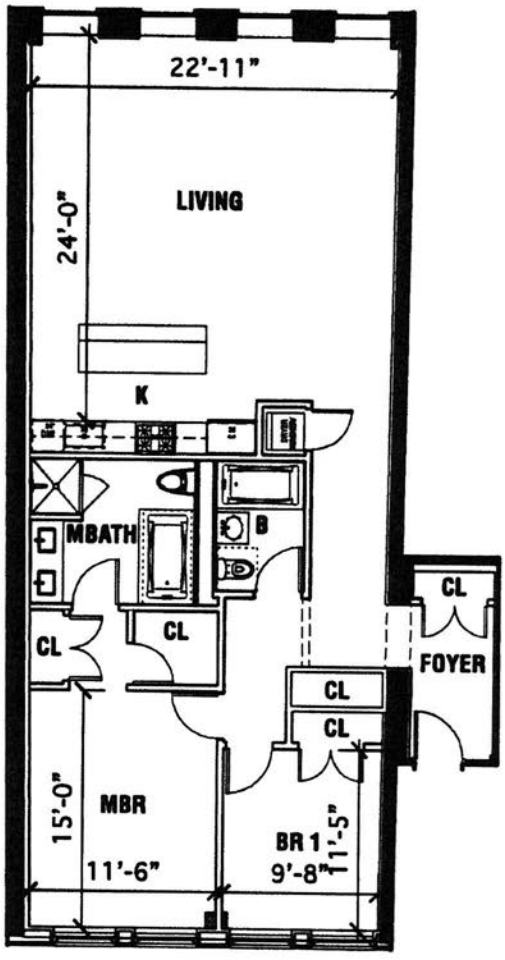
SECTION THROUGH STORAGE UNIT



THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

SIXTH FLOOR UNIT C
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NEW YORK, NEW YORK

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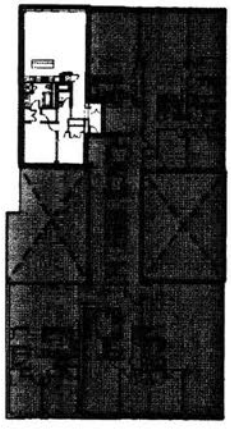
UNIT AREA SUMMARY

UNIT AREA	1,523 s.f.
STORAGE	100 s.f.
TOTAL	**1,623 s.f.**

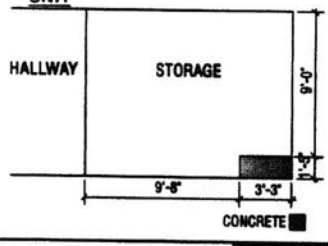
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KEY PLAN
NOT TO SCALE



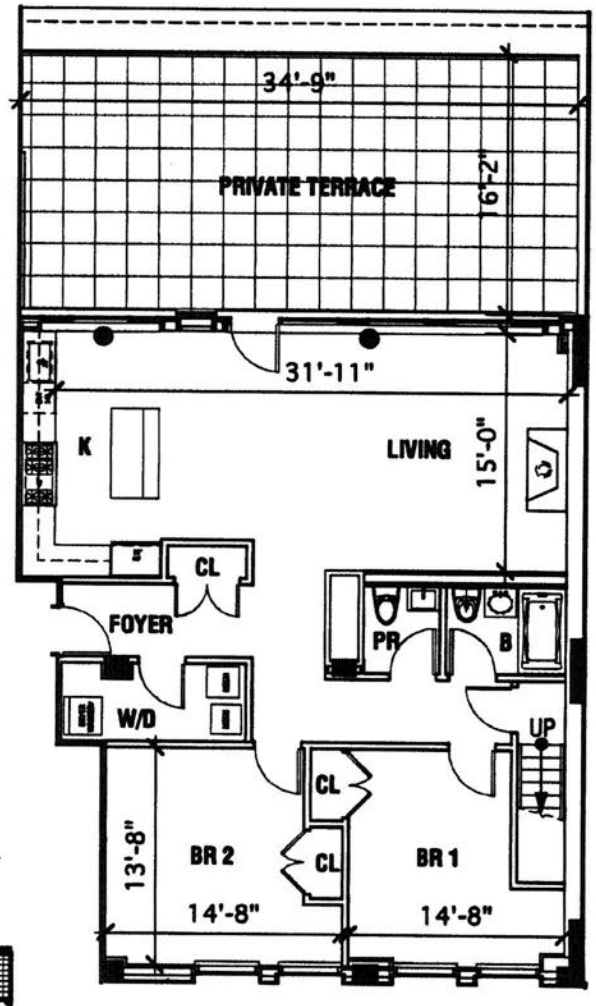
SECTION THROUGH STORAGE UNIT



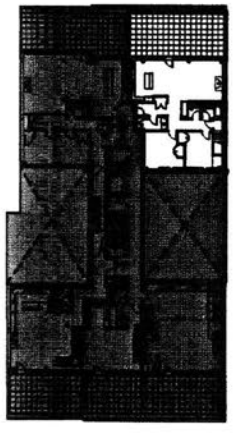
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SIXTH FLOOR UNIT E
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NEW YORK, NEW YORK

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KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

PH LEVEL	1,393 s.f.
PH MEZZANINE	776 s.f.
STORAGE	260 s.f.
UNIT TOTAL	**2,429 s.f.**
TERRACE (PH)	635 s.f.
TERRACE (MEZZ)	481 s.f.
TERRACE TOTAL	**1,116 s.f.**

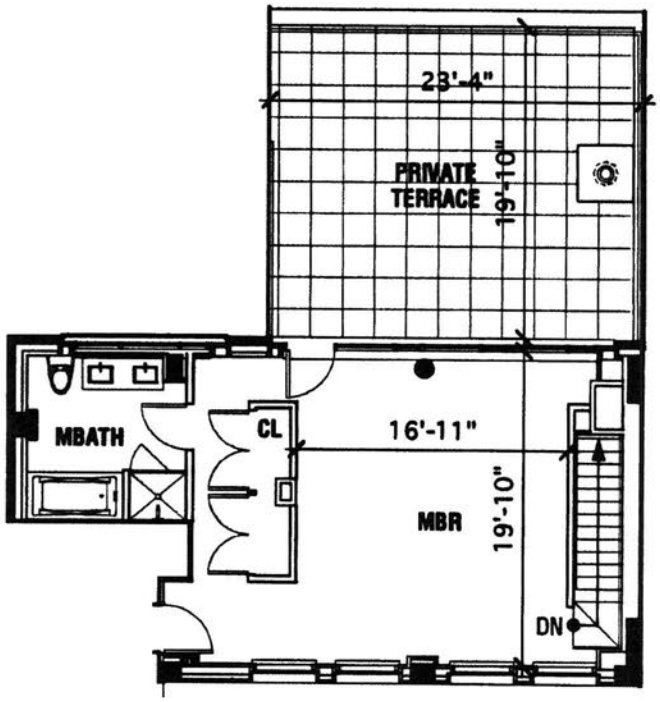
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PENTHOUSE - DUPLEX A

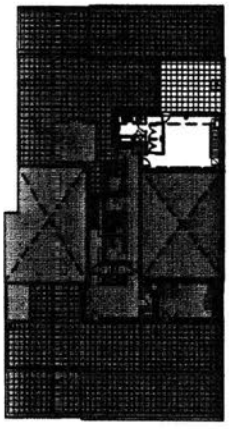
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

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PH LEVEL	1,393 s.f.
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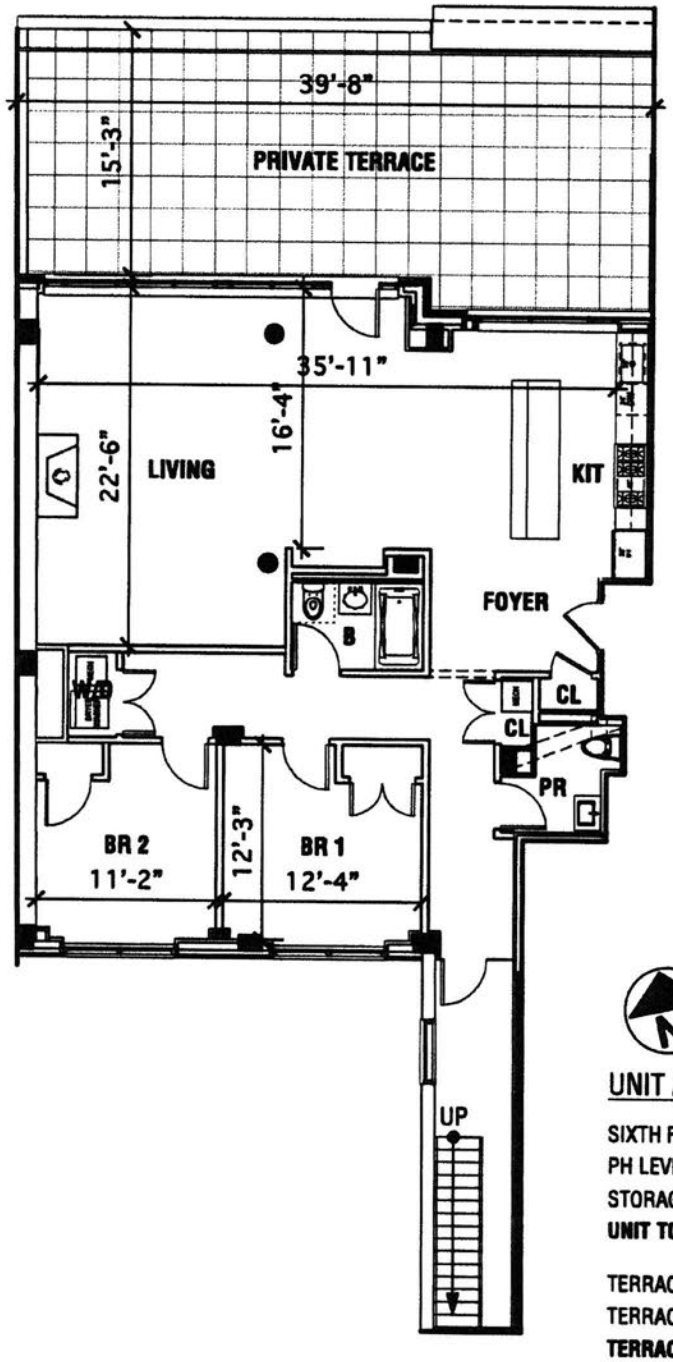
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PH MEZZANINE - DUPLEX A

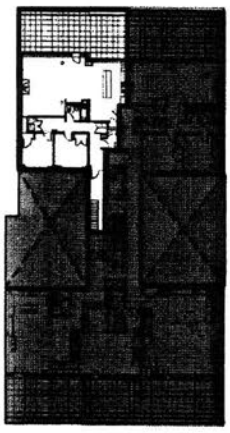
77 READE STREET

NEW YORK, NEW YORK

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KEY PLAN
NOT TO SCALE



NOT TO SCALE

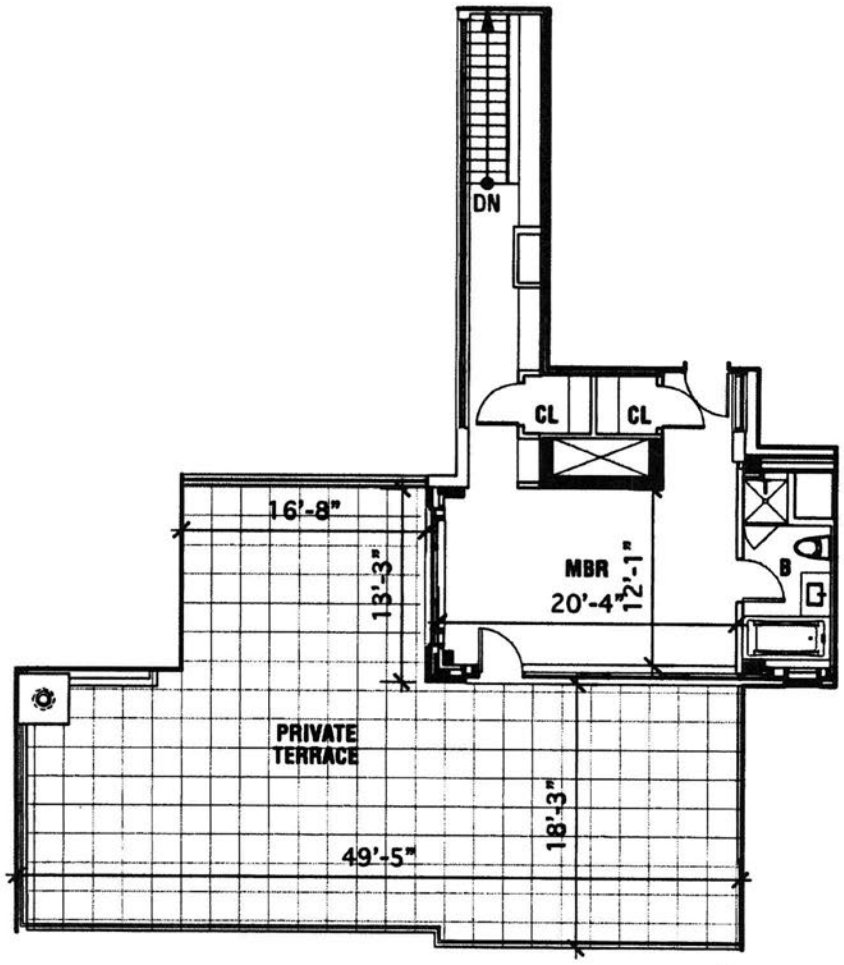
UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,697 s.f.
PH LEVEL	692 s.f.
STORAGE	250 s.f.
UNIT TOTAL	**2,639 s.f.**
TERRACE (PH)	664 s.f.
TERRACE (MEZZ)	1,168 s.f.
TERRACE TOTAL	**1,832 s.f.**

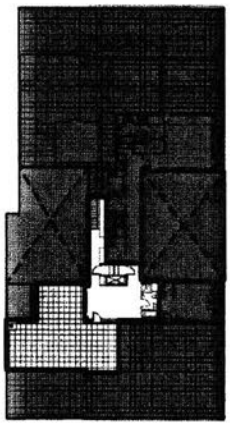
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PENTHOUSE - DUPLEX B
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,697 s.f.
PH LEVEL	692 s.f.
STORAGE	250 s.f.
UNIT TOTAL	**2,639 s.f.**
TERRACE (PH)	664 s.f.
TERRACE (MEZZ)	1,168 s.f.
TERRACE TOTAL	**1,832 s.f.**

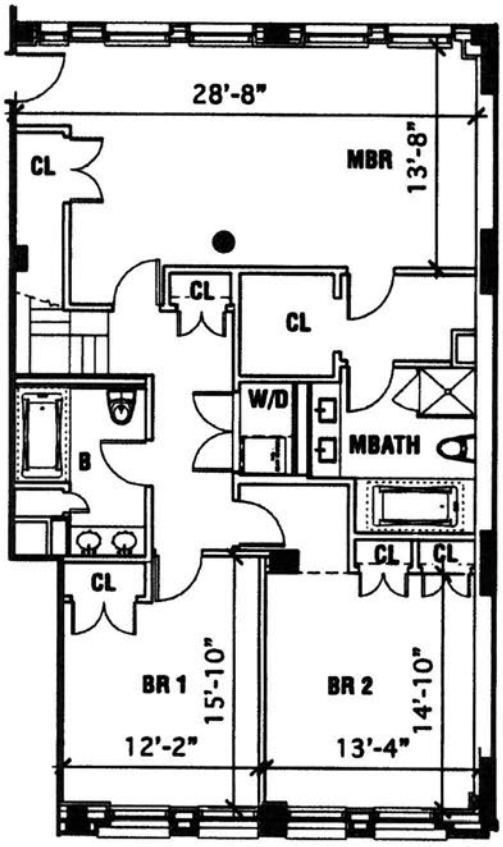
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PH MEZZANINE - DUPLEX B

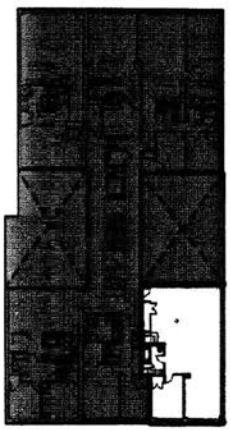
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
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NOT TO SCALE

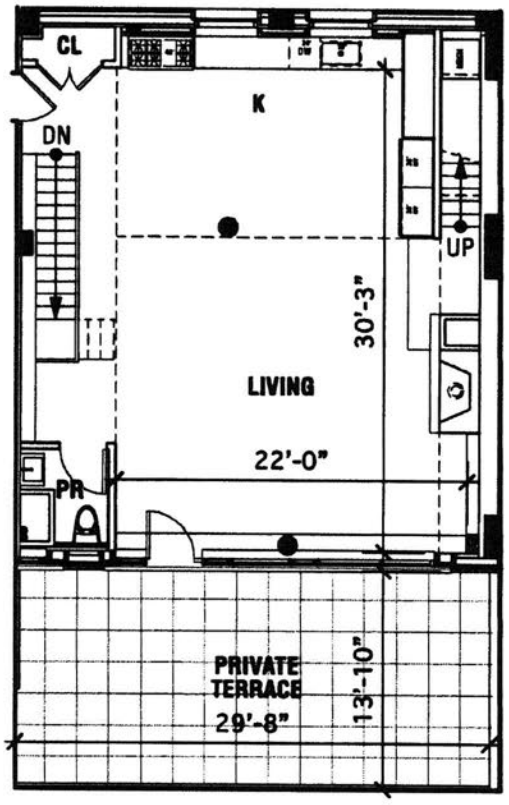
UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,492 s.f.
PH LEVEL	1,070 s.f.
PH MEZZANINE	384 s.f.
STORAGE	250 s.f.
UNIT TOTAL	**3,196 s.f.**

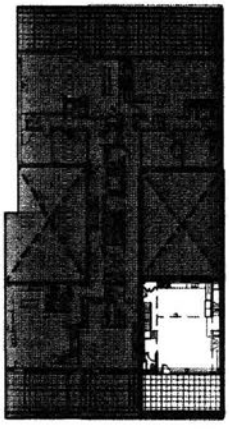
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SIXTH FLOOR TRIPLEX C
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
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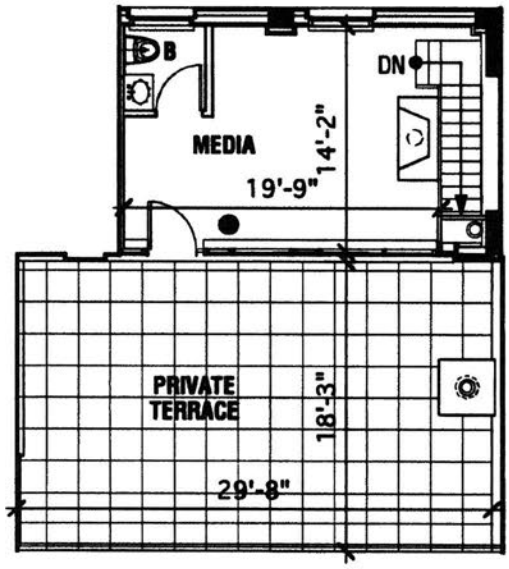
UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,492 s.f.
PH LEVEL	1,070 s.f.
PH MEZZANINE	384 s.f.
STORAGE	250 s.f.
UNIT TOTAL	**3,196 s.f.**
TERRACE (PH)	476 s.f.
TERRACE (MEZZ.)	570 s.f.
TERRACE TOTAL	**1,046 s.f.**

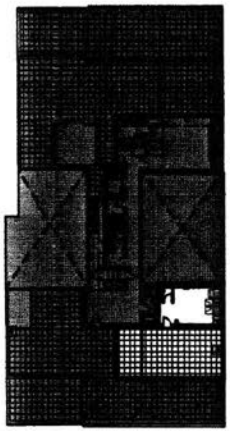
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PENTHOUSE - TRIPLEX C
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



NOT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,492 s.f.
PH LEVEL	1,070 s.f.
PH MEZZANINE	384 s.f.
STORAGE	250 s.f.
UNIT TOTAL	**3,196 s.f.**
TERRACE (PH)	476 s.f.
TERRACE (MEZZ.)	570 s.f.
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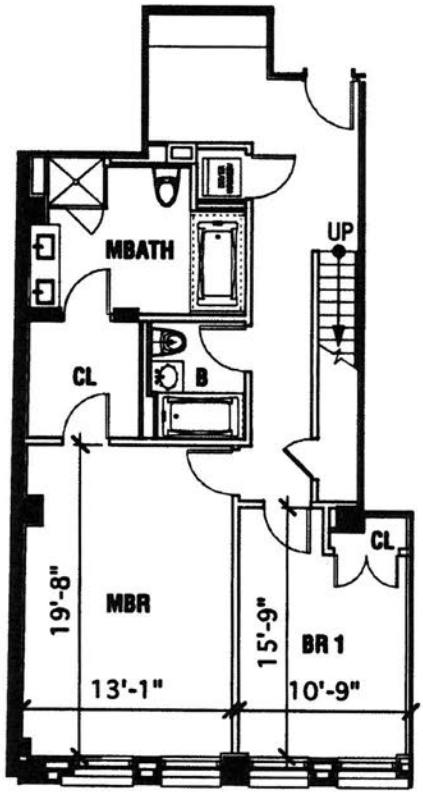
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PH MEZZANINE - TRIPLEX C

77 READE STREET

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BKSK ARCHITECTS, LLP



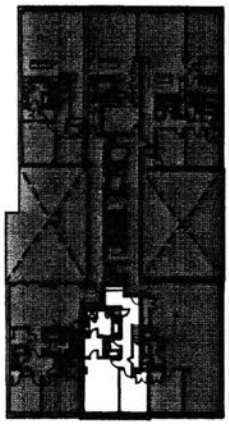
UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,016 s.f.
PH LEVEL	631 s.f.
STORAGE	288 s.f.
UNIT TOTAL	**1,935 s.f.**

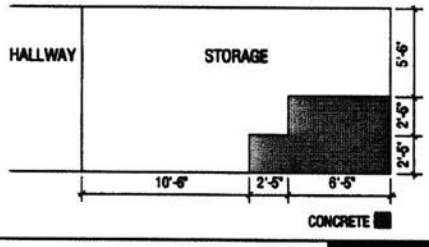
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KEY PLAN
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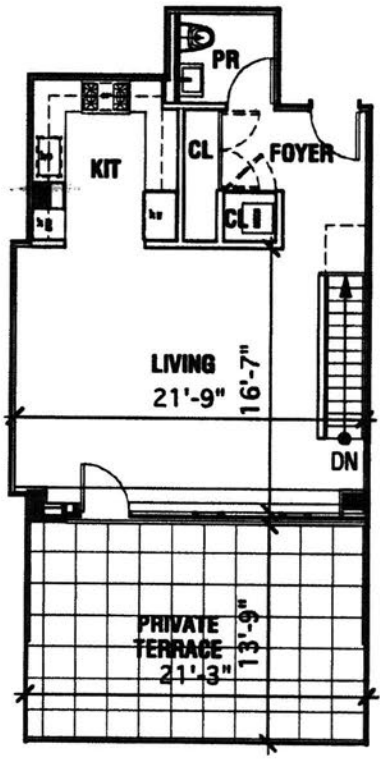
SECTION THROUGH STORAGE UNIT



THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

SIXTH FLOOR DUPLEX D
77 READE STREET
NEW YORK, NEW YORK

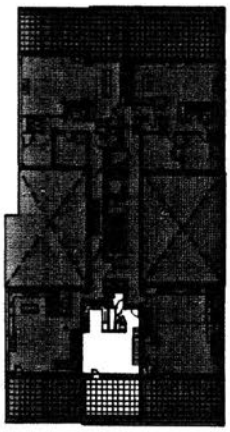
BKSK ARCHITECTS, LLP



UNIT AREA SUMMARY

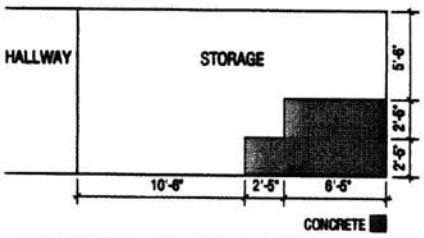
SIXTH FLR LEVEL	1,016 s.f.
PH LEVEL	631 s.f.
STORAGE	288 s.f.
UNIT TOTAL	**1,935 s.f.**
TERRACE	**332 s.f.**

KEY PLAN
NOT TO SCALE



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SECTION THROUGH STORAGE UNIT



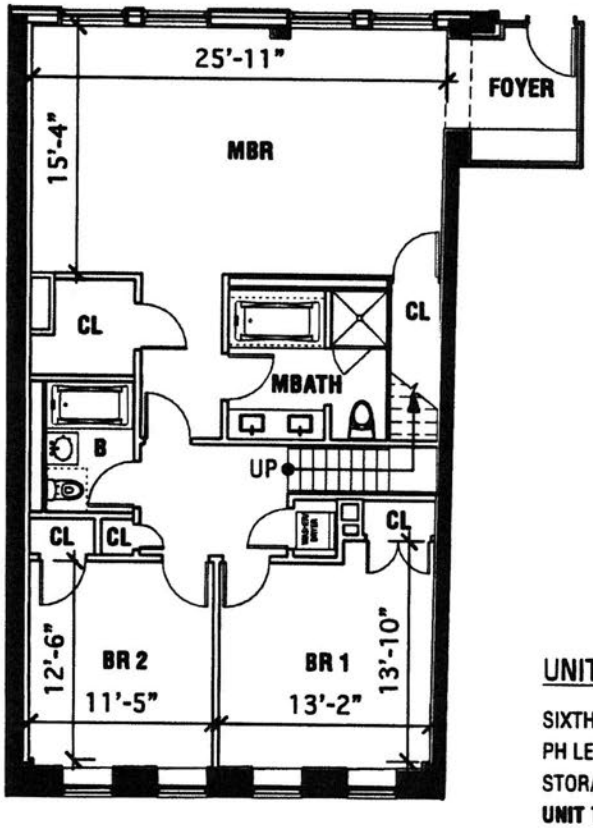
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PENTHOUSE - DUPLEX D

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



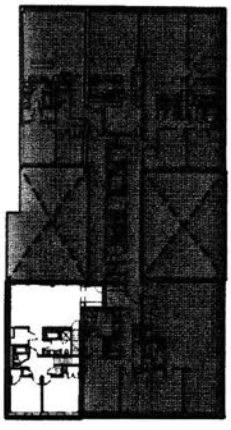
UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,440 s.f.
PH LEVEL	1,111 s.f.
STORAGE	250 s.f.
UNIT TOTAL	**2,801 s.f.**

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NOT TO SCALE

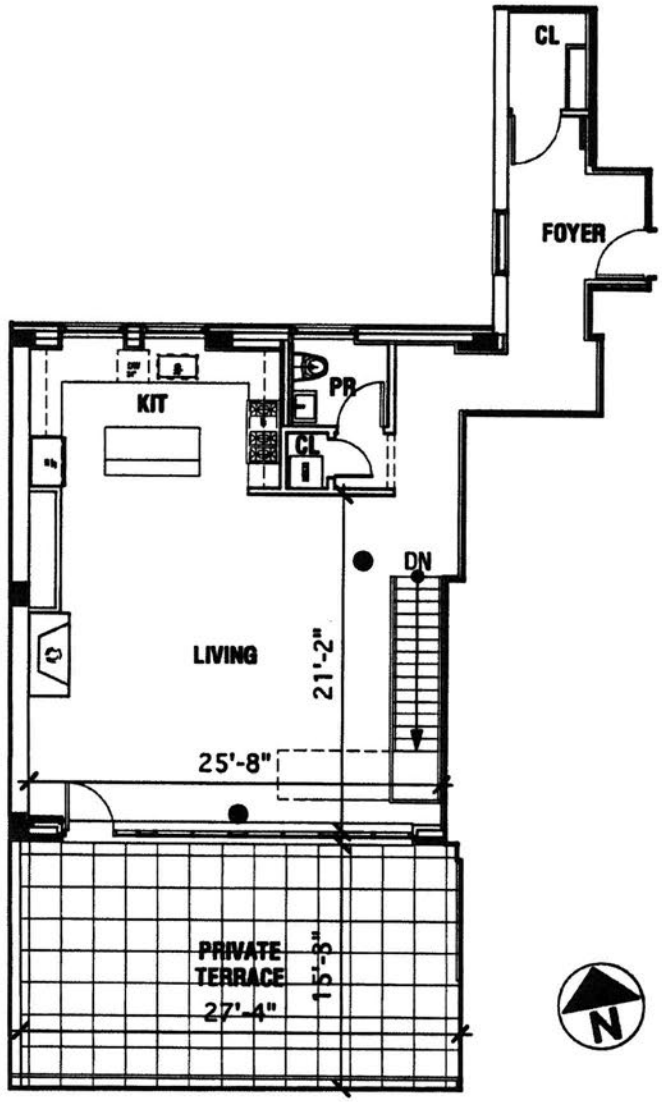
KEY PLAN
NOT TO SCALE



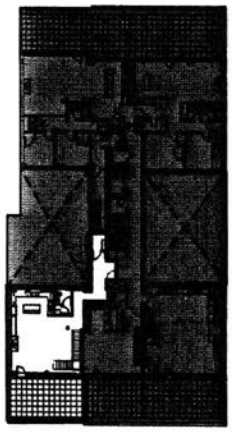
THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

SIXTH FLOOR DUPLEX E
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,440 s.f.
PH LEVEL	1,111 s.f.
STORAGE	250 s.f.
UNIT TOTAL	**2,801 s.f.**
TERRACE	**474 s.f.**

THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

PENTHOUSE - DUPLEX E

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP

BKSK

BKSK ARCHITECTS LLP

PARTNERS
Stephen Byrns
Harry Kendall
George Schieferdecker
Joan Krevlin

ASSOCIATE PARTNERS
Julia Nelson
Todd Poisson

ASSOCIATES
Paul Capece
Keith Pitocchi
Francisco Ramirez

77 READE STREET
NEW YORK, NEW YORK
February 23, 2011

ADDENDUM TO THE DESCRIPTION OF PROPERTY REPORT

The following sections supercede the corresponding sections of the Description of Property Report originally issued on January 3, 2007.

B. Status of Construction:

4. Description of Work:

1) New Construction (73-75 Reade St. a.k.a. 93 Chambers St.): New 7 story plus penthouse, cellar, and sub cellar cast concrete and masonry building, connected at each floor to 77 Reade Street (see #2). A new concrete and masonry penthouse extends from the seventh floor of the new structure, above the existing structure at 77 Reade Street (see #2).
2) Existing Building (77 Reade St. a.k.a. 95 Chambers St.): Gut-renovated 5 story plus cellar and sub cellar masonry and wood joist framed building originally built in the 1853. Each floor connects to the new portion (see #1) creating:

a. Five apartment units per floor on the second floor.
b. Six apartment units per floor on the third and fifth floors.
c. Four apartment units on the fourth floor.
d. Three apartment units on the sixth floor.
e. Two duplex units on floors six and seven.
f. One triplex unit on floors six seven and penthouse.
g. Two duplex units on floors seven and penthouse.

The project is more specifically described in outline form in this report. This report is based on a visual inspection of the premises, and a review of the construction documents prepared by BKSK Architects, LLP, and approved by the New York City Department of Buildings, the Department of City Planning, and the Landmarks Preservation Commission.

Selective demolition of 77 Reade which will lead to excavation and construction of the combined building began on December 17, 2007, and the developer anticipates completion by February, 2011, unless delayed by weather, strikes, lockouts, acts of God, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption,

EXHIBIT "B"

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damage by fire or the elements, or such delays inherent to the construction process, or any other cause over which the Developer has no control.

D. Utilities

Sanitary and storm sewer mains are located below grade. The building utilizes an existing storm sewer main on Reade Street and a new 10" combined storm and sanitary main on Chmbers Street.

J. Plumbing and Drainage Systems

2 Fire Protection System

(ii) Hose racks, hoses and nozzles (location); Each residential floor contains a capped 2 1/2" hose valve. A lobby hose cabinet is provided in lieu of hose on each residential floor. A 3 way roof manifold is provided above the highest hose valve.

(iii) Sprinkler heads (type system, location);
Apartments are provided with a combination of pendant, recessed, sidewall and extended coverage sidewall sprinkler head in all required areas; sprinklers are omitted from closets and toilets. (All sprinkler piping is steel pipe: ASTM A53 Schedule 40 or schedule 10 black galvanized). The commercial area will also be protected by sprinklers. The cellar is fully sprinkled as required by code.

Sprinkler protection will be provided in rubbish chutes and trash rooms, and in residential apartments, and otherwise as per NYC Building Code.

(iv) Siamese connection (type, location).
Two (2) 5" siamese Fire department connections are provided per code at grade level. One is located on Reade Street, and the other is on Chambers Street.

5. Sanitary Drainage and Vent Systems

(i) Sanitary and Storm Drainage:
All fixtures above grade drain by gravity to a sanitary house trap in the cellar exiting at either Chambers Street or Reade Street. Fixtures below grade are drained by gravity to duplex sewage ejectors that pump to the house sewer.

Roof drains are collected by leaders and drain by gravity to a house trap.

Sewage and storm drainage piping is no-hub cast iron.

(ii) Sanitary drainage piping below the ground floor level from plumbing fixtures and equipment will extend by gravity to a vented duplex sewage ejector. The ejector discharges will be piped to a connection point with the sanitary house drain at the building wall. Storm and sanitary combines at the building wall on Chambers Street and exits as a 10" combined house sewer to the public sewer in the street. A separate 4" storm sewer connection is also provided at Reade Street.

K. Heating

1. The central heating system is designed to provide sufficient heat to maintain inside conditions of 68 degrees Fahrenheit when the outside conditions are 11 degrees Fahrenheit in accordance with the Building Code of the City of New York and the New York State Energy Conservation Construction Code.

2. The boiler system will be (3) Lochinvar PBN1701 (MEA# 177-05-E) with an input capacity of 1700 MBTUH each and a net output of 1428 MBTUH each. Occupants control the heat by thermostats located in each condo apartment. The heating and air conditioning system has been designed in accordance with the New York State Energy Conservation Construction Code for interior design and external design temperatures.

3. (2) Gas fired water heaters are provided in the boiler room on the cellar level to provide hot water for the building. Water heaters to be AO Smith BTH-250, with recovery 283 GPH @ 100F, input 250 BTUH, thermally insulated on outside, glass lined on inside, working pressure 125 PSIG.

4. Controls are electromechanical for the operation of the building heating and condenser water systems. Radiators will be provided with thermostatic control valves.

5. A centrally located gas fired hot water boiler plant supplies hot water to baseboard type panel radiators via circulating pumps and copper type L piping and schedule 40 black pipe. All hot water risers and run out, as well as cold water piping, to be insulated with fiberglass insulation in accordance with New York Energy Conservation Construction Code.

6. A single Con Edison gas service serves the building. There are two (2) gas meters located in the cellar. The first one meter serves all heating boilers equipment. The second twin meter serves all apartment ranges, residential clothes dryers and domestic hot water heaters. Each piece of equipment is provided with a valved connection. Gas piping is threaded schedule 40 steel up to 4" and welded over 4".(no future third meter without attached gas load)

L. Gas Supply

Same as above

M. Air Conditioning

7. An Evapco model AT-19-79 cooling towers of 232 tons capacity IS mounted on the main roof with vibration isolators/acoustical fence to reduce noise transmission to residential units. All exterior metals, including fasteners, are to be corrosion resistant.

V. Violations

3. Sponsor anticipates obtaining the final Certificate of Occupancy within 2 years of the first closing of an apartment unit in the condiminium.

W. Unit Information

1. There are twenty-nine residential units in the Combined Building. Eight are Loft Conversion units, and twenty-one are New Residences.

X. Unit Finishes:

1. The partitions within the units will be 5/8" gypsum wallboard on metal studs. Partitions between residential units and other units, utility rooms, and egress passageways, will be 2-hour Fire Rated construction consisting of either two layers of 5/8" gypsum wallboard over metal studs, or 2 hour rated CMU. The perimeter walls of the units will be finished with gypsum wallboard. Dropped Ceilings are 5/8" gwb on furring channels on cross channels hung with black iron as per New York City Department of Buildings. All stud framed demising partitions, and bedroom

Bathtub	Kohler / Tea-for-Two 6' K-863 (no whirlpool)
Bath Faucet/Mixer/Diverter:	Hansgrohe 10410821/10407821/10930821
Bath Hand Shower/Hose/Holder:	Hansgrohe 28532821/28276823/27508821
Shower Head/Arm:	Hansgrohe 27495821/27422821

Powder Room (All units):

Toilet:	Toto "Aquia" dual flush CST416M
Lavatory:	Uncommon Life UC-98060-B
Lavatory Faucet:	Hansgrohe 39010821

Powder Room w/ Shower:

Toilet:	Toto "Aquia" dual flush CST416M
Shower Mixer:	Hansgrohe 04231820
Shower Hand Shower/Hose/Holder:	Hansgrohe 28504821/28276823/27508821
Shower Head/Arm:	Hansgrohe 27495821/27422821
Lavatory:	Uncommon Life UC-98060-B
Lavatory Faucet:	Hansgrohe 39010821

3. **Kitchen Appliances (Typical units.):**

Refrigerator / Freezer:	Miele 36" KF19x1Vi (30" @ Units C & D only.)
Oven:	Miele (30" Self-Cleaning) H4842BP
Gas Cooktop:	Miele (30" Linear Grate) KM3465G
Hood:	Miele (30" Built-in) DA3180
Dishwasher:	Miele 24" G2180SCVi
Sink:	Pablo "Thames" 21" TMP910BB (30" TMP910AA @ unit E only)
Faucet:	Kohler "Karbon" K-6227
Cabinets:	Minimal w/ glossy white lacquer
Countertop:	Composite Glass – Bianco Luna

4. **Kitchen Appliances (Penthouse units.):**

Refrigerator / Freezer:	Miele 36" KF19x1Vi (x2 @ Triplex C only.)
Oven/Range:	Viking 48"VGCC548-6G (36" @ Duplex D only.)
Hood:	Viking 48" (36" @ Duplex D only.)
Dishwasher:	Miele 24" G2180SCVi
Sink:	Pablo "Thames" 30" TMP910AA
Faucet:	Kohler "Karbon" K-6227
Cabinets:	Minimal w/ glossy white lacquer
Countertop:	Composite Glass – Bianco Luna

5. **Laundry Room Appliances (All units.):**

partitions are provided with 3" Thermafiber SAFB or equal insulation, to ensure an acceptable STC rating.

All Bathrooms and Mechanical Rooms will be painted with at least two coats of washable semi-gloss latex paint over a primer coat. All other areas will be painted with at least two finish coats of flat latex paint over a primer coat. All bathrooms and mechanical rooms are mechanically ventilated, to exceed code minimum requirements.

The residential floors will be finished hardwood with an applied sealer. Hardwood floors are ¾" Ash plank, over (2) 5/8" layers of plywood on a foam leveling compound, over a plastic vapor barrier.

Bathroom floors and base will be finished with stone tile or equal.

2. **Bathroom Fixtures**: (All fixtures to be equal or better to those listed below)

Master Bath (Typical units):	**Make / Model:**
Toilet:	Kohler "San Raphael" K-3384-2
Lavatory:	Uncommon Life UC-7071-B
Lav. Faucet:	Hansgrohe 31020821
Bathtub	Kohler / Tea-for-Two 6' K-863 (no whirlpool)
Bath Faucet/Mixer:	Hansgrohe 14421821/31317820
Bath Hand Shower/Hose/Holder:	Hansgrohe 28532821/28276823/27508821
Shower Mixer:	Hansgrohe 31317820
Shower Hand Shower/Hose/Holder:	Hansgrohe 28532821/28276823/27508821
Shower Head/Arm:	Hansgrohe 27495821/27422821

Master Bath (Studio units):	**Make / Model:**
Toilet:	Kohler "San Raphael" K-3384-2
Lavatory:	Uncommon Life UC-7071-B
Lav. Faucet:	Hansgrohe 31020821
Bathtub	Kohler / Tea-for-Two 6' K-863 (no whirlpool)
Bath Faucet/Mixer:	Hansgrohe 14413821/31318820
Bath Hand Shower/Hose/Holder:	Hansgrohe 28532821/28276823/27508821
Shower Head/Arm:	Hansgrohe 27495821/27422821

Standard Bath (All units):	
Toilet:	Kohler "San Raphael" K-3384-2
Lavatory	Uncommon Life Under Mount UC-834-B
Lavatory Faucet:	Hansgrohe 10010821

BKSK ARCHITECTS LLP

Washer:	Whirlpool WFW9250WW
Dryer:	Whirlpool WGD9270XW
Stacking Kit:	Whirlpool 8541503

I hereby affirm that the above description of the property and specifications are an unbiased professional opinion arrived at without inducements of any kind.

Joan Krevlin, AIA
BKSK Architects, LLP

Date: 2/23/11



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CERTIFICATION OF ADEQUACY OF OPERATING BUDGET
PURSUANT TO 13 NYCRR 20.4 (d)

Date: December 28, 2010

State of New York
Department of Law
120 Broadway - 23rd Street
New York, NY 10271

RE:**77 Reade Street Condominium**

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property retained me/our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. My/or our experience in this field includes:

Midboro Management, Inc has managed Cooperatives and Condominiums since 1963 and currently manages 74 buildings. Gary Ziprin, a Certified Public Accountant, has over 20 years of experience in Cooperative and Condominium finance, including budget preparation.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

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

I/we certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I/we certify that the Schedule:

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

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

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

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

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

(vii) does not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I/we further certify that I am/we are not owned or controlled by the Sponsor. I/we understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____

Gary Ziprin, Midboro Management, CFO

Sworn to before me this
28th day of December, 2010

_____
Notary Public

ANGIE C. CADIZ
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01CA6225794
Qualified in New York County
Commission Expires July 26, 2014

CERTIFICATION OF ADEQUACY OF COMMON CHARGES PAYABLE BY NON-RESIDENTIAL UNIT OWNERS PURSUANT TO 13 NYCRR 20.4(e)

Date: December 28, 2010

Department of Law
120 Broadway - 23rd Street
New York, NY 10271

Re: **77 Reade Street Condominium**

Ladies and Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained me/our firm to review or prepare Schedule B which includes projections of common charges payable by the owners of the Non-Residential Units. My/or our experience in this field includes:

Midboro Management, Inc has managed Cooperatives and Condominiums since 1963 and currently manages 74 buildings. Gary Ziprin, a Certified Public Accountant, has over 20 years of experience in Cooperative and Condominium finance, including budget preparation.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the Non-Residential Units listed in Schedule B.

I/we have reviewed Schedule B as it impacts upon the Non-Residential Units and investigated the facts underlying it with due diligence in order to form a basis for this Certification. I/We also have relied on my/our experience in managing residential buildings.

I/we certify that the projections in Schedule B for common charges payable by the owner of the Non-Residential Units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such Non-Residential Units for the projected first year of condominium operation, and that the allocation of common charges attributable to the Non-Residential Units also reflects special or exclusive use or availability or exclusive control of particular common areas.

I/we certify that the estimates in Schedule B for the common charges payable by the owner of the Non-Residential Units:

(i) set forth in detail the projected common charges for the Non-Residential Units for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the Non-Residential Units;

(iii) do not omit any material fact;

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

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

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

(vii) do not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I/we further certify that I am/we are not owned or controlled by the sponsor. I/We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the Non-Residential Units for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____

Gary Ziprin, Midboro Mangement, CFO

Sworn to before me this
28th day of December, 2010.

_____
NOTARY PUBLIC

ANGIE C. CADIZ
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01CA6225794
Qualified in New York County
Commission Expires July 26, 2011

EXHIBIT "D"

V. SCHEDULE A

77 READE STREET CONDOMINIUM

Unit Information and Sales Prices for the Period September 1, 2011 through August 31, 2012

Unit No.	Floor	Total Unit Sq. Footage*	Interior Sq. Footage	Storage Area Sq. Ftge	Roof Area Sq. Footage	Number of Rooms, Bedrooms (BR), Bathrooms (BTH)	Offering Price	% of Common Interest	Estimated Monthly Common Charges	Estimated Annual Common Charges	Estimated Annual R.E Taxes w/o 421a	Estimated Monthly R.E Taxes w/o 421a	Estimated Annual R.E Taxes with 421a	Estimated Monthly R.E Taxes with 421a
2A	2	3,497	2,691	205	601	4 BR, 4 BTH	$ 4,250,000	5.25%	$ 2,538.91	$ 30,466.93	$ 26,993.98	$ 2,249.50	$ 10,667.35	$ 888.95
2B	2	2,296	1,592	103	601	2 BR, 2 BTH	$ 2,295,000	3.24%	$ 1,566.87	$ 18,802.45	$ 16,659.14	$ 1,388.26	$ 6,583.28	$ 548.61
2D	2	958	855	103	0	STUDIO, 1 BTH	$ 945,000	1.58%	$ 764.09	$ 9,169.09	$ 8,123.90	$ 676.99	$ 3,210.36	$ 267.53
2E	2	2,011	1,523	103	385	2 BR, 2 BTH	$ 2,250,000	2.99%	$ 1,445.97	$ 17,351.64	$ 15,373.71	$ 1,281.14	$ 6,075.31	$ 506.28
2F	2	2,097	1,497	103	497	2 BR, 2 BTH	$ 2,175,000	3.01%	$ 1,455.64	$ 17,467.71	$ 15,476.55	$ 1,289.71	$ 6,115.95	$ 509.66
3A	3	1,941	1,838	103	0	3 BR, 3 BTH	$ 2,995,000	3.32%	$ 1,605.56	$ 19,266.70	$ 17,070.48	$ 1,422.54	$ 6,745.83	$ 562.15
3B	3	1,695	1,592	103	0	2 BR, 2 BTH	$ 2,250,000	2.89%	$ 1,397.61	$ 16,771.32	$ 14,859.54	$ 1,238.30	$ 5,872.12	$ 489.34
3C	3	955	853	102	0	STUDIO, 1 BTH	$ 955,000	1.57%	$ 759.26	$ 9,111.06	$ 8,072.48	$ 672.71	$ 3,190.05	$ 265.84
3D	3	955	855	100	0	STUDIO, 1 BTH	$ 950,000	1.58%	$ 764.09	$ 9,169.09	$ 8,123.90	$ 676.99	$ 3,210.36	$ 267.53
3E	3	1,621	1,523	98	0	2 BR, 2 BTH	$ 2,225,000	2.76%	$ 1,334.74	$ 16,016.90	$ 14,191.12	$ 1,182.59	$ 5,607.98	$ 467.33
3F	3	1,593	1,497	96	0	2 BR, 2 BTH	$ 2,125,000	2.71%	$ 1,310.56	$ 15,726.74	$ 13,934.03	$ 1,161.17	$ 5,506.38	$ 458.87
4A	4	1,941	1,838	103	0	3 BR, 3 BTH	$ 3,050,000	3.32%	$ 1,605.56	$ 19,266.70	$ 17,070.48	$ 1,422.54	$ 6,745.83	$ 562.15
4B	4	1,693	1,592	101	0	2 BR, 2 BTH	$ 2,300,000	2.89%	$ 1,397.61	$ 16,771.32	$ 14,859.54	$ 1,238.30	$ 5,872.12	$ 489.34
4C	4	952	853	99	0	STUDIO, 1 BTH	$ 975,000	1.57%	$ 759.26	$ 9,111.06	$ 8,072.48	$ 672.71	$ 3,190.05	$ 265.84
4D	4	965	855	110	0	STUDIO, 1 BTH	$ 960,000	1.58%	$ 764.09	$ 9,169.09	$ 8,123.90	$ 676.99	$ 3,210.36	$ 267.53
5A	5	1,948	1,838	110	0	3 BR, 3 BTH	$ 3,125,000	3.33%	$ 1,610.40	$ 19,324.74	$ 17,121.89	$ 1,426.82	$ 6,766.15	$ 563.85
5B	5	1,702	1,592	110	0	2 BR, 2 BTH	$ 2,375,000	2.89%	$ 1,397.61	$ 16,771.32	$ 14,859.54	$ 1,238.30	$ 5,872.12	$ 489.34
5C	5	963	853	110	0	STUDIO, 1 BTH	$ 995,000	1.58%	$ 764.09	$ 9,169.09	$ 8,123.90	$ 676.99	$ 3,210.36	$ 267.53
5D	5	965	855	110	0	STUDIO, 1 BTH	$ 970,000	1.58%	$ 764.09	$ 9,169.09	$ 8,123.90	$ 676.99	$ 3,210.36	$ 267.53
5E	4	1,670	1,523	147	0	2 BR, 2 BTH	$ 2,300,000	2.79%	$ 1,349.25	$ 16,191.00	$ 14,345.37	$ 1,195.45	$ 5,668.93	$ 472.41
5F	4	1,597	1,497	100	0	2 BR, 2 BTH	$ 2,200,000	2.72%	$ 1,315.40	$ 15,784.77	$ 13,985.45	$ 1,165.45	$ 5,526.70	$ 460.56
6A	6	1,938	1,838	100	0	3 BR, 3 BTH	$ 3,200,000	3.32%	$ 1,605.56	$ 19,266.70	$ 17,070.48	$ 1,422.54	$ 6,745.83	$ 562.15
6E	5	1,623	1,523	100	0	2 BR, 2 BTH	$ 1,025,000	2.76%	$ 1,334.74	$ 16,016.90	$ 14,191.12	$ 1,182.59	$ 5,607.98	$ 467.33
6C	6	953	853	100	0	STUDIO, 1 BTH	$ 2,350,000	1.57%	$ 759.26	$ 9,111.06	$ 8,072.48	$ 672.71	$ 3,190.05	$ 265.84
PHA	7, 8	3,545	2,169	260	1116	3 BR, 2 1/2 BTH	$ 4,625,000	4.66%	$ 2,253.59	$ 27,043.03	$ 23,960.37	$ 1,996.70	$ 9,468.54	$ 789.05
PHB	7, 8	4,471	2,389	250	1832	3 BR, 2 1/2 BTH	$ 5,100,000	5.46%	$ 2,640.47	$ 31,685.60	$ 28,073.73	$ 2,339.48	$ 11,094.04	$ 924.50
PHC	6, 7, 8	4,242	2,946	250	1046	3 BR, 1 Media, 2,2- 1/2 BTH	$ 6,195,000	5.99%	$ 2,896.78	$ 34,761.31	$ 30,798.84	$ 2,566.57	$ 12,170.94	$ 1,014.25
PHD	6, 7	2,267	1,647	288	332	2 BR, 2 1/2 BTH	$ 3,300,000	3.29%	$ 1,591.05	$ 19,092.61	$ 16,916.22	$ 1,409.69	$ 6,684.87	$ 557.07
PHE	5, 6	3,275	2,551	250	474	3 BR, 2 1/2 BTH	$ 5,200,000	4.95%	$ 2,393.83	$ 28,725.96	$ 25,451.46	$ 2,120.96	$ 10,057.79	$ 838.15
		56,329	45,528	3917	6884		$ 73,660,000	87.15%	$ 42,145.94	$ 505,750.98	$ 448,099.99	$ 37,341.67	$ 177,077.99	$ 14,756.50

Unit No.	Floor	Total Unit Sq. Footage*	Interior Sq. Footage	Storage Area Sq. Ftge	Roof Area Sq. Footage	Number of Rooms, Bedrooms (BR), Bathrooms (BTH)	Offering Price	% of Common Interest	Estimated Monthly Common Charges	Estimated Annual Common Charges	Estimated R.E Taxes w/o ICIP	Estimated Monthly R.E Taxes w/o ICIP	Estimated R.E Taxes with ICIP	Estimated Monthly R.E Taxes with ICIP
G1	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
G2	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
G3	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
G4	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
G5	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
GS	Bsmt	N/A	N/A	N/A	0	N/A	$ 250,000	0.24%	$ 30.18	$ 362.17	$ 999.33	$ 83.28	$ 413.50	$ 34.46
1A	1, Bsmt	8,701	8,701	N/A	0	Commercial	$ 7,702,985	7.79%	$ 1,392.19	$ 16,706.27	$ 129,633.57	$ 10,802.80	$ 121,639.53	$ 10,136.63
1B	1, Bsmt	4,046	4,046	N/A	0	Commercial	$ 2,224,130	3.62%	$ 646.95	$ 7,763.38	$ 60,240.50	$ 5,020.04	$ 56,525.69	$ 4,710.47
		12,747	12,747		0		$ 11,427,115	12.85%	$ 2,220.22	$ 26,642.67	$ 195,870.05	$ 16,322.52	$ 180,646.22	$ 15,053.86
Total		69,076	58,275				$ 85,087,115	100.00%						

PREQUALIFICATION RIDER

I/We will obtain a prequalification letter from (Builder/Developer)'s preferred lender, Bank of America, N.A. ("Bank"), (before Builder/Developer places me/us on an interest list)(before Builder/Developer provides me/us with a reservation or lot hold)(before Builder/Developer prepares a sales contract for my/our desired property) (before Builder/Developer accepts the sales contract for the desired property)(within five (5) business days after the date of this sales contract). I/We are free to use any lender of my/our choice ("Other Lender"), including for the purpose of pre-approving me/us for a loan to finance my/our home within the time frame set forth above. Lender must provide a pre-approval letter in form and content acceptable to (Builder/Developer). In addition, (Builder/Developer) reserves the right to reject the Other Lender if (Builder/Developer) reasonably believes that Other Lander does not have sufficient processes or financial or other resources to fund and close the loan by the estimated Closing Date.

EXHIBIT "E"

AMENDMENT NO. 3

To The Offering Plan of

77 READE STREET CONDOMINIUM

77 Reade Street
New York City, New York 10007

Dated: July 15, 2010

The Offering Plan dated June 25, 2008 as amended by Amendment No. 1 dated June 23, 2009 and Amendment No. 2 dated December 23, 2009 is hereby further amended as follows:

I. UNITS

As of May 1, 2010, Sponsor has not commenced its sales program.

II. BUDGET/SCHEDULE A

The proposed first year budget is annexed hereto and made a part of this Amendment as Exhibit "A". The Certification of Adequacy of the Budget as well as the Certification of Adequacy of the Common Charges payable by the Non-Residential Unit Owners by Midboro Management, Inc., 148 West 37th Street, 8th Floor, New York, New York 10018 are annexed hereto and made a part of this Amendment as Exhibit "B". Annexed hereto as Exhibit "C" is an updated Schedule A which reflects the updated Common Charges as a result of the updated budget.

III. CLOSING

Sponsor anticipates closing the first Unit in the Condominium on or about March 1, 2011.

IV. PURCHASE AGREEMENT

Annexed hereto and made a part of this Amendment as Exhibits "D" and "E", respectively, are the most current forms of the Purchase Agreements being utilized by the Sponsor for both the Residential and Non-Residential Units.

V. CLOSING COSTS

The Offering Plan and the documents contained therein, as amended, are revised to reflect that Purchasers shall pay two (2) months Common Charges as initial working capital.

VI. INCREASE OR DECREASE IN COMMON INTEREST

The Offering Plan and the documents contained therein, as amended, are revised to reflect the following:

The Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

Based upon final specifications, construction conditions and/or "as-built" Plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in the aggregate Common Interest appurtenant to Units. In such event, the Common Interest appurtenant to each individual Unit would be adjusted pro rata. Sponsor expressly reserves the right, from time to time, prior to the first closing, to effect such a change in the common interests and to amend the Plan so as to reflect the same. In no event, however, will the common interest of any Unit be increased or decreased as a result of any of the foregoing by more than 5%.

VII. DECLARATION OF CONDOMINIUM AND BY-LAWS

The Declaration of Condominium and By-Laws have been revised to comply with new guidelines from secondary mortgage agencies including the Federal National Mortgage Association ("Fannie Mae") and the Federal Housing Administration ("FHA") including a new subparagraph 7 of Article Eleventh of the Declaration of Condominium (the "Declaration") that requires the consent of 51% of first mortgage holders representing at least 51% of the votes of Units that are subject to first mortgages for material changes to the Declaration and a new Article Twenty-Second of the Declaration providing for First Lien Holders' Rights, an updated Article VII of the By-Laws providing insurance provisions required by Fannie Mae and FHA and a new subparagraph (viii) of Article X of the By-Laws that requires the consent of 51% of first mortgage holders representing 51% of the votes of Units that are subject to first mortgages for material changes to the By-Laws and to update said documents. A complete copy of the proposed Declaration of Condominium and By-Laws are annexed as Exhibit "F".

VIII. SPONSOR CONTROL

The Offering Plan disclosed that the Sponsor, as the owner of unsold Residential Units, would be entitled to designate a majority of the Members of the Residential Board of Managers until all of the Residential Units closed. The Offering Plan, as amended, is being revised to reflect that Sponsor will be entitled to designate four (4) of the five (5) Residential Members of the Board of Managers for a period of three (3) years from the date of Closing of Title to the first Residential Unit or after seventy-five (75%) percent of the Residential Units have Closed Title, whichever comes later. All references in the Offering Plan and the documents contained therein, as amended, are revised to reflect said fact.

IX. EXTENSION

This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and, thereafter, said date is to be extended in a further Amendment to be filed.

Other than as set forth above, there are no material changes which require an amendment to the Offering Plan.

77 READE, LLC
Sponsor

SCHEDULE B
PROJECTED BUDGET
77 READE STREET CONDOMINIUM

ESTIMATED SCHEDULE OF RECEIPTS AND DISBURSEMENTS FOR FIRST FULL YEAR OF CONDOMINIUM OPERATIONS BEGINNING MARCH 1, 2011

Projected Income		
(1) Common Charges-Residential Unit	505,751	
(1) Common Charges-Commercial Unit	24,727	
(1) Common Charges- Parking	2,173	
Total Projected Common Charges		532,651
Projected Expenses		
(2) Labor and Benefits	242,494	
(3) Gas (heating and hot water)-Residential	34,300	
(4) Electricity	26,400	
(5) Water charges and sewer rents	37,093	
(6) Repairs, maintenance and supplies	24,800	
(7) Service Contracts	15,151	
(8) Insurance	39,500	
(9) Management fees	32,000	
(10) Legal and Accounting	12,500	
(11) Other	14,990	
(12) Contingency	5,000	
(13) Reserves	48,423	
Total Projected Expenses		532,651
Net Projected operating income (loss)		(0)

(1) Common Charges

Common charges projected herein are based upon estimated expenses for the twelve (12) . month period commencing March 1, 2011.

If the actual or anticipated date of commencement of Condominium operation is to be delayed by more than six (6) months from the budget year projected in the Offering Plan, the Plan will be amended to include a revised budget disclosing the current projections.

The common charges are allocated among the Condominium units, as detailed on pages that follow and summarized below, in a fair and equitable manner.

Items	Total Expenses	Residential	Commercial	Basement Parking and Storage
Labor and Benefits	242,494	241,415	986	92
Gas (heating and hot water)-Residential	34,300	34,300	-	-
Electricity	26,400	26,400		
Water Charges and Sewer Rents-Residential	37,093	37,093	-	-
Repairs, maintenance and supplies	24,800	23,549	1,251	-
Service Contracts	15,151	14,920	231	
Insurance-Common	39,500	32,848	6,083	569
Management Fees	32,000	26,611	4,928	461
Legal and Accounting	12,500	10,395	1,925	180
Other	14,990	13,792	1,096	101
Contingency-Common	5,000	4,158	770	72
Reserves	40,269	40,269	7,457	697
Total Expenses	524,496	505,751	24,727	2,173

(2) Labor and Benefits

The building staff shall consist of:

NUMBER OF EMPLOYEES IN CATEGORY	CATEGORY	ANNUAL WAGE
1	SUPER/PORTER	35,360
4 1/5	DOORMAN	131,040
5 1/5		166,400

(Four 40 hour employe week plus one 8 hours per week for 24/7 coverage)

BASE, OT, BONUS:	BASE PAY		166,400
	OVERTIME PAY		638
	BONUSES		3,150
VACATIONS & HOLIDAYS	VACATION & SICK PAY		6,138
AND PERSONAL	3 1/2	AVERAGE WEEKS PER EMPLOYEE	
	1	PERSONAL DAY	456
	10	HOLIDAYS (TIME AND A HALF)	9,600
EMPLOYER FICA	FICA @	7.650 %	14,258
UNEMPLOYMENT INSURANCE:	FEDERAL:	1.100 %	673
	STATE:	2.000 %	1,224
GOVERNMENT MANDATED BENEFITS	DISABILITY INSURANCE		350
	WORKERS COMF	4.00 %	7,447
	HEALTH INS. (Coverage for 5 fulltime employees)	PER EMPLOYEE 6,432	32,160

SUMMARY		
GROSS SALARY	202,537	
BENEFITS	39,957	
	242,494	
		BUDGET 242,494

Staffing is based on 1 fulltime super/ porter plus 24 hour per day, 7 days per week doorman coverage plus all statutory taxes at the prevailing rates, plus single health insurance coverage. The Condominium will be a non-union building.
It is estimated that the majority of staff time is spent on the residential unit. Accordingly, the first 95% of the super/por is allocated to the commercial unit and the first 98% of the door coverage is allocated to the residential unit. The remainder is allocated to the three primary units based on relative common interests.

Total	99.56% Residential	0.41% Commercial	0.04% Basement Parking
242,494	241,415	986	92

(3) Gas (heating and hot water)

Heat and hot water for the Residential Units, including the Common Elements, shall be provided by gas-fired hot water heaters located in the boiler room. The cost of heat and hot water for the Commercial Unit will be solely the responsibility of the Commercial Unit owners. The entire budget is allocated to the Residential Units.

The budgeted amount, based on an estimate prepared by Laszlo Bodak, Engineer PC, assumes annual consumption of natural gas at approximately 21,900 therms at a unit cost of $1.57 inclusive of sales taxes. Fluctuations in the natural gas market and the weather will ultimately determine actual costs. Accordingly, the budget estimate cannot be guaranteed.

Gas will be provided by Con Edison.

(4) Electricity

Electric consumption includes the aggregate cost of power to the Common Elements, including lighting for the lobby, public stairways and corridors, elevator and exterior power for the elevator, voice intercom system and electric door release at the front entrance door and mechanical equipment systems covering the Common Elements.

The budgeted amount, based upon an estimate prepared by Laszlo Bodak Engineer, PC located at 45 West 36th Street New York, N.Y. 10018, assumes power consumption for the first year of Condominium operation will be 132,000 kilowatt hours @ 20 cents per kilowatt hour, inclusive of sales taxes, for a total of $26,400. The actual cost will vary based on equipment maintenance and efficiency as well as the unpredictable nature of price fluctuations. Accordingly, the budgeted cost cannot be guaranteed.

Electricity will be provided by Con Edison. The total cost will be allocated to the Residential Units.

(5) Water charges and sewer rents

All charges for water consumption in the Residential Units and the Comment Elements plus related sewer rents will be an expense of the Residential Units only.

The budget, based on an estimate provided by Laszlo Bodac Engineer, PC., contemplates annual usage of 4,900 hundred cubic feet. The current unit cost as of July 2009 is $6.76. The budget projects unit cost increase totaling 12%, or $7.57. Accordingly, the budgeted amount is $37,093

The Commercial Unit Owners will be directly responsible for their own water usage.

The actual water cost will be impacted by future rate increases, efficiency of water fixtures, personal habits and population density within the individual residential units. Accordingly, no guarantee can be rendered concerning the budgeted amount.

(6) Repairs, maintenance and supplies. Does not include repairs, painting, maintenance, or supplies for individual Units, all of which are the responsibility of the individual Unit Owners. The budget includes repairs to the interior of the building, the plumbing and electrical systems, painting of public areas, foundation, the heating system (including pipes and control devises regulating distribution in the building) and various supplies (such as cleaning supplies and materials, lubricants, bulbs, public fixtures, general and hardware supplies). No amount is included for items covered by construction warranties or to cover the cost of any major capital expenditure in the building. The budgeted amount is based on the Sponsor's experience in operating newly constructed buildings of comparable size and quality.

	Allocations	Total	Residential Unit	Commercial Unit	Basement Parking and Storage
Boiler and HVAC		2,000	2,000	-	-
Plumbing	Relative commercial unit common interest of 15.4% allocated to commercial unit	2,000	1,692	308	-
Doors		1,000	1,000	-	-
Electrical		1,000	1,000		
Intercom & Security		1,000	1,000	-	-
Lobby & Halls		1,500	1,500	-	-
Water Conditioning		1,800	1,800	-	-
Flowers and Landscape		2,500	2,500	-	-
Supplies	95%, 5%	5,000	4,750	250	-
Equipment Repairs	Relative commercial unit common interest of 15.4% allocated to commercial unit	2,000	1,692	308	-
Apartment Repairs		2,500	2,500	-	-
Other Repairs	Relative commercial unit common interest of 15.4% allocated to commercial unit	2,500	2,115	385	
			-	-	-
Totals		24,800	23,549	1,251	-

(7) Service Contracts

Elevator	3,251	Major Elevator Corp. -72 Read Street, New York, NY 10007
HVAC	10,400	Air Depot - 4118 2nd Avenue Brooklyn, NY 11232
Exterminating	1,500	Based on similar buildings

	ALLOCATION	TOTALS	RESIDENTIAL UNIT	COMMERCIAL UNIT
Elevator		3,251	3,251	-
HVAC		10,400	10,400	-
Exterminating	Relative commercial unit common interest of 15.4% allocated to commercial unit	1,500	1,269	231
	TOTALS	15,151	14,920	231

(8) Insurance

Insurance projections are based on an estimate of insurance premiums provided by Hub International with offices located at 100 Sunnyside Boulevard, Woodbury, N.Y. 11797 dated August 20, 2007.

The Sponsor represents that it will deliver at the Condominium's expense, on or before the first closing of title to a Unit, a fire and liability binder of policy containing all the coverage described in this footnote and meeting the requirements of the Condominium By-Laws. This coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of the Unit Owner.

Unit Owners are advised to obtain insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage for occurrences within the unit.

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

The schedule of insurance a quote prepared by Hub International can be found on the following three pages. This is a preliminary quote and is subject to changing market conditions.

Insurance expense has been allocated to all Unit owners based on relative common interest.

Total	83.16% Residential	15.40% Commercial	1.44% Parking
39,500	32,848	6,083	569

(9) Management fees

The initial contract with the managing agent shall commence upon the conveyance of title by the Sponsor of the first unit in the Condominium and shall continue until the first anniversary of such date. The fee shall be $32,000 per annum based on a quote provided by Midboro Management, Inc. with offices located at 148 West 37th Street, New York, New York 10018.

Total	83.16% Residential	15.40% Commercial	1.44% Parking
32,000	26,611	4,928	461

(10) Legal and accounting

Legal	5,000
Accounting and Auditing	7,500
Total Legal and accounting	12,500

Legal fees include general business matters as well as collection efforts beyond the scope of the Board of Managers or managing agent. All Condominium Unit Owners are entitled to receive annual audited financial statement from the Condominium. Accounting also includes preparation of the annual income tax returns. Accounting estimate provided by the accounting firm of Czarnowski and Beer LLP with offices located at 554 Fifth Avenue New York, NY 10036

Total	83.16% Residential	15.40% Commercial	1.44% Parking
12,500	10,395	1,925	180

Allocations are based on relative common interests

(11) Other

	Allocation Percentages	Total	Residential Unit	Commercial Unit	Basement Parking and Storage
Telephone- Lobby		1,500	1,500		
Payroll Processing	(99.56%, .41%, .04%)	2,800	2,788	11	-
Permits & Inspectio	relative common interest	2,500	2,079	385	36
Uniforms	(99.56%, .41%, .04%)	3,750	3,734	15	2
Dues & Subscriptio	relative common interest	1,200	998	185	17
Office Expenses	relative common interest	1,500	1,247	231	22
Administrative Exp	relative common interest	1,500	1,247	231	22
Bank Charges	relative common interest	240	200	37	3
	Totals	14,990	13,792	1,096	101

Covers telephone, payroll processing, New York City mandated fees and inspections such as boiler permits, elevator inspection fees postage, messengers, copies, various compliance-related administrative fees, new employee uniforms and cleaning, membership dues to various real estate and condominium advocacy organizations and other miscellaneous expenses incurred in the normal course of business

Allocations for telephone-super, payroll processing and uniforms are consistent with payroll allocations discussed above in section (2).

(12) Contingency

An allowance of $5,000 has been incorporated into the operating budget to allow for unforeseen events. It has been allocated to all Unit owners based on relative common interests.

Total	83.16% Residential	15.40% Commercial	1.44% Basement Parking & storage
5,000	4,158	770	72

(13) Reserves

An allowance of 10% of the Budget has been incorporated into the operating budget as a reserve fund line item.

Total	83.16% Residential	15.40% Commercial	1.44% Basement Parking & storage
48,423	40,269	7,457	697

CERTIFICATION OF ADEQUACY OF OPERATING BUDGET
PURSUANT TO 13 NYCRR 20.4 (d)

Date: April 27, 2010

State of New York
Department of Law
120 Broadway - 23rd Street
New York, NY 10271

RE:**77 Reade Street Condominium**

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property retained me/our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. My/or our experience in this field includes:

Midboro Management, Inc has managed Cooperatives and Condominiums since 1963 and currently manages 74 buildings. Gary Ziprin, a Certified Public Accountant, has over 20 years of experience in Cooperative and Condominium finance, including budget preparation.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

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

I/we certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I/we certify that the Schedule:

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

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

EXHIBIT "B"

(iii) does not omit any material fact;

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

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

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

(vii) does not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I/we further certify that I am/we are not owned or controlled by the Sponsor. I/we understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____

Gary Ziprin, Midboro Management, CFO

Sworn to before me this
3 day of May, 2010

_____
Notary Public

KIMBERLY K. MCDOWELL-LOIS
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01MC6041686
Qualified in New York County
Commission Expires May 15, 2014

CERTIFICATION OF ADEQUACY OF COMMON CHARGES PAYABLE BY NON-RESIDENTIAL UNIT OWNERS PURSUANT TO 13 NYCRR 20.4(e)

Date: April 27, 2010

Department of Law
120 Broadway - 23rd Street
New York, NY 10271

Re: **77 Reade Street Condominium**

Ladies and Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained me/our firm to review or prepare Schedule B which includes projections of common charges payable by the owners of the Non-Residential Units. My/or our experience in this field includes:

Midboro Management, Inc has managed Cooperatives and Condominiums since 1963 and currently manages 74 buildings. Gary Ziprin, a Certified Public Accountant, has over 20 years of experience in Cooperative and Condominium finance, including budget preparation.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the Non-Residential Units listed in Schedule B.

I/we have reviewed Schedule B as it impacts upon the Non-Residential Units and investigated the facts underlying it with due diligence in order to form a basis for this Certification. I/We also have relied on my/our experience in managing residential buildings.

I/we certify that the projections in Schedule B for common charges payable by the owner of the Non-Residential Units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such Non-Residential Units for the projected first year of condominium operation, and that the allocation of common charges attributable to the Non-Residential Units also reflects special or exclusive use or availability or exclusive control of particular common areas.

I/we certify that the estimates in Schedule B for the common charges payable by the owner of the Non-Residential Units:

(i) set forth in detail the projected common charges for the Non-Residential Units for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the Non-Residential Units;

(iii) do not omit any material fact;

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

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

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

(vii) do not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I/we further certify that I am/we are not owned or controlled by the sponsor. I/We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the Non-Residential Units for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____

Gary Ziprin, Midboro Mangement, CFO

Sworn to before me this
3 day of May, 2010

_____
NOTARY PUBLIC

KIMBERLY K. MCDOWELL-LOIS
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01MC6041686
Qualified in New York County
Commission Expires May 15, 2014

EXHIBIT "C"

V. SCHEDULE A

77 READE STREET CONDOMINIUM

Unit Information and Sales Prices for the Period June 1, 2010 through May 31, 2011

Unit No.	Floor	Total Unit Sq. Footage*	Interior Sq. Footage	Storage Area Sq. Ftge	Number of Rooms, Bedrooms (BR), Bathrooms (BTH)	Offering Price	% of Common Interest	Roof Area Sq. Footage	Estimated Monthly Common Charges	Estimated Annual Common Charges	1/1/10-12/31/10 Estimated 1st Year's R.E Taxes w/o 421a	1/1/10-12/31/10 Estimated Monthly R.E Taxes w/o 421a	1/1/11-12/31/11 Estimated 2nd Year's R.E Taxes w/o 421a	1/1/11-12/31/11 Estimated Monthly R.E Taxes w/o 421a	1/1/10-12/31/10 Estimated R.E Taxes with 421a	1/1/10-12/31/10 Estimated Monthly R.E Taxes with 421a
2A	2	1,938	1,838	100	3 BR, 3 BTH	$ 3,149,250.00	3.58%	601	$ 1,812.27	$ 21,747.29	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
2B	2	1,692	1,592	100	2 BR, 2 BTH	$ 2,749,500.00	3.06%	601	$ 1,550.97	$ 18,611.64	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
2C	2	953	853	100	STUDIO, 1 BTH	$ 1,310,375.00	1.72%	0	$ 872.42	$ 10,469.05	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
2D	2	955	855	100	STUDIO, 1 BTH	$ 1,313,125.00	1.44%	0	$ 729.12	$ 8,749.49	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
2E	2	1,623	1,523	100	2 BR, 2 BTH	$ 2,637,375.00	2.80%	385	$ 1,420.32	$ 17,043.81	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
2F	2	1,597	1,497	100	2 BR, 2 BTH	$ 2,595,125.00	2.63%	497	$ 1,331.81	$ 15,981.73	$ 14,171.51	$ 1,180.96	$ 18,649.60	$ 1,554.13	$ 5,600.23	$ 466.69
3A	3	1,938	1,838	100	3 BR, 3 BTH	$ 2,810,100.00	3.58%	0	$ 1,812.27	$ 21,747.29	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
3B	3	1,692	1,592	100	2 BR, 2 BTH	$ 2,453,400.00	3.06%	0	$ 1,550.97	$ 18,611.64	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
3C	3	953	853	100	STUDIO, 1 BTH	$ 1,381,850.00	1.72%	0	$ 872.42	$ 10,469.05	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
3D	3	955	855	100	STUDIO, 1 BTH	$ 1,384,750.00	1.44%	0	$ 729.12	$ 8,749.49	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
3E	3	1,623	1,523	100	2 BR, 2 BTH	$ 2,353,350.00	2.80%	0	$ 1,420.32	$ 17,043.81	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
3F	3	1,597	1,497	100	2 BR, 2 BTH	$ 2,315,650.00	2.63%	0	$ 1,331.81	$ 15,981.73	$ 14,171.51	$ 1,180.96	$ 18,649.60	$ 1,554.13	$ 5,600.23	$ 466.69
4A	4	1,938	1,838	100	3 BR, 3 BTH	$ 2,897,310.00	3.58%	0	$ 1,812.27	$ 21,747.29	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
4B	4	1,692	1,592	100	2 BR, 2 BTH	$ 2,529,540.00	3.06%	0	$ 1,550.97	$ 18,611.64	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
4C	4	953	853	100	STUDIO, 1 BTH	$ 1,424,735.00	1.72%	0	$ 872.42	$ 10,469.05	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
4D	4	955	855	100	STUDIO, 1 BTH	$ 1,427,725.00	1.44%	0	$ 729.12	$ 8,749.49	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
5A	5	1,938	1,838	100	3 BR, 3 BTH	$ 2,955,450.00	3.58%	0	$ 1,812.27	$ 21,747.29	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
5B	5	1,692	1,592	100	2 BR, 2 BTH	$ 2,580,300.00	3.06%	0	$ 1,550.97	$ 18,611.64	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
5C	5	953	853	100	STUDIO, 1 BTH	$ 1,453,325.00	1.72%	0	$ 872.42	$ 10,469.05	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
5D	5	955	855	100	STUDIO, 1 BTH	$ 1,456,375.00	1.44%	0	$ 729.12	$ 8,749.49	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
5E	4	1,623	1,523	100	2 BR, 2 BTH	$ 2,426,385.00	2.80%	0	$ 1,420.32	$ 17,043.81	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
5F	4	1,597	1,497	100	2 BR, 2 BTH	$ 2,387,515.00	2.63%	0	$ 1,331.81	$ 15,981.73	$ 14,171.51	$ 1,180.96	$ 18,649.60	$ 1,554.13	$ 5,600.23	$ 466.69
6A	6	1,938	1,838	100	3 BR, 3 BTH	$ 3,003,900.00	3.58%	0	$ 1,812.27	$ 21,747.29	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
6E	5	1,623	1,523	100	2 BR, 2 BTH	$ 2,475,075.00	2.80%	0	$ 1,420.32	$ 17,043.81	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
6C	6	953	853	100	STUDIO, 1 BTH	$ 1,477,150.00	1.72%	0	$ 872.42	$ 10,469.05	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
DPHA	7, 8	2,419	2,169	250	3 BR, 2 1/2 BTH	$ 5,079,900.00	4.04%	1116	$ 2,048.29	$ 24,579.50	$ 21,769.17	$ 1,814.10	$ 28,648.05	$ 2,387.34	$ 8,602.83	$ 716.89
DPHB	7, 8	2,639	2,389	250	3 BR, 2 1/2 BTH	$ 5,541,900.00	4.49%	1687	$ 2,275.88	$ 27,310.55	$ 24,193.95	$ 2,016.16	$ 31,839.05	$ 2,653.25	$ 9,560.85	$ 796.74
DPHC	6, 7, 8	3,196	2,946	250	4 BR, 2,2- 1/2 BTH	$ 6,711,600.00	4.47%	1233	$ 2,267.45	$ 27,209.40	$ 24,086.18	$ 2,007.18	$ 31,697.22	$ 2,641.44	$ 9,518.26	$ 793.19
DPHD	6, 7	1,897	1,647	250	2 BR, 2 1/2 BTH	$ 3,983,700.00	2.25%	332	$ 1,142.15	$ 13,705.85	$ 12,123.92	$ 1,010.33	$ 15,954.98	$ 1,329.58	$ 4,791.07	$ 399.26
DPHE	5, 6	2,801	2,551	250	3 BR, 2 1/2 BTH	$ 6,372,275.00	4.32%	474	$ 2,191.59	$ 26,299.05	$ 23,277.92	$ 1,939.83	$ 30,633.56	$ 2,552.80	$ 9,198.86	$ 766.57
		49,278	45,528			$ 82,638,010.00	83.16%		$ 42,145.88	$ 505,751.00	$ 448,100.00	$ 37,341.67	$ 589,696.00	$ 49,141.33	$ 177,078.00	$ 14,756.50

Unit No.	Floor	Total Unit Sq. Footage*	Interior Sq. Footage	Storage Area Sq. Ftge	Number of Rooms, Bedrooms (BR), Bathrooms (BTH)	Offering Price	% of Common Interest	Roof Area Sq. Footage	Estimated Monthly Common Charges	Estimated Annual Common Charges	1/1/10-12/31/10 Estimated 1st Year's R.E Taxes w/o ICIP	1/1/10-12/31/10 Estimated Monthly R.E Taxes w/o ICIP	1/1/11-12/31/11 Estimated 2nd Year's R.E Taxes w/o ICIP	1/1/11-12/31/11 Estimated Monthly R.E Taxes w/o ICIP	7/1/10-6/30/11 Estimated R.E Taxes with ICIP	7/1/10-6/30/11 Estimated Monthly R.E Taxes with ICIP
G1	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24%	0	$ 30.17	$ 362.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G2	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24%	0	$ 30.17	$ 362.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G3	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24%	0	$ 30.17	$ 362.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G4	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24%	0	$ 30.17	$ 362.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G5	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24%	0	$ 30.17	$ 362.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
GS	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24%	0	$ 30.17	$ 362.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
1A	1, Bsmt	8,595	8,595	N/A	Commercial	$ 7,702,985.00	11.47%	0	$ 1,534.72	$ 18,416.67	$ 142,906.52	$ 11,908.88	$ 176,207.50	$ 14,683.96	$ 134,093.98	$ 11,174.50
1B	1, Bsmt	4,046	4,046	N/A	Commercial	$ 2,224,130.00	3.93%	0	$ 525.86	$ 6,310.33	$ 48,964.48	$ 4,080.37	$ 60,374.50	$ 5,031.21	$ 45,945.02	$ 3,828.75
		12,641	12,641			$ 11,427,115.00	16.84%		$ 2,241.60	$ 26,899.00	$ 197,866.98	$ 16,488.93	$ 243,975.02	$ 20,331.25	$ 182,520.00	$ 15,210.01
Total		61,919	58,169			$ 94,065,125.00	100.00%									

RESIDENTIAL PURCHASE AGREEMENT

Residential Unit No. _____ **Date** _____

Garage Parking Space Unit No. _____

Garage Storage Space _____

Anticipated Closing Date: _____

Seller: 77 Reade, LLC

Address: 636 Broadway, Suite 214, New York, New York 10012

Purchaser(s): _____

Home Address: _____

Residential Telephone Number: _____

Business Telephone Number(s): _____

Social Security Number(s): _____

Purchaser's Attorney: _____

Attorney's Address: _____

Attorney's Phone/Fax Numbers: Phone:_____ Fax _____

Seller and Purchaser agree as follows:

1) **PURCHASE PRICE:**

Residential Unit	$_____
Garage Parking Space	$_____
Garage Storage Space	$_____
Builder upgrades & options ("Extras")	$_____
	TOTAL $_____

PAYABLE AS FOLLOWS:

On the signing of this Purchase Agreement, 10% of the Purchase Price plus Extras, the receipt whereof is hereby acknowledged (the "Downpayment")	$_____
Purchaser's certified or bank cashier's check (drawn on a New York Bank payable directly to the order of Seller or Seller 's designee on the Closing of Title	$_____
	TOTAL $_____

Any payment made by check is accepted subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashier's check payable directly to the payee on the dishonored check within seventy-two (72) hours after demand for replacement therefore.

Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the down payment hereunder is dishonored, Seller shall have the right to cancel this Purchase Agreement. Seller's election to cancel shall not be deemed a waiver by Seller of its right to pursue other remedies.

THE PAYMENT DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT ON ACCOUNT OF THE PURCHASE PRICE MUST BE MADE BY PURCHASER'S PERSONAL CERTIFIED CHECK OR OFFICIAL TELLERS CHECK ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY'S ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF THEIR OBLIGATIONS HEREUNDER.

2) **DESCRIPTION OF UNIT** - Seller agrees, at its own cost and expense, to erect and complete, and Purchaser shall buy from Seller, the condominium unit(s) known as Residential Unit No. ____ (the "Residential Unit"), Garage Parking Space Unit No. ____ (the "Garage Parking Space Unit") and Garage Storage Space Unit No. ___ ("Garage Storage Space Unit") *(cross out if inapplicable),* together with a combined _____ percent undivided interest in the common elements of the condominium (the "Common Elements") known as 77 Reade Condominium (the "Condominium"), located on 77 Reade Street, New York, New York 10007, and as described in the Declaration of Condominium recorded or to be recorded in the Register's Office of the City of New York, County of New York, to be built by Seller on property comprising the Condominium Map (the "Property") filed or to be filed in the Register's Office of the City of New York, County of New York. The Residential Unit, Garage Parking Space Unit and Garage Storage Space Unit as applicable, shall hereinafter be collectively referred to as the "Unit". The Unit shall be constructed in accordance with the requirements as to materials and workmanship of the Building Department of the City of New York, which, when completed, will be in substantial accordance with the plans as filed or to be filed with the Building Department of the City of New York.

The Unit may vary from any models displayed to Purchaser, and Purchaser should not rely on any model depiction of the units in the Condominium. All dimensions are approximate and may vary from the floor plans of the Condominium.

The Unit shall not include any of the following if displayed in any unit or model unit: decorative fixtures, furniture, furnishings, paint, wallpaper, carpeting, shelves, wall and window treatments, built-ins, burglar alarm systems, site lighting, special landscaping installed at any model units, central vacuum systems, patios, decks,

highhat lighting, additional fixtures and switches added for decorative purposes, pull down staircases and skylights and other optional fixtures or features exhibited in any model units and/or any sales office excepting those specifically set forth as may be attached to this Purchase Agreement, or above. Purchaser acknowledges that the above features, as contained in any model unit and/or sales office are for display purposes only and are not included in this sale unless specifically provided for in this Purchase Agreement or rider to the Purchase Agreement.

3) **OFFERING PLAN** - Seller has exhibited and delivered to the Purchaser, and Purchaser acknowledges having received, read and understood, the Offering Plan for condominium ownership of the Property and all amendments thereto filed to date, all of which are incorporated by reference and made a part of this Purchase Agreement, with the same force and effect as if fully set forth in this Purchase Agreement. Purchaser agrees to be bound by the Offering Plan, including all amendments thereto now or hereafter filed by Seller (collectively the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. Any conflict between the Plan and this Purchase Agreement shall be resolved according to the terms of the Plan as it may be amended. Purchaser acknowledges having received and read the Plan at least three (3) business days prior to signing this Purchase Agreement and having had full opportunity to examine all papers and documents and investigate all matters set forth in the Plan.

Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Plan, establish the Condominium and conform to all applicable laws and regulations. This Paragraph shall survive Closing and delivery of the deed.

4) **MORTGAGE FINANCING** - This Purchase Agreement is not conditioned upon Purchaser obtaining mortgage financing. In the event Purchaser is unable to obtain a mortgage, this Purchase Agreement shall remain in effect and Purchaser shall have an ongoing obligation to consummate the transaction. If a Purchaser does not consummate the transaction and close title to the Unit as a result of Purchaser's inability to obtain a mortgage, Purchaser will be in default under this Purchase Agreement and Seller may retain all monies as provided for in Paragraph 21 herein.

5) **CLOSING DATE; ADJOURNMENTS; CONSTRUCTION DELAYS BY SELLER** The act of transferring ownership of the Unit in return for payment in full of the Purchase Price and all other sums due from Purchaser under this Purchase Agreement is known as the "Closing". The Anticipated Closing Date indicated on the first page of the Purchase Agreement is an approximate date and Seller cannot make any guarantees that such date will be the actual Closing Date. Seller shall have the right to adjourn or advance such Closing Date as provided herein. In addition, the Closing Date may be extended by Seller if the Purchaser and Seller agree to additional work being done in the Unit subsequent to the date of this Purchase Agreement. The Closing shall take place at such time and place and on such date as Seller shall designate by prior written notice ("Notice for Closing") delivered in accordance with Paragraph 29 herein, which shall be given no less than thirty (30) days before the date set for Closing. Purchaser may waive the thirty (30) day notice period by execution and delivery of a waiver in the form set forth as Schedule D-3 to the Purchase Agreement in the Plan.

Should Seller be unable to convey title to Purchaser in accordance with the Notice for Closing, Seller shall have the right, from time to time, to adjourn the date and time for Closing on written notice to Purchaser. In such event, Seller shall, by a new Notice for Closing, fix a new date and time for Closing, which shall be no less than ten (10) days before the new scheduled date and time for Closing.

If the Closing takes place at the request of Purchaser at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of $450. The Closing may not take place in any other location without Seller's prior written consent.

In the event the Closing is adjourned with Seller's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Seller's attorney an adjournment fee in the sum of $500.

If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within twelve (12) months after the Anticipated Closing Date set forth on the first page of this Purchase Agreement, either Seller or Purchaser may cancel this Purchase Agreement by forwarding written notice of cancellation to the other no later than ten (10) days after expiration of such twelve (12) month period whereupon Seller shall refund to Purchaser, subject to the escrow provisions as disclosed in Section XII of the Plan, all payments, other than funds used towards upgrades, options or extras, made by Purchaser to Seller on account of the Purchase Price and neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. Purchaser shall be obligated to notify Seller in writing of its intent to exercise said option no later than ten (10) days after the twelve (12) month period. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Seller shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Seller shall return all monies being held in escrow within thirty (30) days thereafter.

6) **ADDITIONAL MONEY TO BE PAID BY PURCHASER AT CLOSING** - In addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement, Purchaser shall at Closing pay, or reimburse to Seller if Seller has already made payment, or pay to any Lender, all applicable charges for:

(a) Any Lender's charges for inspections, appraisals, title examination and policy insuring the Lender's interest, Lender's attorneys' fees for preparation of all loan documents, all commitment fees, points, origination fees and other fees and charges (however characterized) imposed or exacted by the Lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;
(b) any mortgage recording taxes on Purchaser's mortgage;
(c) governmental charges which may be assessed on account of any mortgage loan;

(d) mortgage insurance, if required, on Purchaser's mortgage;
(e) New York State real estate transfer tax on the deed;
(f) New York City real estate transfer tax on the deed;
(g) Mansion Tax pursuant to Section 1402-a of the Tax Law of the State of New York, if applicable;
(h) all recording and filing charges payable on account of the transfer of title and recording of all documents in connection therewith including without limitation any mortgage, the deed, power of attorney, affidavit required pursuant to Section 339-ee of the New York State Real Property Law and any blanket mortgage release documents;
(i) a sum equal to the partial mortgage tax credit to which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller;
(j) an initial non-reimbursable capital contribution equivalent to two (2) months of Common Charges;
(k) 3/10^{ths} of 1% of the sales price to Sponsor for obtaining the Section 421-a tax abatement;
(l) a pro-rata portion of the Condominium's estimated first year insurance, based on the Unit's percentage of Common Interest; and
(m) $1,500 to Seller's attorney for the preparation of the closing documents.

Purchaser shall also apportion with Seller as of the end of the day prior to Closing, and pay to Seller at Closing, the apportioned amount due for taxes, condominium Common Charges, sewer use, water use, fuel oil (if any) and any other utility costs. Purchaser shall also pay the deposits required by the Lender to establish the estimated or escrow fund for future payments of taxes, condominium Common Charges, sewer use and insurance premiums (if applicable). In addition, in the event Seller's attorney prepares the New York City "ACRIS" transfer documents, Purchaser shall be required to pay Seller's attorney an additional fee of $250. In the event the title company prepares the ACRIS, Purchaser shall pay the applicable fee of the title company. If through no fault of Seller, Purchaser fails for any reason to close title on the date originally scheduled in Seller's Notice for Closing, or such later date (if applicable) to which Seller in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of the end of the day preceding (i) the date originally scheduled for Closing or (ii) Seller's adjourned closing date (as the case may be).

Purchaser shall pay to Seller at or prior to the date of the actual adjourned Closing, an amount equal to .0438% per diem (which equals an annual rate of 16%) of the Purchase Price for the Unit for each day beyond such originally scheduled or Seller adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Seller's carrying costs and other charges, which amount Purchaser acknowledges to be reasonable and proper.

Any errors or omissions in computing apportionments or any other sums payable under this Paragraph which are communicated to the other party within six (6) months after Closing shall be corrected and payment made to the proper party promptly after such communication. This Paragraph shall survive Closing and delivery of the deed.

7) **SEVERANCE OF MORTGAGE/EXISTING MORTGAGE(S)** – If necessary to obtain a mortgage tax credit, Purchaser shall use its best efforts to request that its lender (i) accepts an assignment of the existing mortgage(s) encumbering the Property, as severed, to encumber only the Unit and its appurtenant percentage of Common Interest in the Common Elements, and (ii) cooperates with Seller and its existing lender, as necessary to effectuate such assignment. At Closing, Purchaser shall execute the affidavit required pursuant to Section 255 of the New York State Tax Law. It is agreed and understood that Seller shall receive as a credit from Purchaser at Closing, a sum equal to the full mortgage tax credit which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller on the amount of Purchaser' s mortgage. The foregoing credit shall be paid by Purchaser regardless of whether Purchaser's lender accepts the assignment of the Seller's existing mortgage, as severed. All terms and provisions of this Purchase Agreement and all payments made hereunder are and shall be subject and subordinate to the lien of any acquisition, improvement, interim or building loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon, to the full extent thereof without the execution of any further documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the loan schedule of payments or accelerated thereunder by virtue of the lenders right to make advances before they become due in accordance with the schedule of payments. Seller shall satisfy all such mortgages or obtain a release of the Unit and its appurtenant percentage of Common Interest in the Common Elements (as such term is defined in the Plan) from the liens of such mortgages at or prior to Closing, unless Purchaser shall be required to take title subject to the existing mortgage, as severed and converted to Purchaser's individual mortgage on the Unit.

This Purchase Agreement is subject and subordinate without the necessity of Purchaser signing or delivering any documents or papers, to the lien of any existing or future construction loan mortgage and all payments or expenses already made or incurred or which may hereafter be made or incurred in connection with such construction loan mortgage. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the construction loan schedule of payments or accelerated thereunder by virtue of the construction lender's right to make advances before they become due in accordance with the schedule of payments. The Unit and its/their appurtenant percentage of Common Interest in the Common Elements (as such term is defined in the Plan), shall be released from the lien of such construction loan mortgage upon Closing, except where such mortgage is converted to Purchaser's individual mortgage on the Unit. In such case, the Unit shall remain subject to the lien of such construction loan mortgage and Purchaser shall reimburse to Seller at Closing, in addition to all other sums to be reimbursed by Purchaser to Seller under this Purchase Agreement, an amount equal to the mortgage tax paid by Seller on such construction loan mortgage. In all other cases, any mortgage tax credit available under Real Property Law Section 339-ee shall inure exclusively to the benefit of Seller.

8) **DEED AND ENCUMBRANCES UPON OWNERSHIP** - The deed to be given by Seller to Purchaser at Closing shall be a Bargain and Sale with Covenant against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in sub-

paragraphs (a) through (f) below which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York State and City transfer tax which is the obligation of Purchaser) so as to convey to Purchaser fee simple title to the Unit, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Purchaser shall accept such title and deed description of the Unit subject to the liens, encumbrances and other matters set forth in this Purchase Agreement, as Fidelity National Title Insurance Company ("Fidelity Title"), a title company authorized to do business in the State of New York, is willing to approve and insure without additional premium. Purchaser may obtain title insurance from any title insurance company or abstract company, or Purchaser may decline to obtain any title insurance at all, however Seller recommends that Purchaser utilize Fidelity National Title Insurance Company, 1415 Kellum Place, Garden City, New York 11530, (516) 394-5110, Attn: Suzanne Breinlinger.

Purchaser shall be responsible for payment to the title company of the entire premium for Purchaser's title insurance, and shall also pay the applicable New York State and City transfer tax and mansion tax, if applicable.

The sale and transfer of ownership of the Unit to Purchaser shall, even though not stated in the deed, be subject to:

(a) Ordinances, rules, regulations, requirements and approvals of applicable governmental authorities, provided not violated by the Unit or the Common Elements to be constructed.

(b) Rights for installation, use and/or maintenance of easements and rights of way for utilities, sewer, cable television, drainage, scenic purposes, screening and planting which have already been granted or may be granted after this Purchase Agreement is signed or after Closing, provided they do not prevent use of the Unit or the Common Elements for their intended purposes.

(c) Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Unit for their intended purposes.

(d) Unpaid taxes and liens, provided the title insurance company shall insure against collection of same out of the Unit.

(e) The filed Condominium Map and all matters reflected thereon.

(f) The Declaration and By-Laws of the Condominium and any amendments or supplements thereto.

Purchaser shall deliver to Seller's attorney at least ten (10) days prior to Closing,

a written notice setting forth each objection to title, if any (other than those specifically set forth herein subject to which the Property are being sold), and a copy of Purchaser's title report. Seller shall have the right to a reasonable adjournment of Closing, not to exceed sixty (60) days, for the purpose of curing any title defect; however, no such action taken by Seller shall be deemed an admission by Seller that such defect is one that would entitle Purchaser to cancel this Purchase Agreement.

9) **PERSONAL PROPERTY INCLUDED IN SALE** - All articles of personal property, fixtures and equipment for the Unit which are included in this sale will be delivered free and clear of all liens and encumbrances, except as stated in Paragraph 8 herein, if applicable.

10) **POWER OF ATTORNEY** - At closing, Purchaser shall execute, acknowledge and deliver to Seller in recordable form, a power of attorney in the form set forth as Schedule E to the Plan (the "Power of Attorney"), in favor of the Board of Managers of the Condominium relative to leasing and purchasing of units in the Condominium under certain circumstances and to foreclose upon units in the Condominium for which the payment of Common Charges is delinquent, and in favor of Seller relative to amending the Condominium documents to the extent provided for in the Plan. Purchaser further agrees to execute and pay for any recording fees in the event the form required to be used for a Power of Attorney is revised subsequent to the date of the Closing.

11) **ENCUMBRANCES/LIENS EXISTING AT CLOSING** - The existence of anything affecting the sale at Closing, including unpaid taxes or liens of any kind, shall not constitute an objection to title provided Fidelity Title, or another title or abstract company selected by Purchaser, is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Unit upon Seller's doing whatever acts as may be required by said company and/or the depositing of money. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Unit, not provided for in this Purchase Agreement, out of the monies to be paid by the Purchaser at the time of Closing.

12) **EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER** - Any work or items ordered from Seller by Purchaser which are not included in the plans or standard model of the Unit shall, except as may otherwise be provided in this Purchase Agreement or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such work or items shall not entitle Purchaser to cancel this Purchase Agreement even if Purchaser has already paid for such work or items. Purchaser's only right, in the event of Seller's failure to perform such extra work or supply and install such extra items, is to receive a refund or credit at Closing equal to the total payments made to Seller for such extra work or extra items. All extras must be ordered prior to commencement of construction and must not delay construction. In the event Purchaser orders upgraded or optional items or finishes other than the standard provided by Seller, Seller or Seller's contractors shall not be responsible or liable for any defects in quality of materials or workmanship in installation. Failure to make any payments due in accordance with the payment schedule of Seller, Seller's contractors or sub-contractors, as applicable, shall constitute a breach in accordance with Paragraph 21 herein. As noted as a Special Risk in the Plan, in the event a Purchaser is entitled to rescission, the Purchaser will not

receive a refund of any funds paid for Extras or Upgrades. Seller shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Seller's contractors or suppliers shall not be deemed to have been ordered directly from Seller.

13) **OPTIONS AND COLOR SELECTIONS** - Any choices given by Seller to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or model site, within ten (10) days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Seller of Purchaser's choice within such ten (10) day time period, then Seller may make the choice on Purchaser's behalf and Purchaser shall accept such choice so made by Seller as if originally made by Purchaser. No claim or objection to Closing shall be made by Purchaser because of any choice made by Seller in any case where Purchaser failed to give Seller timely notice of Purchaser's choice.

14) **NO INSPECTIONS DURING CONSTRUCTION** - Purchaser acknowledges that unsupervised visits to the Property (the "Construction Site") present a dangerous circumstance and could incur liability to Seller. **Unless specifically agreed to by Seller in writing, Purchaser shall not visit the Unit or any other portion of the Construction Site, and shall only have the right to visit the Seller's sales office (the "Sales Office"). Any unauthorized visits to the Construction Site by Purchaser are subject to a charge by Seller of $500 per visit, which Purchaser agrees to pay Seller within ten (10) days of billing thereof.** Purchaser hereby releases and indemnifies, defends and holds Seller harmless for all claims and liabilities incurred by Seller resulting from the presence of Purchaser or Purchaser's family members or invitees on the Property prior to Closing. Purchaser further agrees to execute the Express Assumption of Risk Form, in the form set forth as Schedule D-3 to the Plan.

15) **PURCHASERS' INTERFERENCE** - Purchaser acknowledges that it may not interfere with Seller's ability to construct the Unit or other unit(s) or facilities, including interference with work performed on site by Seller's staff in connection with the construction of the Unit or any other units, attempts to hire any of Seller's staff or contractors, and/or attempts to bring contractors, materialman, subcontractors or workers onto the site for work on the Unit prior to Closing, unless otherwise agreed to in writing by Seller.

16) **PURCHASER MAY NOT TAKE POSSESSION OF THE UNIT PRIOR TO CLOSING**- Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Unit nor have any work performed or materials supplied or installed at the Unit prior to Closing without the prior written consent of Seller.

Purchaser acknowledges and agrees that Seller will accept no liability whatsoever for any property belonging to the Purchaser, their agents, employees, family, or belonging to any party other than Seller which is placed on the Property and/or in the Unit prior to Closing. No act of the Seller, whatever its nature, shall constitute a waiver of this Paragraph.

17) **CHANGES BY SELLER -** In building the Unit and performing any other work on the Property, Seller reserves the right to: (a) make changes or substitutions of materials or construction from those shown in the model units or building plans, provided any such changes or substitutions are of substantially similar or better quality; (b) determine the exterior color and design of the Building; (c) change the location and type of the units to be constructed in the Condominium; (d) determine whether existing trees, shrubs and other plant life on the Property are to be moved or removed, (e) add or remove retaining walls on the Property where required by grade conditions; (f) determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, mailboxes; (g) change appliances as long as they are equal to or better than originally offered; and (h) make any other changes required by the City of New York.

18) **COMPLETION OF CONSTRUCTION - PURCHASER'S INSPECTION -** Purchaser shall accept title (without abatement in or credit against the Purchase Price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the building in which it is located, or (b) other units in the Condominium, or (c) the landscaped areas of the Property, or (d) parking spaces or driveway or garage, if applicable, or (e) other portions of the Common Elements have not been completed. Purchaser will inspect the Unit with a representative of the Seller during normal business hours approximately three (3) days prior to Closing and will sign and deliver to Seller on or before Closing, a Pre-Title Inspection Statement supplied by Seller, acknowledging the condition of the Unit. Receipt of the executed Pre-Title Inspection Statement shall be a condition precedent to closing. Purchaser agrees to accept the Pre-Title Inspection Statement wherein the Seller shall agree to complete all unfinished items within six (6) months from the date of Closing, weather and other circumstances permitting. Any such incomplete items shall not constitute an objection to Closing provided Seller executes and delivers to Purchaser, a letter agreement in accordance with the foregoing. Purchaser shall allow Seller, its agents, servants and/or employees the right to enter the Unit and shall provide reasonable access thereto subsequent to Closing to complete any incomplete items.

In the event Seller is required to make any repair or complete any item of work to be performed by Seller after Closing, the limit of Seller's liability shall be to make said repair and/or to complete such item. This Paragraph shall survive Closing and delivery of the deed.

19) **CERTIFICATE OF OCCUPANCY** - At Closing, Seller shall deliver to Purchaser a temporary or permanent Certificate of Occupancy for the Unit (or building in which it is located) and, if available, a New York Board of Fire Underwriter's Certificate for the Unit.

20) **UNIT PART OF DEVELOPMENT** - Purchaser acknowledges that they may be living in an active construction site after Closing on the Unit. During the period of construction, there may be dirt and debris and construction material on the Property, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences which are normal in a community undergoing construction. Purchaser further acknowledges that other units and infrastructure are presently being constructed at the Property and that Seller anticipates that such construction shall

continue until the Condominium project is completed in accordance with the Plan. Accordingly, Purchaser agrees that such continuing construction shall not be deemed a nuisance nor an interference with Purchaser's quiet enjoyment of the Unit after Closing. This Paragraph shall survive Closing and the delivery of the deed.

21) **PURCHASER'S DEFAULT** - If Purchaser fails to appear and Close Title in accordance with this Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period, this Purchase Agreement shall, at Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price plus all additional sums paid and/or payable by Purchaser for all Extras ordered by Purchaser, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable.

The notice of default shall be deemed notice to the Purchaser by the Escrow Agent of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the dispute resolution provisions of the Attorney General's escrow regulations as described in Section XII of the Offering Plan.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of this Purchase Agreement for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this Purchase Agreement. Thereafter the Unit may be sold or disposed of as though this Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this Purchase Agreement or at law for any default by Purchaser under this Purchase Agreement.

22) **SELLER'S RIGHT TO CANCEL** - Seller may cancel this Purchase Agreement by forwarding a full refund of the Downpayment to Purchaser together with written notice of cancellation in the event of the occurrence of any of the following:

(a) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Seller's regular suppliers or from using same in the construction and/or completion of the Unit; or

(b) Seller is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, act of God or national emergencies; or

(c) the installation of public utilities is restricted or curtailed; or

(d) should zoning and/or building restrictions and regulations, imposed by any governmental body having jurisdiction over the construction of residential housing and appurtenances, either presently in effect or as enacted or promulgated in the future, create or impose requirements upon the Seller which are not presently contemplated; or

(e) the Plan is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, this Purchase Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Purchase Agreement and the Offering Plan.

23) **INABILITY OF SELLER TO TRANSFER OWNERSHIP** - Except for Seller's willful default, if Seller is unable to transfer ownership of the Unit in accordance with this Purchase Agreement, Seller shall only be liable to Purchaser for the return to Purchaser of the Downpayment. Thereafter, this Purchase Agreement shall be deemed canceled and neither party shall have any further liability to the other in connection with this Purchase Agreement or transaction. Seller shall not be required to commence any action or proceeding or incur any expense in order to remove the condition which prevents Seller from transferring ownership of the Unit in accordance with this Purchase Agreement.

24) **PROHIBITION AGAINST ASSIGNMENT OR RECORDING OF PURCHASE AGREEMENT** - Neither this Purchase Agreement nor Purchaser's interest hereunder may be assigned by Purchaser without the written consent of Seller. In addition, neither shall this Purchase Agreement nor any memorandum thereof be recorded in the office of any county clerk or the Register's Office of the City of New York, County of New York by Purchaser or anyone on Purchaser's behalf. Should Purchaser violate the provisions of the foregoing sentence, this Purchase Agreement, at Seller's option, shall become null and void, whereupon all rights of the Purchaser shall cease and terminate and Seller shall have the right to retain the Downpayment and all amounts paid by Purchaser for Extras, as and for liquidated damages on account of such default by Purchaser pursuant to the provisions of Paragraph 21 hereunder.

25) **PROHIBITION AGAINST SIGNS ON UNIT** - Purchaser shall not place any sign anywhere on the Unit or Property at any time within three (3) years after Closing without Seller's prior written consent and subject to any approvals from the Landmarks Preservation Commission. This Paragraph shall survive delivery of the deed.

26) **PROHIBITION AGAINST ADVERTISING OF UNIT FOR SALE** - From and after the date hereof, Purchaser shall not place an advertisement for the sale of the Unit in any newspaper or other publication or media, or list the Unit with any real estate broker prior to Closing. Such action will constitute a material breach of this Purchase Agreement entitling Seller to retain monies paid on account of the Purchase Agreement plus the cost of Extras as liquidated damages.

27) **NO BROKER CONSULTED BY PURCHASER** – Purchaser represents that no broker other than Seller's broker, _____ (the "Broker") brought about this sale, and Purchaser agrees to indemnify Seller against any claim brought by any other broker for brokerage commission based upon Purchaser's acts. Seller shall pay the Broker pursuant to separate agreement. In the event Purchaser is represented or has consulted with an outside broker (other than the Broker), Purchaser shall be responsible for all costs and commissions associated therewith and Seller shall not be responsible for any co-broker commission. This Paragraph shall survive Closing and delivery of the deed.

28) **TRUST FUNDS** - The Downpayment and all other deposits or advances made by Purchaser prior to Closing shall initially be held in a segregated escrow account held by Certilman Balin Adler and Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554 (the "Escrow Agent") pursuant to an Escrow Agreement between Seller and the Escrow Agent, in the form set forth in Schedule L of the Plan and pursuant to the provisions of Sections 352-h and 352-e (2-b) of the New York State General Business Law and the escrow regulations promulgated thereunder by the Department of Law of the State of New York as disclosed in Section XII of the Offering Plan. Said funds shall be held in an Interest Bearing Account entitled "Certilman Balin Adler and Hyman, LLP/77 Reade Street Escrow Account" at Capital One, N.A., 275 Broadhollow Road, Melville, New York 11747. All interest earned in the escrow account will be paid or credited to Purchaser at the Closing. The interest rate to be earned will be the prevailing rate for these accounts which, as of the date of the Offering Plan, is averaging less than one (1%) per annum. All instruments shall be made payable to or endorsed to the order of Certilman Balin Adler and Hyman, LLP as Escrow Agent. The deposit by the Escrow Agent of the Downpayment into the Escrow Account shall not be deemed acceptance by the Seller of the Purchase Agreement. The Purchase Agreement shall only be deemed accepted when countersigned by the Seller or Seller's authorized agent. **In addition, although all funds received by Seller for Extras will initially be placed in the Escrow Account; such funds may be released from the Escrow Account as long as Seller uses the funds for such Extras and/or Upgrades. In the event Purchaser is entitled to a right of rescission, the return of their Downpayment shall <u>not</u> include any funds paid towards Extras and/or Upgrades.** At Closing the Downpayment shall be paid to Seller upon consummation of the Closing and execution of this Purchase Agreement shall be deemed a writing executed by both Seller and Purchaser authorizing the Escrow Agent to release said funds to Seller at Closing. Purchaser shall execute the Tender of Escrow form, as set forth in Schedule D-5 and complete the form W-9 as set forth in Schedule D-6 of the Plan upon execution of this Purchase Agreement; and shall execute the Release form, as set forth in Schedule D-2 of the Plan, at Closing. Purchaser shall also provide Seller with a copy of their driver's license at the time of the execution of this Purchase Agreement.

29) **NOTICES** - Any notices, statements, certificates, requests or demand required or permitted to be given or delivered under this Purchase Agreement shall be in writing and may be sent by mail, overnight courier or personal delivery, addressed to Purchaser or to Seller, as the case may be, at their respective addresses shown at the beginning of this Purchase Agreement, or to such other address as Purchaser or Seller

may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given

(a) when delivered to an overnight courier service, if sent by overnight courier,

(b) upon personal delivery actually being made, and

(c) upon receipt or first refusal of delivery or inability of delivery after delivery to the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail return receipt requested.

Notwithstanding the foregoing, any notice of default must be delivered only by overnight courier service, personal delivery, or certified mail return receipt requested.

30) **PURCHASER GENERAL REPRESENTATIONS** - Purchaser represents that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements, written or oral, of any nature, including but not limited to, any of the above relating to the description or physical condition of a Condominium building or the Unit or the Property, the size or the dimensions of the Unit or the rooms therein contained or any physical characteristics thereof, the services offered by the Condominium, the estimated Common Charges for the Unit or any other matter or estimate not set forth herein and in the Plan. Purchaser further represents that Purchaser has not relied on any verbal or written representations made by the Broker or any other agent of Seller. Purchaser further acknowledges having had full opportunity to examine all documents and investigate all facts referred to and stated herein and in the Plan. Purchaser agrees that the Seller shall have no liability or responsibility to Purchaser and that Purchaser will not be relieved from his or her obligations hereunder, by reason of any inaccuracy or error in the layout, dimensions or height of the Unit, rooms and/or ceilings so long as the layout and specifications as they may be changed or amended are within reasonable dimensions as reflected in the applicable provisions of the Plan or any amendment thereto. Purchaser understands and acknowledges that the Seller cannot guarantee a firm completion and availability date for the Unit and agrees that the Seller shall not be obligated to make, provide or compensate for any accommodations or costs to Purchaser as a result of construction delays nor shall such delays serve to cancel, amend or diminish any of Purchaser's obligations hereunder.

31) **ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS** - All prior understandings and agreements are hereby superseded and merged into this Purchase Agreement, which alone contains the final and entire understanding and agreement between Seller and Purchaser. Neither Seller nor Purchaser shall be bound by any terms, conditions, statements, or representations, oral or written, not set forth in this Purchase Agreement or in the Offering Plan. Purchaser acknowledges that Purchaser is buying a Unit in a condominium development which may not yet have been formed at the time this Purchase Agreement is signed, and that, except as stated in this Purchase Agreement, the Declarations, By-Laws, Exhibits, Schedules and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Seller or anyone else except as set forth in the Plan or any amendment thereto and this Purchase Agreement, including but not limited to, the description, size

or dimensions of the Unit or rooms therein, or the estimated common charges, or other expenses relative thereto.

Purchaser also acknowledges that none of Seller's representatives has the authority to modify this Purchase Agreement or to make any oral promise, agreement or representation inconsistent or contrary to the terms of this Purchase Agreement. This Purchase Agreement may be changed only by a written document signed by both Purchaser and Seller's Authorized Agent. The invalidity or unenforceability of any particular provision of this Purchase Agreement will not affect the other provisions, and this Purchase Agreement will be interpreted in all respects as if such unenforceable provisions were omitted.

32) **RISK OF LOSS** - The risk of loss or damage to the Unit by fire or any other cause until delivery of the deed is assumed by Seller. In the event a substantial portion of the Unit or Condominium shall be destroyed or damaged prior to Closing, Seller shall be entitled to cancel this Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Downpayment paid by Purchaser, with interest, if any; however, Purchaser will not receive a refund of any funds paid for Extras. The parties shall thereafter be released from any further liability hereunder. However, if Purchaser is or becomes the occupant or tenant of the Unit prior to Closing, then as of the date of Purchaser's occupancy, Purchaser shall be responsible for all damage caused by any acts or omissions of Purchaser, Purchaser's agents, employees or invitees.

If any part of the Unit is damaged or destroyed by any casualty prior to Closing, Seller will have the option to restore the Unit to its previous condition as soon as reasonably possible. In the event Seller elects to restore the Unit, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Seller. Seller agrees to notify Purchaser of Seller's decision within ten (10) business days of the date of such casualty. In the event Seller elects not to restore the Unit, then this Purchase Agreement will terminate and Purchaser will receive a full refund of all monies paid to Seller. The parties shall thereafter be released from any further liability hereunder.

33) **DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ELEMENTS** - Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Elements on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This Paragraph shall survive Closing and delivery of the deed.

34) **STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY** - Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this Purchase Agreement shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such

obligations in the past. If any part of this Purchase Agreement or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this Purchase Agreement or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this Purchase Agreement or the Plan. Purchaser agrees to pay all court fees, including reasonable attorney fees, should Purchaser bring an action against Seller in any court of proper jurisdiction (including small claims court) and be unsuccessful. Further Purchaser agrees to waive the right to file a Lis Pendens if not filed within sixty (60) days of the cancellation of this Purchase Agreement.

Purchaser and Seller hereby waive trial by jury in any action, proceeding or counterclaim arising out of this Purchase Agreement, provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this Purchase Agreement, shall be instituted in a court in New York County and all motions in any such action shall be made in New York County.

This Paragraph shall survive Closing and delivery of the Deed.

35) **LIEN OF DEPOSIT** - All sums paid on account of this Purchase Agreement are hereby made liens upon the Unit, but such liens shall not continue after default by the Purchaser under this Purchase Agreement.

36) **INCREASE OR DECREASE IN COMMON INTEREST** – Purchaser acknowledges that the Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

Based upon final specifications, construction conditions and/or "as-built" Plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in the aggregate Common Interest appurtenant to the homes and Units. Purchaser agrees that in such event, the Common Interest appurtenant to each individual Unit would be adjusted pro rata. Seller expressly reserves the right, from time to time, prior to the first closing, to effect such a change in the common interests and to amend the Plan so as to reflect the same. In no event, however, will the common interest of any Unit be increased or decreased as result of any of the foregoing by more than 5%.

37) **MISCELLANEOUS:**

(a) The start of any activity by Seller in connection with the Unit is not to be deemed a waiver of any of Seller's rights under this Purchase Agreement.

(b) The personal property referred to in this Purchase Agreement shall be deemed conveyed by the deed, and no part of the Purchase Price shall be

deemed allocated to such personal property.

(c) The attorneys representing the Seller or any Lender represent such parties only and not the Purchaser. The Purchaser may retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.

(d) The delivery of the deed for the Unit to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Seller under this Purchase Agreement have been done and that Purchaser shall not claim otherwise except as to those things, if any, which are specifically stated in this Purchase Agreement or in a separate writing signed by Seller or Seller's attorney on Seller's behalf, to survive or continue beyond Closing or delivery of the deed.

(e) The paragraph headings set forth in this Purchase Agreement are inserted solely for convenience of reference and in no way deemed to affect, amend, define, describe or limit the scope or intent of the provisions set forth in this Purchase Agreement.

(f) No provision of this Purchase Agreement may be changed, waived, discharged, or terminated orally, by telephone, or by any other means, except an instrument in writing signed by the party against whom enforcement of such change, waiver, discharge, or termination is sought and then only to the extent set forth in such instrument.

(g) Any singular word or term herein shall also be read as in the plural whenever the sense of this Purchase Agreement may require it. The use of the masculine gender shall be deemed to refer to the feminine gender, or neuter, whenever the context so requires.

(h) If two (2) or more persons are named as Purchaser in this Purchase Agreement, (i) each person shall be jointly and severally liable for payment, observance and performance of all obligations under this Purchase Agreement and (ii) anyone of them is hereby made agent for the other in all matters of any and every kind or nature with respect to the Unit and/or this Purchase Agreement. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.

(i) The provisions of this Purchase Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.

(j) This Purchase Agreement shall not be binding or effective until fully executed and delivered by Seller and Purchaser.

(k) Seller represents that its Federal Employer Identification Number is

_____; and Purchaser represents that his/her/their social security number(s) is _____ and _____.

(l) In the event any portion of this Purchase Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Purchase Agreement and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Purchase Agreement.

(m) The parties agree that this Purchase Agreement shall be governed by, and construed in accordance with the laws of the State of New York.

38) **LIMITED WARRANTY - AT THE CLOSING OF TITLE, THE SELLER WILL DELIVER THE CERTIFICATES AND WARRANTIES DELIVERED TO IT AND TRANSFERABLE TO PURCHASER AND IT IS FURTHER AGREED THAT TITLE WILL NOT CLOSE UNTIL A TEMPORARY CERTIFICATE OF OCCUPANCY HAS BEEN ISSUED COVERING THE RESIDENTIAL UNIT OR BUILDING IN WHICH THE RESIDENTIAL UNIT IS LOCATED. IN THE EVENT A TEMPORARY CERTIFICATE OF OCCUPANCY IS ISSUED, SELLER SHALL KEEP THE TEMPORARY CERTIFICATE OF OCCUPANCY IN FULL FORCE AND EFFECT UNTIL A PERMANENT CERTIFICATE OF OCCUPANCY IS ISSUED. SELLER'S LIABILITY PURSUANT TO ANY MANUFACTURERS' WARRANTIES COVERING HEATING, APPLIANCES, ELECTRICITY AND PLUMBING ARE LIMITED SOLELY TO THE EXTENT THAT SUCH WARRANTIES ARE DELIVERED TO SELLER, TRANSFERABLE TO THE PURCHASER OR TO THE CONDOMINIUM AND THEN ONLY AS AGAINST SUCH MANUFACTURER. IN ADDITION, HOWEVER, SELLER WILL CORRECT ANY DEFECTS IN THE CONSTRUCTION OF THE RESIDENTIAL UNIT OR IN THE INSTALLATION OR OPERATION OF ANY MECHANICAL EQUIPMENT THEREIN DUE TO MATERIALS OR IMPROPER WORKMANSHIP SUBSTANTIALLY AT VARIANCE WITH THE PLANS AND SPECIFICATIONS, PROVIDED ONLY THAT IT IS NOTIFIED OF SUCH DEFECTS IN WRITING BY CERTIFIED MAIL WITHIN ONE (1) YEAR FROM THE DATE OF CLOSING OF TITLE TO THE RESIDENTIAL UNIT IN WHICH THE ALLEGED DEFECT EXISTS. IF A DEFECT OCCURS IN AN ITEM WHICH IS COVERED BY THIS WARRANTY, THE SELLER OR SELLER'S CONTRACTORS WILL (A) REPAIR OR (B) REPLACE THE DEFECTIVE ITEM. THE CHOICE BETWEEN REPAIR OR REPLACEMENT IS THE SELLER'S.**

PURCHASER SHOULD NOTE THAT:

A. NO STEPS TAKEN BY SELLER OR SELLER'S CONTRACTORS TO CORRECT A DEFECT SHALL ACT TO EXTEND THE WARRANTY PERIOD.

B. SELLER ACCEPTS NO RESPONSIBILITY FOR ANY WARRANTY OBLIGATION FOR INCIDENTAL OR CONSEQUENTIAL DAMAGE CAUSED BY ANY DEFECT.

C. THESE WARRANTIES GIVE YOU AS PURCHASER SPECIFIED LEGAL RIGHTS. YOU MAY HAVE OTHER RIGHTS UNDER STATE LAW.

D. THESE WARRANTIES ARE EXTENDED TO YOU AS PURCHASER AND ARE NOT EXTENDED TO ANY SUBSEQUENT PURCHASER, TENANT, OR MORTGAGE LENDER WHO TAKES POSSESSION OF THE UNIT.

E. THESE WARRANTIES SHALL BE VOID IF PURCHASER, TENANT OR OCCUPANT, MISUSES, ABUSES OR OTHERWISE INTERFERES WITH OR CHANGES SELLER'S ORIGINAL CONSTRUCTION OR INSTALLATIONS, OR IF PURCHASER, TENANT OR OCCUPANT HIRES ANY OUTSIDE CONTRACTOR TO DO ANY WORK DURING THE WARRANTY PERIOD.

F. SELLER IS NOT RESPONSIBLE FOR ANY WORK OR MATERIAL ORDERED DIRECTLY BY PURCHASERS FROM SELLER'S CONTRACTORS OR SUPPLIERS, OR OTHER OUTSIDE SUPPLIERS AND CONTRACTORS.

G. IN NO EVENT WILL SPONSOR BE RESPONSIBLE FOR ANY CONDITION RESULTING FROM (i) NORMAL WEAR AND TEAR OR NATURAL DETERIORATION OR FROM THE NORMAL MOVEMENT, SETTLEMENT AND/OR SHRINKAGE OF THE BUILDING AND/OR BUILDING MATERIALS; (ii) DEFECTS OF AN INSUBSTANTIAL NATURE, SUCH AS, WITHOUT LIMITATION, PARTIAL OR TOTAL LOSS OF ANY TREES, SHRUBS, BUSHES OR OTHER LANDSCAPE IMPROVEMENTS THAT MAY ABUT THE BUILDING, NAIL POPS, PROTRUDING DRY WALL FASTENINGS, RIDGING ON GYPSUM BOARD, LUMBER SHRINKAGE, DOOR OR WINDOW STICKING, DOOR WARPAGE INCLUDING, WITHOUT LIMITATION, WARPAGE OF THE MAIN ENTRANCE DOOR WITHIN REASONABLE TOLERANCES OF DOORS OF SIMILAR SIZE AND WEIGHT, SCRATCHES IN PLASTIC LAMINATE, VITREOUS CHINA, NATURAL STONE, WOOD, STAINLESS STEEL OR PORCELAIN SURFACES; BATHROOM FINISH GROUTING; ADJUSTMENT OF DOORS; WALLS NOT SQUARE; ELECTRICAL PLATES NOT STRAIGHT; DISCOLORATION OR SHRINKAGE; SLIGHT SEPARATION BETWEEN BASE AND FLOORS; (iii) NORMAL SETTLEMENT AND DEFLECTION OR ANY CONSEQUENTIAL DAMAGE RESULTING THEREFROM INCLUDING, WITHOUT LIMITATION, CRACKS IN ROOF BALLAST, OR CONCRETE CRACKS WHICH DO NOT REDUCE THE STRUCTURAL INTEGRITY OF THE BUILDING; (iv) DEVIATIONS IN THE LEVEL OF CEILINGS, AND IMPERFECTIONS IN CEILING FINISHES; (v) IMPERFECTIONS IN PAINTING FINISHES; (vi) DEVIATIONS IN THE LEVEL OF A FLOOR OR FAILURE OF FINISHED FLOORS AND WALLS TO BE STRAIGHT OR ON PLANE OR AT LESS THAN 90° FROM EACH OTHER; (vii) ALIGNMENT OF BATHROOM FINISHES AND VARIATION IN

GROUTING THICKNESS; (viii) AIR INFILTRATION AND WATER INFILTRATION FROM WINDOWS IN ACCORDANCE WITH CUSTOMARY PRACTICE AND PROFESSIONAL STANDARDS; (ix) NOISE FROM NORMAL PLUMBING AND HVAC SYSTEM ; (x) NORMAL FLOOR NOISES AND CREAKING; (xi) CARPET OR FLOOR DISCOLORING OR STRETCHING; (xii) SCRATCHES AND IMPERFECTIONS OR VARIATIONS IN WIDTH, LENGTH, THICKNESS, FINISH OR COLOR RANGE OF WOOD FLOOR STRIPS OR OTHER FLOORING OR FLOOR FINISHES, ALSO, NORMAL SHRINKAGE OR EXPANSION OF WOOD FLOORING DUE TO CHANGES IN MOISTURE CONTENT OF WOOD; (xiii) REPAIR OF CHIPS, SCRATCHES, MARS, BREAKS, DENTS, CRACKS OR OTHER DEFECTS IN: EXTERIOR STONE; WINDOWS, WINDOW GLASS, FRAMES AND HARDWARE; INSULATION ATTACHED TO THE CURTAIN WALL; SLIDING GLASS DOORS, FRAMES, DOOR GLASS AND HARDWARE; LOUVERS; SHOWER DOORS; LIGHTING FIXTURES, LENSES, BAFFLES AND GLOBES; ALL PAINTED SURFACES; ALL SINKS, TUBS, BASINS, WATER CLOSETS; KITCHEN CABINETS, BACK SPLASHES AND COUNTERTOPS; VANITY TOPS AND CABINETS; ALL TILE OR NATURAL STONE FLOORS AND WALLS; SADDLES; ALL APPLIANCES; WOODWORK, MILLWORK AND DOORS; MIRRORS AND AFTER THE RESIDENTIAL UNIT CLOSING, PAINT TOUCH-UPS, REPAIR OF DENTED APPLIANCES, OR REPLACEMENT OF LIGHT BULBS; (xiv) CRACKS OR VARIATIONS IN TONE, COLOR OR VEINING OF NATURAL STONE OR VARIATIONS IN TONE, COLOR OR VEINING OF VANITY TOPS OR ANY OTHER NATURAL STONE SURFACES; (xv) LEACHING OR COLOR VARIATION IN COLOR MORTAR AND COLORED BRICK, AND DIMENSIONAL VARIATIONS IN BRICK JOINTS, AND MORTAR DROPPINGS ON BRICKS; (xvi) PONDING AND/OR CONTROLLED DRAINAGE ON THE ROOF SURFACE; (xvii) CRACKS IN PRESSURE-TREATED LUMBER USED OR INTENDED FOR USE OUTSIDE THE BUILDING; (xviii) CRACKS OF DISCOLORATION IN CONCRETE USED IN CELLAR WALLS AND PAVING; (xix) DISCOLORATION TO HARDWARE AND PLUMBING FINISHES; (xx) STAINS, RUNS, LUMPS, SHAGS OR IMPERFECTIONS IN WEAVE IN FABRIC PANELS; (xxi) SCRATCHED, DIRTY OR CRACKED LENSES IN LIGHT FIXTURES; OR (xxii) TERRACE TILES NOT LAID FLAT, OR COLOR VARIATION IN TILES OR MORTAR, OR STAINED TILES; (xxiii) SUBSEQUENT TO THE RESIDENTIAL UNIT CLOSING, PAINT TOUCH-UPS, REPAIRS OF DENTED APPLIANCES OR REPLACEMENT OF FLUORESCENT LIGHT BALLASTS, OR (xxiv) SALTING OR COLOR VARIATION IN EXTERIOR COLORED MORTAR AND DEEP COLORED BRICK OR (xxv) REMOVE MOLD FROM THE BUILDING OR ANY UNIT THEREIN; OR (xxvi) NORMAL WATER PENETRATION FROM FRAMELESS SHOWER DOORS. SPONSOR WILL BE OBLIGATED TO REPAIR ONLY ABNORMALLY CHIPPED STONE, FORMICA AND PORCELAIN SURFACES, WHICH REPAIR WILL BE MADE BY FILLING THE STONE OR FORMICA OR REFINISHING THE PORCELAIN, BUT SPONSOR WILL NOT BE

OBLIGATED TO REPLACE SUCH STONE, FORMICA OR PORCELAIN SURFACES. THE ITEMS AND CONDITIONS DESCRIBED IN THIS PARAGRAPH ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE A RESIDENTIAL UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR RESIDENTIAL UNIT, THE COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD THEREOF. IF PURCHASERS OR ANY BOARD DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

H. THESE WARRANTIES ARE SPECIFICALLY IN LIEU OF ANY OTHER GUARANTEE OR WARRANTY, EXPRESS OR IMPLIED INCLUDING ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR WORKMANLIKE CONSTRUCTION.

THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE CLOSING OF TITLE AND DELIVERY OF THE DEED.

39) NOTICES TO PURCHASER - YOU, AS THE PURCHASER OF THE UNIT, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

WHEN SIGNED BY SELLER AND PURCHASER (OR PURCHASER'S AUTHORIZED AGENT), THIS PURCHASE AGREEMENT WILL BECOME A LEGALLY BINDING AGREEMENT. PURCHASER SHOULD MAKE SURE THAT ALL PROVISIONS ARE READ AND UNDERSTOOD BEFORE SIGNING. IF PURCHASER DOES NOT UNDERSTAND ANY PROVISION, PURCHASER SHOULD SEEK LEGAL ADVICE.

PURCHASER MUST BE GIVEN A COPY OF THE PLAN PRIOR TO THE SIGNING OF THIS PURCHASE AGREEMENT. BY SIGNING THIS PURCHASE AGREEMENT, PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND THAT PURCHASER HAS HAD AN OPPORTUNITY TO READ THE OFFERING PLAN AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SIGNING THIS PURCHASE AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase Agreement as of the date first above written.

PURCHASERS:

_____
Signature

_____
Signature

77 READE, LLC

By:_____

COMMERCIAL PURCHASE AGREEMENT

Commercial Unit No. _____ **Date** _____

Garage Parking Space Unit No. _____

Garage Storage Space _____

Anticipated Closing Date: _____

Seller: 77 Reade, LLC

Address: 636 Broadway, Suite 214, New York, New York 10012

Purchaser(s): _____

Home Address: _____

Residential Telephone Number: _____

Business Telephone Number(s): _____

Social Security Number(s): _____

Purchaser's Attorney: _____

Attorney's Address: _____

Attorney's Phone/Fax Numbers: Phone:_____ Fax _____

Seller and Purchaser agree as follows:

1) **PURCHASE PRICE:**

Commercial Unit	$_____
Garage Parking Space	$_____
Garage Storage Space	$_____
Builder upgrades & options ("Extras")	$_____
	TOTAL $_____

PAYABLE AS FOLLOWS:

On the signing of this Purchase Agreement, 10% of the Purchase Price plus Extras, the receipt whereof is hereby acknowledged (the "Downpayment")	$_____
Purchaser's certified or bank cashier's check (drawn on a New York Bank payable directly to the order of Seller or Seller 's designee on the Closing of Title	$_____
	TOTAL $_____

Any payment made by check is accepted subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashier's check payable directly to the payee on the dishonored check within seventy-two (72) hours after demand for replacement therefore.

Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the down payment hereunder is dishonored, Seller shall have the right to cancel this Purchase Agreement. Seller's election to cancel shall not be deemed a waiver by Seller of its right to pursue other remedies.

THE PAYMENT DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT ON ACCOUNT OF THE PURCHASE PRICE MUST BE MADE BY PURCHASER'S PERSONAL CERTIFIED CHECK OR OFFICIAL TELLERS CHECK ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY'S ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF THEIR OBLIGATIONS HEREUNDER.

2) **DESCRIPTION OF UNIT** - Seller agrees, at its own cost and expense, to erect and complete, and Purchaser shall buy from Seller, the condominium unit(s) known as Commercial Unit No. _____ (the "Commercial Unit"), Garage Parking Space Unit No. ____ and Garage Storage Space Unit No. ____ *(cross out inapplicable)* together with a _____ percent undivided interest in the common elements of the condominium (the "Common Elements") known as 77 Reade Street Condominium ("the Condominium"), located on 77 Reade Street, New York, New York 10007 described in the Declaration of Condominium recorded or to be recorded in the Register's Office of the City of New York, County of New York, to be built by Seller on property comprising the Condominium Map (the "Property") filed or to be filed in the Register's Office of the City of New York, County of New York. The Commercial Unit, Garage Parking Space Unit and Garage Storage Space Unit, as applicable, shall hereinafter be collectively referred to as the "Unit". The Unit shall be constructed in accordance with the requirements as to materials and workmanship of the Building Department of the City of New York, which, when completed, will be in substantial accordance with the plans as filed or to be filed with the Building Department of the City of New York. All dimensions are approximate and may vary from the floor plans. The Commercial Unit shall also include the items contained in an attached Rider to the Purchase Agreement (if applicable).

3) **OFFERING PLAN** - Seller has exhibited and delivered to the Purchaser, and Purchaser acknowledges having received, read and understood, the Offering Plan for condominium ownership of the Property and all amendments thereto filed to date, all of which are incorporated by reference and made a part of this Purchase Agreement, with the same force and effect as if fully set forth in this Purchase Agreement. Purchaser

agrees to be bound by the Offering Plan, including all amendments thereto now or hereafter filed by Seller (collectively the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. Any conflict between the Plan and this Purchase Agreement shall be resolved according to the terms of the Plan. Purchaser acknowledges having received and read the Plan at least three (3) business days prior to signing this Purchase Agreement and having had full opportunity to examine all papers and documents and investigate all matters set forth in the Plan.

Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Plan, establish the Condominium and conform to all applicable laws and regulations. This Paragraph shall survive Closing and delivery of the deed.

4) **MORTGAGE FINANCING** - This Purchase Agreement is not conditioned upon Purchaser obtaining mortgage financing. In the event Purchaser is unable to obtain a mortgage, this Purchase Agreement shall remain in effect and Purchaser shall have an ongoing obligation to consummate the transaction. If a Purchaser does not consummate the transaction and close title to the Unit as a result of Purchaser's inability to obtain a mortgage, Purchaser will be in default under this Purchase Agreement and Seller may retain all monies as provided for in Paragraph 21 herein.

5) **CLOSING DATE; ADJOURNMENTS; CONSTRUCTION DELAYS BY SELLER-** The act of transferring ownership of the Unit in return for payment in full of the Purchase Price and all other sums due from Purchaser under this Purchase Agreement is known as the "Closing". The Anticipated Closing Date indicated on the first page of the Purchase Agreement is an approximate date and Seller cannot make any guarantees that such date will be the actual Closing Date. Seller shall have the right to adjourn or accelerate such Closing Date as provided herein. In addition, the Closing Date may be extended by Seller if the Purchaser and Seller agree to additional work being done in the Unit subsequent to the date of the Purchase Agreement. The Closing shall take place at such time and place and on such date as Seller shall designate by prior written notice ("Notice for Closing") delivered in accordance with Paragraph 29 herein, which shall be given no less than thirty (30) days before the date set for Closing. Purchaser may waive the thirty (30) day notice period by execution and delivery of a waiver in the form set forth as Schedule D-2 to the Purchase Agreement in the Plan.

Should Seller be unable to convey title to Purchaser in accordance with the Notice for Closing, Seller shall have the right, from time to time, to adjourn or advance the date and time for Closing on written notice to Purchaser. If the Closing is advanced or adjourned by Seller, then Seller shall, by a new Notice for Closing, fix a new date and time for Closing, which shall be no less than ten (10) days before the new scheduled date and time for Closing.

If the Closing takes place at the request of Purchaser at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of $450. The Closing may not take place in any other location without Seller's prior written consent.

In the event the Closing is adjourned with Seller's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Seller's attorney an adjournment fee in the sum of $500.

If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within twelve (12) months after the Anticipated Closing Date set forth on the first page of this Purchase Agreement, either Seller or Purchaser may cancel this Purchase Agreement by forwarding written notice of cancellation to the other no later than ten (10) days after expiration of such twelve (12) month period whereupon Seller shall refund to Purchaser, subject to the escrow provisions as disclosed in Section XII of the Plan, all payments, other than funds used towards upgrades, options or extras, made by Purchaser to Seller on account of the Purchase Price and neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. Purchaser shall be obligated to notify Seller in writing of its intent to exercise said option no later than ten (10) days after the twelve (12) month period. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Seller shall be unable to convey title to the Commercial Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Seller shall return all monies being held in escrow within thirty (30) days thereafter.

6) **ADDITIONAL MONEY TO BE PAID BY PURCHASER AT CLOSING** - In addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement, Purchaser shall at Closing pay, or reimburse to Seller if Seller has already made payment, or pay to any Lender, all applicable charges for:

(a) Any Lender's charges for inspections, appraisals, title examination and policy insuring the Lender's interest, Lender's attorneys' fees for preparation of all loan documents, all commitment fees, points, origination fees and other fees and charges (however characterized) imposed or exacted by the Lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;
(b) any mortgage recording taxes on Purchaser's mortgage;
(c) governmental charges which may be assessed on account of any mortgage loan;
(d) mortgage insurance, if required, on Purchaser's mortgage;
(e) New York State real estate transfer tax on the deed;
(f) New York City real estate transfer tax on the deed;
(g) Mansion Tax pursuant to Section 1402-a of the Tax Law of the State of New York, if applicable;

(h) all recording and filing charges payable on account of the transfer of title and recording of all documents in connection therewith including without limitation any mortgage, the deed, power of attorney, affidavit required pursuant to Section 339-ee of the New York State Real Property Law and any blanket mortgage release documents;

(i) a sum equal to the partial mortgage tax credit to which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller;

(j) an initial non-reimbursable capital contribution equivalent to two 92) months of Common Charges;

(k) 3/10^{ths} of 1% of the sales price to Sponsor for obtaining the Section 421-a tax abatement;

(l) a pro-rata portion of the Condominium's estimated first year insurance, based on the Unit's percentage of Common Interest; and

(m) $1,500 to Seller's attorney for the preparation of the closing documents.

Purchaser shall also apportion with Seller as of the end of the day prior to Closing, and pay to Seller at Closing, the apportioned amount due for taxes, condominium Common Charges, sewer use, water use, fuel oil (if any) and any other utility costs. Purchaser shall also pay the deposits required by the Lender to establish the estimated or escrow fund for future payments of taxes, condominium Common Charges, sewer use and insurance premiums (if applicable). In addition, in the event Seller's attorney prepares the New York City "ACRIS" transfer documents, Purchaser shall be required to pay Seller's attorney an additional fee of $250. In the event the title company prepares the ACRIS, Purchaser shall pay the applicable fee of the title company. If through no fault of Seller, Purchaser fails for any reason to close title on the date originally scheduled in Seller's Notice for Closing, or such later date (if applicable) to which Seller in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of the end of the day preceding (i) the date originally scheduled for Closing or (ii) Seller's adjourned Closing Date (as the case may be).

Purchaser shall pay to Seller at or prior to the date of the actual adjourned Closing, an amount equal to .0438% per diem (which equals an annual rate of 16%) of the Purchase Price for the Unit for each day beyond such originally scheduled or Seller adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Seller's carrying costs and other charges, which amount Purchaser acknowledges to be reasonable and proper.

Any errors or omissions in computing apportionments or any other sums payable under this Paragraph which are communicated to the other party within six (6) months after Closing shall be corrected and payment made to the proper party promptly after such communication. This Paragraph shall survive Closing and delivery of the deed.

7) **SEVERANCE OF MORTGAGE/EXISTING MORTGAGE(S)** - If necessary to obtain a mortgage tax credit, Purchaser shall use its best efforts to request that its lender (i) accepts an assignment of the existing mortgage(s) encumbering the Property,

as severed, to encumber only the Unit and its appurtenant percentage of Common Interest in the Common Elements, and (ii) cooperates with Seller and its existing lender, as necessary to effectuate such assignment. At Closing, Purchaser shall execute the affidavit required pursuant to Section 255 of the New York State Tax Law. It is agreed and understood that Seller shall receive as a credit from Purchaser at Closing, a sum equal to the full mortgage tax credit which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller on the amount of Purchaser' s mortgage. The foregoing credit shall be paid by Purchaser regardless of whether Purchaser's lender accepts the assignment of the Seller's existing mortgage, as severed. All terms and provisions of this Purchase Agreement and all payments made hereunder are and shall be subject and subordinate to the lien of any acquisition, improvement, interim or building loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon, to the full extent thereof without the execution of any further documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the loan schedule of payments or accelerated thereunder by virtue of the lenders right to make advances before they become due in accordance with the schedule of payments. Seller shall satisfy all such mortgages or obtain a release of the Unit and its appurtenant percentage of Common Interest in the Common Elements (as such term is defined in the Plan) from the liens of such mortgages at or prior to Closing, unless Purchaser shall be required to take title subject to the existing mortgage, as severed and converted to Purchaser's individual mortgage on the Unit.

This Purchase Agreement is subject and subordinate without the necessity of Purchaser signing or delivering any documents or papers, to the lien of any existing or future construction loan mortgage and all payments or expenses already made or incurred or which may hereafter be made or incurred in connection with such construction loan mortgage. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the construction loan schedule of payments or accelerated thereunder by virtue of the construction lender's right to make advances before they become due in accordance with the schedule of payments. The Unit and its/their appurtenant percentage of Common Interest in the Common Elements (as such term is defined in the Plan), shall be released from the lien of such construction loan mortgage upon Closing, except where such mortgage is converted to Purchaser's individual mortgage on the Unit. In such case, the Unit shall remain subject to the lien of such construction loan mortgage and Purchaser shall reimburse to Seller at Closing, in addition to all other sums to be reimbursed by Purchaser to Seller under this Purchase Agreement, an amount equal to the mortgage tax paid by Seller on such construction loan mortgage. In all other cases, any mortgage tax credit available under Real Property Law Section 339-ee shall inure exclusively to the benefit of Seller.

8) **DEED AND ENCUMBRANCES UPON OWNERSHIP** - The deed to be given by Seller to Purchaser at Closing shall be a Bargain and Sale with Covenant against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in sub-paragraphs (a) through (f) below which need not be recited in the deed given at Closing

but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York State and City transfer tax which is the obligation of Purchaser) so as to convey to Purchaser fee simple title to the Unit, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Purchaser shall accept such title and deed description of the Unit subject to the liens, encumbrances and other matters set forth in this Purchase Agreement, as Fidelity National Title Insurance Company ("Fidelity Title"), a title company authorized to do business in the State of New York, is willing to approve and insure without additional premium. Purchaser may obtain title insurance from any title insurance company or abstract company, or Purchaser may decline to obtain any title insurance at all, however Seller recommends that Purchaser utilize Fidelity National Title Insurance Company, 1415 Kellum Place, Garden City, New York 11530, (516) 394-5110, Attn: Suzanne Breinlinger.

Purchaser shall be responsible for payment to the title company of the entire premium for Purchaser's title insurance, and shall also pay the applicable New York State and City transfer tax and mansion tax, if applicable.

The sale and transfer of ownership of the Unit to Purchaser shall, even though not stated in the deed, be subject to:

(a) Ordinances, rules, regulations, requirements and approvals of applicable governmental authorities, provided not violated by the Unit or the Common Elements to be constructed.

(b) Rights for installation, use and/or maintenance of easements and rights of way for utilities, sewer, cable television, drainage, scenic purposes, screening and planting which have already been granted or may be granted after this Purchase Agreement is signed or after Closing, provided they do not prevent use of the Unit or the Common Elements for their intended purposes.

(c) Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Unit for their intended purposes.

(d) Unpaid taxes and liens, provided the title insurance company shall insure against collection of same out of the Unit.

(e) The filed Condominium Map and all matters reflected thereon.

(f) The Declaration and By-Laws of the Condominium and any amendments or supplements thereto.

Purchaser shall deliver to Seller's attorney at least ten (10) days prior to Closing, a written notice setting forth each objection to title, if any (other than those specifically set forth herein subject to which the Property are being sold), and a copy of Purchaser's title report. Seller shall have the right to a reasonable adjournment of Closing, not to exceed sixty (60) days, for the purpose of curing any title defect; however, no such action taken by Seller shall be deemed an admission by Seller that such defect is one that would entitle Purchaser to cancel this Purchase Agreement.

9) **PERSONAL PROPERTY INCLUDED IN SALE** - All articles of personal property, fixtures and equipment for the Unit which are included in this sale will be delivered free and clear of all liens and encumbrances, except as stated in Paragraph 8 herein, if applicable.

10) **POWER OF ATTORNEY** - At closing, Purchaser shall execute, acknowledge and deliver to Seller in recordable form, a power of attorney in the form set forth as Schedule E to the Plan (the "Power of Attorney"), in favor of the Board of Managers of the Condominium relative to leasing and purchasing of units in the Condominium under certain circumstances and to foreclose upon units in the Condominium for which the payment of Common Charges is delinquent, and in favor of Seller relative to amending the Condominium documents to the extent provided for in the Plan. Purchaser further agrees to execute and pay for any recording fees in the event the form required to be used for a Power of Attorney is revised subsequent to the date of the Closing.

11) **ENCUMBRANCES/LIENS EXISTING AT CLOSING** - The existence of anything affecting the sale at Closing, including unpaid taxes or liens of any kind, shall not constitute an objection to title provided Fidelity, or another title or abstract company selected by Purchaser, is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Unit upon Seller's doing whatever acts as may be required by said company and/or the depositing of money. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Unit, not provided for in this Purchase Agreement, out of the monies to be paid by the Purchaser at the time of Closing.

12) **EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER** - Any work or items ordered from Seller by Purchaser which are not included in the plans or standard model of the Unit shall, except as may otherwise be provided in this Purchase Agreement or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such work or items shall not entitle Purchaser to cancel this Purchase Agreement even if Purchaser has already paid for such work or items. Purchaser's only right, in the event of Seller's failure to perform such extra work or supply and install such extra items, is to receive a refund or credit at Closing equal to the total payments made to Seller for such extra work or extra items. All extras must be ordered prior to commencement of construction and must not delay construction. In the event Purchaser orders upgraded or optional items or finishes other than the standard provided by Seller, Seller or Seller's contractors shall not be responsible or liable for any defects in quality of materials or workmanship in installation. Failure to make any payments due in accordance with the

payment schedule of Seller, Seller's contractors or sub-contractors, as applicable, shall constitute a breach in accordance with Paragraph 21 herein. As noted as a Special Risk in the Plan, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid for Extras or Upgrades. Seller shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Seller's contractors or suppliers shall not be deemed to have been ordered directly from Seller.

13) **OPTIONS AND COLOR SELECTIONS** - Any choices given by Seller to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or model site, within ten (10) days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Seller of Purchaser's choice within such ten (10) day time period, then Seller may make the choice on Purchaser's behalf and Purchaser shall accept such choice so made by Seller as if originally made by Purchaser. No claim or objection to Closing shall be made by Purchaser because of any choice made by Seller in any case where Purchaser failed to give Seller timely notice of Purchaser's choice.

14) **NO INSPECTIONS DURING CONSTRUCTION** - Purchaser acknowledges that unsupervised visits to the Property (the "Construction Site") present a dangerous circumstance and could incur liability to Seller. **Unless specifically agreed to by Seller in writing, Purchaser shall not visit the Unit or any other portion of the Construction Site, and shall only have the right to visit the Seller's sales office (the "Sales Office"). Any unauthorized visits to the Construction Site by Purchaser are subject to a charge by Seller of $500 per visit, which Purchaser agrees to pay Seller within ten (10) days of billing thereof.** Purchaser hereby releases and indemnifies, defends and holds Seller harmless for all claims and liabilities incurred by Seller resulting from the presence of Purchaser or Purchaser's family members or invitees on the Property prior to Closing. Purchaser further agrees to execute the Express Assumption of Risk Form, in the form set forth as Schedule D-3 to the Plan.

15) **PURCHASERS' INTERFERENCE** - Purchaser acknowledges that it may not interfere with Seller's ability to construct the Unit or other unit(s) or facilities, including interference with work performed on site by Seller's staff in connection with the construction of the Unit or any other units, attempts to hire any of Seller's staff or contractors, and/or attempts to bring contractors, materialman, subcontractors or workers onto the site for work on the Unit prior to Closing, unless otherwise agreed to in writing by Seller.

16) **PURCHASER MAY NOT TAKE POSSESSION OF THE UNIT PRIOR TO CLOSING**- Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Unit nor have any work performed or materials supplied or installed at the Unit prior to Closing without the prior written consent of Seller.

Purchaser acknowledges and agrees that Seller will accept no liability whatsoever for any property belonging to the Purchaser, their agents, employees, family, or belonging to any party other than Seller which is placed on the Property and/or in the Unit prior to Closing. No act of the Seller, whatever its nature, shall constitute a waiver of this Paragraph.

17) **CHANGES BY SELLER -** In building the Unit and performing any other work on the Property, Seller reserves the right to: (a) make changes or substitutions of materials or construction from those shown in the model units or building plans, provided any such changes or substitutions are of substantially similar or better quality; (b) determine the exterior color and design of the Building; (c) change the location and type of the units to be constructed in the Condominium; (d) determine whether existing trees, shrubs and other plant life on the Property are to be moved or removed, (e) add or remove retaining walls on the Property where required by grade conditions; (f) determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, mailboxes; (g) change appliances as long as they are equal to or better than originally offered; and (h) make any other changes required by the City of New York.

18) **COMPLETION OF CONSTRUCTION - PURCHASER'S INSPECTION -** Purchaser shall accept title (without abatement in or credit against the Purchase Price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the building in which it is located, or (b) other units in the Condominium, or (c) the landscaped areas of the Property, or (d) parking spaces or driveway or garage, if applicable, or (e) other portions of the Common Elements have not been completed. Purchaser will inspect the Unit with a representative of the Seller during normal business hours approximately three (3) days prior to Closing and will sign and deliver to Seller on or before Closing, a Pre-Title Inspection Statement supplied by Seller, acknowledging the condition of the Unit. Receipt of the executed Pre-Title Inspection Statement shall be a condition precedent to closing. Purchaser agrees to accept the Pre-Title Inspection Statement wherein the Seller shall agree to complete all unfinished items within six (6) months from the date of Closing, weather and other circumstances permitting. Any such incomplete items shall not constitute an objection to Closing provided Seller executes and delivers to Purchaser, a letter agreement in accordance with the foregoing. Purchaser shall allow Seller, its agents, servants and/or employees the right to enter the Unit and shall provide reasonable access thereto subsequent to Closing to complete any incomplete items.

In the event Seller is required to make any repair or complete any item of work to be performed by Seller after Closing, the limit of Seller's liability shall be to make said repair and/or to complete such item. This Paragraph shall survive Closing and delivery of the deed.

19) **CERTIFICATE OF OCCUPANCY** - At Closing, Seller shall deliver to Purchaser a temporary or permanent Certificate of Occupancy for the Unit (or building in which it is located) and, if available, a New York Board of Fire Underwriter's Certificate for the Unit.

20) **UNIT PART OF DEVELOPMENT** - Purchaser acknowledges that they may be living in an active construction site after Closing on the Unit. During the period of construction, there may be dirt and debris and construction material on the Property, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences which are normal in a community undergoing construction. Purchaser further acknowledges that other units and infrastructure are presently being constructed at the Property and that Seller anticipates that such construction shall continue until the Condominium project is completed in accordance with the Plan. Accordingly, Purchaser agrees that such continuing construction shall not be deemed a nuisance nor an interference with Purchaser's quiet enjoyment of the Unit after Closing. This Paragraph shall survive Closing and the delivery of the deed.

21) **PURCHASER'S DEFAULT** - If Purchaser fails to appear and Close Title in accordance with this Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period, this Purchase Agreement shall, at Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price plus all additional sums paid and/or payable by Purchaser for all Extras ordered by Purchaser, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable.

The notice of default shall be deemed notice to the Purchaser by the Escrow Agent of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the dispute resolution provisions of the Attorney General's escrow regulations as described in Section XII of the Offering Plan.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of this Purchase Agreement for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this Purchase Agreement. Thereafter the Unit may be sold or disposed of as though this Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this Purchase Agreement or at law for any default by Purchaser under this Purchase Agreement.

22) **SELLER'S RIGHT TO CANCEL** - Seller may cancel this Purchase Agreement by forwarding a full refund of the Downpayment to Purchaser together with written notice of cancellation in the event of the occurrence of any of the following:

(a) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Seller's regular suppliers or from using same in the construction and/or completion of the Unit ; or

(b) Seller is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, act of God or national emergencies; or

(c) the installation of public utilities is restricted or curtailed; or

(d) should zoning and/or building restrictions and regulations, imposed by any governmental body having jurisdiction over the construction of residential housing and appurtenances, either presently in effect or as enacted or promulgated in the future, create or impose requirements upon the Seller which are not presently contemplated; or

(e) the Plan is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, this Purchase Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Purchase Agreement and the Offering Plan.

23) **INABILITY OF SELLER TO TRANSFER OWNERSHIP** - Except for Seller's willful default, if Seller is unable to transfer ownership of the Unit in accordance with this Purchase Agreement, Seller shall only be liable to Purchaser for the return to Purchaser of the Downpayment. Thereafter, this Purchase Agreement shall be deemed canceled and neither party shall have any further liability to the other in connection with this Purchase Agreement or transaction. Seller shall not be required to commence any action or proceeding or incur any expense in order to remove the condition which prevents Seller from transferring ownership of the Unit in accordance with this Purchase Agreement.

24) **PROHIBITION AGAINST ASSIGNMENT OR RECORDING OF PURCHASE AGREEMENT** - Neither this Purchase Agreement nor Purchaser's interest hereunder may be assigned by Purchaser without the written consent of Seller. In addition, neither shall this Purchase Agreement nor any memorandum thereof be recorded in the office of any county clerk or the Register's Office of the City of New York, County of New York by Purchaser or anyone on Purchaser's behalf. Should Purchaser violate the provisions of the foregoing sentence, this Purchase Agreement, at Seller's option, shall become null and void, whereupon all rights of the Purchaser shall cease and terminate and Seller shall have the right to retain the Downpayment and all amounts paid by Purchaser for Extras, as and for liquidated damages on account of such default by Purchaser pursuant to the provisions of Paragraph 21 hereunder.

25) **PROHIBITION AGAINST SIGNS ON UNIT** - Purchaser shall not place any sign anywhere on the Unit or Property at any time within three (3) years after Closing without Seller's prior written consent and subject to any approvals from the Landmarks Preservation Commission. This Paragraph shall survive delivery of the deed.

26) **PROHIBITION AGAINST ADVERTISING OF UNIT FOR SALE** - From and after the date hereof, Purchaser shall not place an advertisement for the sale of the Unit in any newspaper or other publication or media, or list the Unit with any real estate broker prior to Closing. Such action will constitute a material breach of this Purchase Agreement entitling Seller to retain monies paid on account of the Purchase Agreement plus the cost of Extras as liquidated damages.

27) **NO BROKER CONSULTED BY PURCHASER** – Purchaser represents that no broker other than Seller's broker, _____ (the "Broker") brought about this sale, and Purchaser agrees to indemnify Seller against any claim brought by any other broker for brokerage commission based upon Purchaser's acts. Seller shall pay the Broker pursuant to separate agreement. In the event Purchaser is represented or has consulted with an outside broker (other than the Broker), Purchaser shall be responsible for all costs and commissions associated therewith and Seller shall not be responsible for any co-broker commission. This Paragraph shall survive Closing and delivery of the deed.

28) **TRUST FUNDS** - The Downpayment and all other deposits or advances made by Purchaser prior to Closing shall initially be held in a segregated escrow account held by Certilman Balin Adler and Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554 (the "Escrow Agent") pursuant to an Escrow Agreement between Seller and the Escrow Agent, in the form set forth in Schedule L of the Plan and pursuant to the provisions of Sections 352-h and 352-e (2-b) of the New York State General Business Law and the escrow regulations promulgated thereunder by the Department of Law of the State of New York as disclosed in Section XII of the Offering Plan. Said funds shall be held in an Interest Account in an account entitled "Certilman Balin Adler and Hyman, LLP/77 Reade Street Escrow Account" at Capital One, N.A., 275 Broadhollow Road, Melville, New York 11747. All interest earned in the escrow account will be paid or credited to Purchaser at Closing. The interest rate to be earned will be the prevailing rate for these accounts which, as of the date of the Offering Plan, is averaging less than one (1%) percent per annum. All instruments shall be made payable to or endorsed to the order of Certilman Balin Adler and Hyman, LLP as Escrow Agent. The deposit by the Escrow Agent of the Downpayment into the Escrow Account shall not be deemed acceptance by the Seller of the Purchase Agreement. The Purchase Agreement shall only be deemed accepted when countersigned by the Seller or Seller's authorized agent. **In addition, although all funds received by Seller for Extras will initially be placed in the Escrow Account; such funds may be released from the Escrow Account as long as Seller uses the funds for such Extras and/or Upgrades. In the event Purchaser is entitled to a right of rescission, the return of their Downpayment shall <u>not</u> include any funds paid towards Extras and/or Upgrades.** At Closing the Downpayment shall be paid to Seller upon consummation of the Closing and execution of this Purchase Agreement shall be deemed a writing executed by both

Seller and Purchaser authorizing the Escrow Agent to release said funds to Seller at Closing. Purchaser shall execute the Tender of Escrow form, as set forth in Schedule D-5 and complete the form W-9 as set forth in Schedule D-6 of the Plan upon execution of this Purchase Agreement; and shall execute the Release form, as set forth in Schedule D-2 of the Plan, at Closing. Purchaser should also provide Seller with a copy of their driver's license at the time of the execution of this Purchase Agreement.

29) **NOTICES** - Any notices, statements, certificates, requests or demand required or permitted to be given or delivered under this Purchase Agreement shall be in writing and may be sent by mail, overnight courier or personal delivery, addressed to Purchaser or to Seller, as the case may be, at their respective addresses shown at the beginning of this Purchase Agreement, or to such other address as Purchaser or Seller may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given

(a) when delivered to an overnight courier service, if sent by overnight courier,

(b) upon personal delivery actually being made, and

(c) upon receipt or first refusal of delivery or inability of delivery after delivery to the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail return receipt requested.

Notwithstanding the foregoing, any notice of default must be delivered only by overnight courier service, personal delivery, or certified mail return receipt requested.

30) **PURCHASER GENERAL REPRESENTATIONS** - Purchaser represents that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements, written or oral, of any nature, including but not limited to, any of the above relating to the description or physical condition of a Condominium building or the Unit or the Property, the size or the dimensions of the Unit or the rooms therein contained or any physical characteristics thereof, the services offered by the Condominium, the estimated Common Charges for the Unit or any other matter or estimate not set forth herein and in the Plan. Purchaser further represents that Purchaser has not relied on any verbal or written representations made by a Broker or any other agent of Seller. Purchaser further acknowledges having had full opportunity to examine all documents and investigate all facts referred to and stated herein and in the Plan. Purchaser agrees that the Seller shall have no liability or responsibility to Purchaser and that Purchaser will not be relieved from his or her obligations hereunder, by reason of any inaccuracy or error in the layout, dimensions or height of the Unit, rooms and/or ceilings so long as the layout and specifications as they may be changed or amended are within reasonable dimensions as reflected in the applicable provisions of the Plan or any amendment thereto. Purchaser understands and acknowledges that the Seller cannot guarantee a firm completion and availability date for the Unit and agrees that the Seller shall not be obligated to make, provide or compensate for any accommodations or costs to Purchaser as a result of construction delays nor shall such delays serve to cancel, amend or diminish any of Purchaser's obligations hereunder.

31) **ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS** - All prior understandings and agreements are hereby superseded and merged into this Purchase Agreement, which alone contains the final and entire understanding and agreement between Seller and Purchaser. Neither Seller nor Purchaser shall be bound by any terms, conditions, statements, or representations, oral or written, not set forth in this Purchase Agreement or in the Offering Plan. Purchaser acknowledges that Purchaser is buying a Unit in a condominium development which may not yet have been formed at the time this Purchase Agreement is signed, and that, except as stated in this Purchase Agreement, the Declarations, By-Laws, Exhibits, Schedules and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Seller or anyone else except as set forth in the Plan or any amendment thereto and this Purchase Agreement, including but not limited to, the description, size or dimensions of the Unit or rooms therein, or the estimated common charges, or other expenses relative thereto.

Purchaser also acknowledges that none of Seller's representatives has the authority to modify this Purchase Agreement or to make any oral promise, agreement or representation inconsistent or contrary to the terms of this Purchase Agreement. This Purchase Agreement may be changed only by a written document signed by both Purchaser and Seller's Authorized Agent. The invalidity or unenforceability of any particular provision of this Purchase Agreement will not affect the other provisions, and this Purchase Agreement will be interpreted in all respects as if such unenforceable provisions were omitted.

32) **RISK OF LOSS** - The risk of loss or damage to the Unit by fire or any other cause until delivery of the deed is assumed by Seller. In the event a substantial portion of the Unit or Condominium shall be destroyed or damaged prior to Closing, Seller shall be entitled to cancel this Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Downpayment paid by Purchaser, with interest, if any; however, Purchaser will not receive a refund of any funds paid for Extras. The parties shall thereafter be released from any further liability hereunder. However, if Purchaser is or becomes the occupant or tenant of the Unit prior to Closing, then as of the date of Purchaser's occupancy, Purchaser shall be responsible for all damage caused by any acts or omissions of Purchaser, Purchaser's agents, employees or invitees.

If any part of the Unit is damaged or destroyed by any casualty prior to Closing, Seller will have the option to restore the Unit to its previous condition as soon as reasonably possible. In the event Seller elects to restore the Unit, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Seller. Seller agrees to notify Purchaser of Seller's decision within ten (10) business days of the date of such casualty. In the event Seller elects not to restore the Unit, then this Purchase Agreement will terminate and Purchaser will receive a full refund of all monies paid to Seller. The parties shall thereafter be released from any further liability hereunder.

33) **DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ELEMENTS** - Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Elements on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This Paragraph shall survive Closing and delivery of the deed.

34) **STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY** - Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this Purchase Agreement shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this Purchase Agreement or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this Purchase Agreement or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this Purchase Agreement or the Plan. Purchaser agrees to pay all court fees, including reasonable attorney fees, should Purchaser bring an action against Seller in any court of proper jurisdiction (including small claims court) and be unsuccessful. Further Purchaser agrees to waive the right to file a Lis Pendens if not filed within sixty (60) days of the cancellation of this Purchase Agreement.

Purchaser and Seller hereby waive trial by jury in any action, proceeding or counterclaim arising out of this Purchase Agreement, provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this Purchase Agreement, shall be instituted in a court in New York County and all motions in any such action shall be made in New York County.

This Paragraph shall survive Closing and delivery of the Deed.

35) **LIEN OF DEPOSIT** - All sums paid on account of this Purchase Agreement are hereby made liens upon the Unit, but such liens shall not continue after default by the Purchaser under this Purchase Agreement.

36) **INCREASE OR DECREASE IN COMMON INTEREST** – Purchaser acknowledges that the Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act, based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

Based upon final specifications, construction conditions and/or "as-built" Plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in the aggregate Common Interest appurtenant to the homes and Units. Purchaser agrees that in such event, the Common Interest appurtenant to each individual Unit would be adjusted pro rata. Seller expressly reserves the right, from time to time, prior to the first closing, to effect such a change in the common interests and to amend the Plan so as to reflect the same. In no event, however, will the common interest of any Unit be increased or decreased as result of any of the foregoing by more than 5%.

37) **MISCELLANEOUS -**

(a) The start of any activity by Seller in connection with the Unit is not to be deemed a waiver of any of Seller's rights under this Purchase Agreement.

(b) The personal property referred to in this Purchase Agreement shall be deemed conveyed by the deed, and no part of the Purchase Price shall be deemed allocated to such personal property.

(c) The attorneys representing the Seller or any Lender represent such parties only and not the Purchaser. The Purchaser may retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.

(d) The delivery of the deed for the Unit to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Seller under this Purchase Agreement have been done and that Purchaser shall not claim otherwise except as to those things, if any, which are specifically stated in this Purchase Agreement or in a separate writing signed by Seller or Seller's attorney on Seller's behalf, to survive or continue beyond Closing or delivery of the deed.

(e) The paragraph headings set forth in this Purchase Agreement are inserted solely for convenience of reference and in no way deemed to affect, amend, define, describe or limit the scope or intent of the provisions set forth in this Purchase Agreement.

(f) No provision of this Purchase Agreement may be changed, waived, discharged, or terminated orally, by telephone, or by any other means, except an instrument in writing signed by the party against whom enforcement of such change, waiver, discharge, or termination is sought and then only to the extent set forth in such instrument.

(g) Any singular word or term herein shall also be read as in the plural whenever the sense of this Purchase Agreement may require it. The use of the masculine gender shall be deemed to refer to the feminine gender, or neuter, whenever the context so requires.

(h) If two (2) or more persons are named as Purchaser in this Purchase Agreement, (i) each person shall be jointly and severally liable for payment, observance and performance of all obligations under this Purchase Agreement and (ii) anyone of them is hereby made agent for the other in all matters of any and every kind or nature with respect to the Unit and/or this Purchase Agreement. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.

(i) The provisions of this Purchase Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.

(j) This Purchase Agreement shall not be binding or effective until fully executed and delivered by Seller and Purchaser.

(k) Seller represents that its Federal Employer Identification Number is _____; and Purchaser represents that his/her/their social security number(s) is _____ and _____.

(l) In the event any portion of this Purchase Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Purchase Agreement and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Purchase Agreement.

(m) The parties agree that this Purchase Agreement shall be governed by, and construed in accordance with the laws of the State of New York.

38) **FLOORING** - Purchaser acknowledges and agrees that they will not be permitted to install any finished floor exceeding one (1") inch above the concrete slab, unless prior approval is provided by Seller's architect as long as the Seller continues to retain at least (1) Unit in the Condominium and, thereafter, by an architect approved by the Board of Managers of the Condominium.

39) **CERTIFICATES AND MANUFACTURERS' WARRANTIES LIABILITY OF SELLER FOR DEFECTS (ONE-YEAR PERIOD)** - At the Closing of Title the Seller will deliver the certificates and warranties delivered to them and transferable to Purchaser, or to the Condominium, and it is further agreed that title will not close without Purchaser's consent until a temporary or permanent Certificate of Occupancy has been issued covering the Commercial Unit sold to the Purchaser. Seller's liability pursuant to the manufacturers' warranties covering heating, electric, plumbing and roofing are limited solely to the extent that such warranties are delivered to Seller, transferable to the Purchaser or to the Condominium and then only as against such manufacturer. In addition, however, Seller will promptly correct any defects in the construction of the Commercial Unit or the building containing such Commercial Unit or in the installation or operation of any mechanical equipment therein due to material or improper workmanship substantially at variance with the plans and specifications, provided only that it is notified of such defects in writing by certified mail within one year from the date of closing of title to the Commercial Unit in which the alleged defects exist. No steps taken by Seller to correct any defect shall act to extend the warranty period. Seller accepts no responsibility for incidental or consequential damage caused by any defect. These warranties are extended to the named Purchaser and are not extended to any subsequent Purchaser nor to any mortgage lender who takes title or possession of the Commercial Unit. These warranties shall be void if Purchaser misuses, abuses or otherwise interferes with or changes Seller's original construction or installations. Sponsor disclaims any implied warranties, including the warranty of merchantability, habitability, and workmanlike construction. The provisions of this Paragraph shall survive the closing of title and the delivery of the deed.

40) **NOTICES TO PURCHASER - YOU, AS THE PURCHASER OF THE UNIT, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.**

WHEN SIGNED BY SELLER AND PURCHASER (OR PURCHASER'S AUTHORIZED AGENT), THIS PURCHASE AGREEMENT WILL BECOME A LEGALLY BINDING AGREEMENT. PURCHASER SHOULD MAKE SURE THAT ALL PROVISIONS ARE READ AND UNDERSTOOD BEFORE SIGNING. IF PURCHASER DOES NOT UNDERSTAND ANY PROVISION, PURCHASER SHOULD SEEK LEGAL ADVICE.

PURCHASER MUST BE GIVEN A COPY OF THE PLAN PRIOR TO THE SIGNING OF THIS PURCHASE AGREEMENT. BY SIGNING THIS PURCHASE AGREEMENT, PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND THAT PURCHASER HAS HAD AN OPPORTUNITY TO READ THE OFFERING PLAN AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SIGNING THIS PURCHASE AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase Agreement as of the date first above written.

PURCHASERS:

_____
Signature

_____
Signature

77 READE, LLC

By:_____

DECLARATION OF CONDOMINIUM

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
OF PREMISES LOCATED AT 77 READE STREET
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.

NAME: **77 READE STREET CONDOMINIUM**

DECLARANT: **77 READE, LLC**
50 East 42nd Street
Suite 101
New York, New York 10017

DATE OF DECLARATION:

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PLAN OF CONDOMINIUM UNIT OWNERSHIP

DECLARATION OF 77 READE STREET CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE REAL
PROPERTY LAW OF THE STATE OF NEW YORK

In the Borough of Manhattan, County, City and State of New York on this ____day of _____, 20__, 77 Reade, LLC, a New York limited liability company, organized and existing under the laws of the State of New York, whose principal office is situated in New York, New York, hereinafter referred to as the "Declarant" or "Sponsor" represented in this Declaration by _____, who is fully empowered and qualified to execute this Declaration on behalf of the company does hereby state:

ARTICLE FIRST: SUBMISSION OF PROPERTY.

By this Declaration the Declarant submits the property described in this Declaration, including the land and the Building and all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, to the provisions of Article 9-B of the Real Property Law of the State of New York.

ARTICLE SECOND: DESCRIPTION OF PROPERTY.

The Declarant owns all that certain plot, piece or parcel of land, with the Building and improvements thereon erected, situate, lying and being in the Borough of Manhattan, County, City and State of New York, and more particularly bounded and described on Schedule A annexed hereto and made a part hereto.

ARTICLE THIRD: DEFINITIONS.

The following words as hereinafter referred to shall be defined as follows:

1. "Board of Managers" - The governing body of the Condominium responsible for its affairs.

2. "Board Member" or "Member" – Each individual representative elected, designated or appointed to the Board of Managers. The Board Members are described as follows:

   (a) "Residential Board Members" – The Board Members representing the Residential Unit Owners.

   (b) "Commercial Unit Board Member" – The Board Member representing the Commercial Unit Owners.

3. "Building" - The one (1) building including the Units and Common Elements of the Condominium.

4. "By-Laws" - The document governing the operation of the Condominium.

5. "Closing" or "Close Title" or "Closing of Title" – The consummation of the sale of the Unit transferring title via a deed from the Sponsor to the Purchaser.

6. "Closing Date" or "Date of Closing" – The date of Closing of Title.

7. "Commercial Area" – The area of the Condominium consisting of the Commercial Units and Commercial Units Limited Common Elements.

8. "Common Charges" - Each Unit Owner's proportionate share of Common Expenses of the Condominium.

9. "Common Elements" - All portions of the Condominium, other than the Units. The Common Elements are divided as follows:

   (a) General Common Elements which are Common Elements shared by all Unit Owners.

   (b) General Residential Units' Limited Common Elements which are Common Elements for the exclusive use of all Residential Unit Owners.

   (c) Individual Residential Unit Limited Common Elements which are Common Elements for the exclusive use of an individual Unit Owner or Owners.

   (d) Commercial Unit Limited Common Elements which are Common Elements which are for the exclusive use of a Commercial Unit Owner or Owners.

10. "Common Expenses" - (a) Expenses incurred by all Unit Owners for the purpose of paying costs of the Condominium in connection with the repair, maintenance, replacement, restoration or operation of, and any alteration, addition or improvement to the General Common Elements and General Residential Units' Limited Common Elements; and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

11. "Community" or "Development" - As used herein is equivalent in meaning to the term "Condominium" as same is used in Article 9-B of the Real Property Law.

12. "Condominium" - 77 Reade Street Condominium which includes the Unit Owners, the Units and the Common Elements.

13. "Declarant" or "Sponsor" – 77 Reade, LLC, a New York limited liability company and its successors, assigns and designees.

14. "Declaration of Condominium" - The instrument by which the Property is submitted to the provisions of the Condominium Act, and such instrument as from time to time may be amended, consistent with the provisions of the Condominium Act and of the By-Laws.

15. "Limited Common Elements" - A Common Element appurtenant to a particular Unit or Units, the use of which is restricted to the Owners of such Unit or Units. Limited Common Elements may also be referred to as an Irrevocably Restricted Common Element.

16. "Residential Area" – The area of the Condominium consisting of the Residential Units of the Condominium, the General Residential Units' Limited Common Elements and Individual Residential Units Limited Common Elements.

17. "Rules and Regulations" – The Rules and Regulations contained in Article VIII of the By-Laws as the same may be amended, altered, waived or added to by the Board of Managers.

18. "Special Assessment" – A Common Expense of the Condominium that is not included in the monthly Common Charges applicable to a Unit.

19. "Unit" – A Unit includes all the Units in the Condominium. The Units are divided as follows:

    (a) "Residential Units" – The Units designated in the Declaration of Condominium for residential use.

(b) "Commercial Units" – A Unit designated as a Commercial Unit in Schedule B of the Declaration of Condominium to be used as Commercial Facilities as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York which includes retail stores, personal service establishments and offices.

(c) "Garage Parking Space Unit" – One (1) of the five (5) Garage Parking Space Units located in the Garage designated in the Declaration of Condominium for parking space use. Each Garage Parking Space Unit shall consist of the area contained within the painted lines of each parking space.

(d) "Garage Storage Space Unit"- The one (1) Storage Space Unit designated in the Declaration of Condominium for storage of an automobile or vehicle and for general storage.

20. "Unit Owner" – A Unit Owner includes all the Unit Owners in the Condominium. Unit Owners are described as follows:

(a) "Residential Unit Owner" – The Owner of a Residential Unit.

(b) "Commercial Unit Owner" – The Owner of a Commercial Unit.

(c) "Garage Parking Space Unit Owner" – The Owner of a Garage Parking Space Unit.

(d) "Garage Storage Space Unit Owner" – The Owner of the one (1) Storage Space Unit.

21. "Unsold or Untitled Unit" - Any Unit in which title is retained by the Sponsor and any successors or assigns until such time as the same has been sold and title conveyed to a third party. It shall not include a Residential Unit which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns or designees.

ARTICLE FOURTH: COMMUNITY/MEASUREMENT OF UNIT.

A. Community - The Declarant is constructing on the described parcel a mixed use Condominium Community known as 77 Reade Street Condominium, according to the plans filed simultaneously with the recording of this Declaration in the Register's Office of the City of New York, County of New York, which Plans set forth a description of the Building stating the number of stories and number of Units.

The Condominium will consist of thirty (30) Residential Units, two (2) Commercial

Units, five (5) Garage Parking Space Units and one (1) Garage Storage Space Unit.

The Building structure will be new cast-in-place reinforced concrete, mat slab foundation and walls, existing masonry with stone foundation, superstructure cast-in-place reinforced concrete at the new construction tied to existing load-bearing walls as set forth on the Plot Plan filed simultaneously herewith. Each of the Units has access to each other Unit or to any other portion of the Condominium or to a street upon which the Condominium abuts by means of a walk or hallway. For the purposes of describing the location of the Building, approximate area, type and number of rooms of each Unit and the Common Elements to which each Unit has immediate access, each Unit is described as shown on Schedule B annexed hereto. Each Unit will be sold to one or more Unit Owners, each Unit Owner obtaining fee ownership, together with an undivided interest in the Common Elements of the Condominium, as listed hereinafter in this Declaration and referred to as the "Common Elements," all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Unit Owner and the Unit Owner at the time of renovation of the Unit.

The aforesaid Condominium has a plot area of approximately 11,714 square feet.

B. Measurement of Units – The measurement of every Residential and Commercial Unit will consist of the area measured horizontally from the exterior face of the exterior walls of the Combined Building to the centerline of the partitions separating one Unit from another Unit and to the centerline of the walls separating one Unit from corridors, stairs, elevators and other mechanical spaces or any Common Elements (as herein after defined). Each Residential and Commercial Unit will consist of the area measured vertically from the top of the structural slab to the underside (of any fire protection) of the structural members above.

Each Garage Parking Space Unit shall consist of the area contained within the painted lines of each Garage Parking Space.

The Garage Storage Space Unit shall consist of the area horizontally from the inside face of all opposite walls forming the Garage Storage Space Unit and vertically from the upper surface of the floor to the lower surface of the ceiling forming the Garage Storage Space Unit.

ARTICLE FIFTH: COMMON ELEMENTS.

The Common Elements will consist of the entire property, including all parts of the Condominium and improvements thereon, other than the Units, and will consist of the following:

A. General Common Elements - General Common Elements are those shared by all Unit Owners and include all portions of the Condominium except for the individual Units and the Limited Common Elements (irrevocably restricted in use to specified Units or Unit Owners) and include without limitation the following:

1. The land on which the Condominium is erected and all other land within the boundaries of the Property;

2. All portions of the roof that are not designated as a Limited Common Element for a Unit or Units;

3. All exterior walls and facades of the Building that are not for the exclusive use of the Residential Area or Commercial Area;

4. All foundations, footings, columns, girders, beams, supports, floor slabs and ceilings that are not part of a Unit and any interior load bearing walls that are not part of a Unit and that service the entire Building;

5. Stairs, stairways, common hallways which are not located wholly within a Unit and entrances and exits to and from the Condominium, other than entrances to the individual Units, which service the entire Condominium;

6. All improved and unimproved areas of the Condominium located outside the boundaries of the Units that service the entire Condominium;

7. All central and appurtenant installations in the Common Elements for services such as power, light, telephone, television, gas, hot and cold water and heat (including all boilers, pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces that service the entire Condominium;

8. All drainage systems, sewers and/or storm sewer pipes, drywells or detention tanks or facilities that service the entire Condominium;

9. All mechanical equipment, refuse rooms, utility meters, storage areas, if applicable that service the entire Condominium;

10. Any heating, cooling or other mechanical system located in the Common Elements servicing the entire Condominium;

11. All telephone and cable rooms, meter rooms, compactor rooms, refuse rooms, equipment rooms and any other mechanical rooms or areas that service the entire Condominium;

12. Any compactor chute, compactor and compactor room that services the entire Condominium;

13. All tanks, pumps, motors, fans, compressors and control equipment that service the entire Building;

14. Any plantings, landscaping, gates, fences and garden walls servicing the entire Building and all the Units;

15. All pedestrian walkways and driveways intended for the common use of the entire Condominium;

16. The one (1) passenger elevator;

17. The lobby;

18. Any intercom system servicing the entire Building; and

19. All other parts of the Condominium and all apparatus and installations existing in the Building or Property for common use or necessary or convenient to the existence, maintenance or safety of the entire Condominium.

B. Irrevocably Restricted Areas/Limited Common Elements - Certain portions of the Common Elements are irrevocably restricted in use to specified Units or Unit Owners subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Unit or the Common Elements and subject to the Rules and Regulations of the Board of Managers (see By-Laws, Article VIII). Said irrevocably restricted Common Elements are also referred to as a Limited Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Unit Owner. Following are descriptions of the irrevocable restricted Limited Common Elements:

1. General Residential Units' Limited Common Elements- General Residential Units' Limited Common Elements are those shared by all Residential Unit Owners and include all portions of the Residential Area of the Condominium except for the individual Residential Units and the Individual Residential Unit Limited Common Elements [irrevocably restricted in use to a specified Residential Unit(s) or Residential Unit Owner(s)] and include without limitation the following:

(a) Any portion of the roof that services exclusively the Residential Area of the Condominium;

(b) All foundations, footings, columns, girders, beams, supports, floor slabs and ceilings that are not part of a Residential Unit and any interior load bearing walls that are not part of a Residential Unit and that service exclusively the Residential Area of the Condominium;

(c) All parts of the exterior walls and facades that are for the exclusive use of the Residential Area of the Condominium;

(d) Stairs, stairways, common hallways which are not located wholly within a Residential Unit and entrances and exits to and from the Condominium other than entrances to the individual Residential Units which service exclusively the Residential Area of the Building;

(e) All improved and unimproved areas of the Condominium located outside the boundaries of the Residential Units that service exclusively the Residential Area of the Condominium;

(f) All central and appurtenant installations in the Common Elements for services such as power, light, telephone, television, gas, hot and cold water and heat (including all boilers, pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces that service exclusively the Residential Area of the Condominium;

(g) All drainage systems, sewers and/or storm sewer pipes, drywells or detention tanks or facilities that service exclusively the Residential Area of the Condominium;

(h) All mechanical equipment, refuse rooms, utility meters, storage areas, if applicable that service exclusively the Residential Area of the Condominium;

(i) Any heating or cooling systems located in the Common Elements servicing exclusively the Residential Area of the Condominium;

(j) Any intercom system that services exclusively the Residential Units;

(k) The public recreation area located at the penthouse level;

(l) The exercise room located at the sub-cellar level;

(m) All telephone and cable rooms, meter rooms, compactor rooms, refuse rooms, equipment rooms and any other mechanical rooms or areas that service the Residential Area exclusively;

(n) All pedestrian walkways and driveways that service the Residential Area exclusively;

(o) Any plantings, landscaping, gates, fences and garden walls servicing the Residential Area exclusively; and

(p) All other parts of the Residential Area of the Condominium and all apparatus and installations existing in the Residential Area of the Condominium or Property for common use or necessary or convenient exclusively to the existence, maintenance or safety of the Residential Area of the Condominium.

2. Individual Residential Units Limited Common Elements - Individual Residential Units Limited Common Elements are irrevocably restricted in use to a specific Residential Unit or specific Residential Units. Following are descriptions of irrevocable restricted Limited Common Elements:

(a) Any balcony, terrace or courtyard appurtenant to a Residential Unit;

(b) Any heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements; and

(c) All apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit a Residential Unit exclusively.

All structural repairs and replacements to any balcony or terrace that is a Limited Common Element will be the responsibility of the Condominium and a Common Expense. All general maintenance and repairs of a balcony, terrace or courtyard that is a Limited Common Element, including cleaning, snow removal and all repairs not structural in nature, (including the repair of leaks and the repair or replacement of the surface of the balcony, terrace or courtyard), shall be the responsibility of the Residential Unit Owner whose balcony, terrace or courtyard is appurtenant to their Residential Unit and is a Limited Common Element of their Residential Unit.

3. Commercial Unit's Limited Common Elements - The following portions of the Common Elements shall be Limited Common Elements for the exclusive use of the owners of a Commercial Unit and are herein sometimes collectively referred to as the "Commercial Unit's Limited Common Elements":

(a) The entrances to and exits from a Commercial Unit;

(b) The equipment and facilities serving only a Commercial Unit if located outside the Commercial Unit and all other apparatus, installations, systems equipment and facilities in the Condominium (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Commercial Unit;

(c) Any portion of the roof that services exclusively a Commercial Unit;

(d) Stairs, stairways, hallways which service a Commercial Unit exclusively;

(e) All central and appurtenant installations in the Common Elements for services such as power, light, telephone, television, gas, hot and cold water and heat (including all pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces that service a Commercial Unit exclusively;

(f) All drainage systems, sewer and/or storm sewer pipes, drywells or detention tanks and facilities that service a Commercial Unit exclusively;

(g) All mechanical equipment, refuse rooms, utility meters, storage areas, if applicable that service a Commercial Unit exclusively;

(h) Any heating, cooling or other mechanical system located in the Common Elements servicing a Commercial Unit exclusively;

(i) Any intercom system that services a Commercial Unit exclusively;

(j) All telephone and cable rooms, meter rooms, compactor rooms, refuse rooms, equipment rooms and any other mechanical rooms or areas that service a Commercial Unit exclusively;

(k) Any compactor chute, compactor and compactor room that services a Commercial Unit exclusively; and

(l) All other parts of the Condominium and all apparatus and installations existing in the Condominium for the exclusive use of a Commercial Unit.

C. Provisions Applicable to All Common Elements -

1. The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law.

2. The Common Elements are not subject to partition nor are they severable from the Units except in accordance with the Real Property Law.

3. The percentage of the undivided interest in the Common Elements established herein shall not be changed except with the consent of all of the Unit Owners affected expressed in a duly recorded amendment to this Declaration.

4. The undivided interest in the Common Elements shall not be separated from the Units to which it appertains and shall be deemed conveyed or encumbered with the Units even though such interest is not expressly mentioned or described in the conveyance or other instrument.

ARTICLE SIXTH: CHANGES TO A COMMERCIAL UNIT.

Except to the extent prohibited by law, the Declarant, its successor, assignee or designee and a Commercial Unit Owner(s) shall have the right, without the vote or consent of the Board of Managers to: (a) make alterations, additions or improvements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, in, to and upon a Commercial Unit; (b) change the layout of, or number of rooms in a Commercial Unit from time to time; (c) change the size and/or number by subdividing one or more Commercial Units into two or more separate Commercial Units, combining separate Commercial Units (including those resulting from such subdivision or otherwise) into one or more Commercial Units, altering the boundary walls between any Commercial Units, or otherwise; (d) if appropriate, reapportion among a Commercial Unit affected by such change in size or number pursuant to the preceding clause their percentages of interest in the Common Elements; provided, however, that the percentage of interest in the Common Elements of any other Commercial Units shall not be changed by reason thereof unless the owners of such Commercial Units shall consent thereto and, provided further, that the Declarant, its successor, assignee or designee and the Commercial Unit Owner(s) shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, including but not limited to the Landmarks Preservation Commission and shall agree to hold the Board of Managers and all other Commercial Unit Owner(s) harmless from any liability arising therefrom.

Nothing contained in this Declaration shall prohibit the division or consolidation of a Commercial Unit and common interest appurtenant thereto, including but not limited to a change in the number of rooms. In no case, however, may such division or consolidation result in a different percentage of common interest for the total of the new Commercial Unit than existed for the total of the original Commercial Units before division or consolidation. An amendment to this Declaration authorized by this paragraph of Article Sixth may be filed by the Declarant or Commercial Unit Owners without any consent of the Board of Managers or any other Unit Owner provided the percentage of common interest of all other existing Units is not affected thereby.

ARTICLE SEVENTH: EASEMENTS.

All pipes, sewers and/or drainage lines and wires, conduits and public utility lines located within each Unit and for the exclusive use of the Unit shall be maintained by such Unit Owner. Any portion of such pipes, sewers and/or drainage lines and wires, conduits and public utility lines located in the Common Elements or in a Limited Common Element and servicing one or more other Units, will be owned in common by the respective Unit Owners. Every Unit Owner shall have an easement in common with the owners of other Units to maintain and use all pipes, sewers and/or drainage lines,

wires, conduits and public utility lines located in other Units and servicing such Unit Owner's Unit. Each Unit shall be subject to an easement in favor of the Unit Owners of other Units to maintain and use the pipes, sewers and/or drainage lines, wires, conduits and public utility lines servicing such other Units located in such Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvements to any pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in any Unit and servicing any other Unit or causing damage to any other Unit. The cost of such repairs shall be a Common Expense. The Board of Managers shall have a right of access to all Common Elements for maintenance, repair or improvement whether such Common Elements are restricted or not.

The owner(s) of a Commercial Unit and any Units resulting from the subdivision and/or consolidation of a Commercial Unit shall have easements for (i) the installation, maintenance, repair and replacement of signs, flues, vents, air-conditioning, heating, ventilating, water and other mechanical lines and fixtures and equipment on the exterior walls, the roof and through the Common Elements of the Condominium, and in, through under and over any Commercial Unit and any Units resulting from the subdivision or consolidation of the Commercial Unit; (ii) through the Common Elements of the Condominium for access to the roof for the purpose of installing, repairing, maintaining and replacing any fixtures and equipment now or hereafter located on the roof, provided, however, that except in the case of an emergency, the right of access may be exercised only after prior notice to the Board of Managers. The Commercial Units and any Units resulting from the subdivision or consolidation of a Commercial Unit shall be subject to easements in favor of any other Unit(s) and any Unit resulting from the subdivision or consolidation of a Commercial Unit for the installation, maintenance, repair and replacement of gas, electricity, heating, air-conditioning, ventilating and water and other mechanical lines and fixtures and equipment serving a Commercial Unit and any Units resulting from the subdivision or consolidation of a Commercial Unit. The owner and tenants of a Commercial Unit shall have the right at their sole expense to install separate heating and cooling systems for a Commercial Unit and any Units resulting from the subdivision of a Commercial Unit and an easement is herewith granted in, over, under and through the applicable portions of the Condominium for (i) the installation, maintenance, repair and replacement of the heating and cooling systems and all necessary pipes, lines, conduits, ducts, water lines and flues in connection therewith if such right is exercised; (ii) for access to any equipment that services a Commercial Unit and which is located in the Residential Area of the Condominium and subject to the approval of the Board of Managers, which approval shall not be unreasonably withheld, through the General Residential Units Limited Common Elements and (iii) to erect, maintain and replace one or more signs on the property permitted by law and subject to any approvals from the Landmarks Preservation Commission for the purpose of advertising the operation of any business conducted therein. Any such signs shall be of reasonable size and shall not be located so as to unduly disturb the aesthetics of the Condominium.

The Board of Managers shall have the right to grant such additional electric, gas, water, sewer, drainage or other utility easements or relocate any existing utility easement in any portion of the Condominium as the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Condominium, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of any Unit for its permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Unit for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have an easement through the Units for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing any portion of the Condominium.

The Declarant, its successors, assigns, and purchasers of undeveloped or unsold Units, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing construction, sale and rental of Units and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Declarant, its successors, assigns, and purchasers of undeveloped or unsold Units, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Common Elements. The Declarant, its successors and assigns, and purchasers of undeveloped or unsold Units, shall have an easement to erect and maintain general sales, leasing, business or administration offices and/or model Units, to erect, maintain, repair and replace from time to time one or more free-standing and other selling, directional and informational signs in/or on the Condominium as it deems necessary for the purposes of advertising the sale or lease of Units, and for the purpose of showing the Property to prospective Purchasers or lessees and for access to Units and Common Elements consistent with the purposes of the Declaration, as the same may be amended, and Declarant's rights and obligations thereunder, including, without limitation the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units, together with their interest in the Common Elements. Finally, the Declarant, its successors, assigns and purchasers reserve the right to continue to use the Common Elements and any facilities, sales offices, model Units and signs located on the Common Elements, in its efforts to sell and/or lease Units constructed in

the Condominium and to complete construction of the Condominium. This paragraph shall not be amended without the consent of the Declarant.

Each Unit Owner hereby grants a right of access to and through their Unit to Declarant or its designee, and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed or to be performed by or on behalf of Declarant with respect to the Common Elements and/or the Units.

The Board of Managers will have and each Unit will be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements and General Residential Units' Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere in the Condominium and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements or General Residential Units' Limited Common Elements.

Each Unit will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Building and any replacement thereof and additions thereto and an easement of necessity, and each Unit will be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

Each Unit will have an easement for lateral and vertical support among all adjoining Units and Common Elements.

Any easements granted to Declarant, the Board of Managers, any Unit or any Unit Owner under this Declaration and the By-Laws may be exercised by such Declarant's, Board of Managers or Unit Owner's employees, agents, contractors, suppliers, customers, guests, invitees, licensees, servants, tenants, subtenants, members, and visitors, members, tenants and/or tenant-shareholders, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by the Declarant, the Unit Owner or Board of Managers.

Each Unit Owner will have a right and easement to use its Unit and the Limited Common Elements appurtenant to such Unit or Units, and the General Common Elements, subject to and in accordance with the terms and conditions of this Declaration and By-Laws.

The Board of Managers will have an easement and unlimited access to any Limited Common Elements for the purpose of making inspections, repairs or rebuilding of the Condominium.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical shall be granted an easement of ingress and egress over, upon and through all areas of the Condominium. This Paragraph may not be amended by the Unit Owners in the Condominium.

ARTICLE EIGHTH: SERVICE OF PROCESS:

Service of process on the Unit Owners in any action with relation to the Common Elements shall be made upon the Secretary of State as the agent of the Board of Managers of the Condominium. The post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon him as agent for service of this Condominium during the period the Declarant controls the Board of Managers is: 77 Reade, LLC, 636 Broadway, Suite 214, New York, New York 10012. Once the Declarant no longer controls the Board of Managers, the Board of Managers must notify the Secretary of State that the post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon the Board of Managers as agent of this Condominium is: Board of Managers, 77 Reade Street Condominium, 77 Reade Street, New York, New York or such other address as the Board of Managers of the Condominium selects.

ARTICLE NINTH: COMMON INTEREST.

Each Unit Owner shall have such percentage of interest in the Common Elements as is set forth in Schedule B attached hereto and shall bear such percentage of the Common Expenses of the Condominium except as otherwise described herein in reference to the Limited Common Elements. Each Unit Owner (including Garage Parking Space and Garage Storage Space Unit Owners) shall have one vote for each Unit owned by a Unit Owner for all voting purposes at any meeting of the Unit Owners. The percentage of interest of each Unit in the Common Elements has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. Said method of determining the percentage of common interest in a condominium complies with and is pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York.

ARTICLE TENTH: ADMINISTRATION.

The administration of the Condominium, and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the

By-Laws which are made a part of this Declaration and are attached hereto as Schedule C.

ARTICLE ELEVENTH: AMENDMENTS AND WITHDRAWAL.

A. The dedication of the property to Condominium ownership herein shall not be revoked or the property withdrawn from Condominium ownership unless eighty (80%) percent of the Unit Owners in number and in common interest and the first mortgagees, if any, of each of these same Units agree to such revocation or removal of the property from the Plan by duly recorded instruments.

B. The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-six and two-thirds (66⅔%) percent of the Unit Owners in number held at a duly-called meeting of the Unit Owners, provided however, that:

1. No amendment altering a Unit Owner's percentage of common interest shall be made without the consent of all Unit Owner's affected.

2. No amendment shall be passed which shall affect, impair or prejudice the validity, interest, rights and priorities of mortgagees.

3. No amendment to the Declaration which shall affect the General Residential Units' Limited Common Elements may be adopted without the written consent of at least sixty-six and two-thirds (66-2/3%) percent in number of the Residential Unit Owners.

4. No amendment to the Declaration which solely affects the Commercial Units may be adopted without the written consent of at least two-thirds of the then Commercial Unit Owners.

5. The Board of Managers and the Declarant, as long as the Declarant owns an Unsold Unit, shall have the right to amend the Declaration of Condominium without the vote or consent of the Unit Owners or the holders of any Unit mortgages and to execute and record in the New York City Register's Office such amendment as may be required to reflect (i) changes in the Declaration of Condominium that are corrective in nature or (ii) to resolve or clarify any inconsistency or which is patently a mistake or a scrivener's error, or (iii) technical corrections.

6. No amendment, modification, addition or deletion of, to or from this Declaration of Condominium, the By-Laws or any Rules and Regulations shall be effective in any way against Declarant or its

successors, assigns or designees or against any Unsold Unit, as long as the Declarant owns an Unsold Unit in the Condominium unless the Declarant, its successors, assigns or designees has given its prior written consent thereto. This provision is not subject to amendment.

7. In the case of material changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Units that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of common elements; responsibility for maintenance and repairs; reallocation of interests in the general or limited common elements, or rights to their use; boundaries of any Unit; convertibility of Units into Common Elements or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; revisions to the leasing provisions of Units contained in Article XI of the By-Laws of the Condominium; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the Condominium to establish self management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to the Declaration of Condominium shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request to approve amendments who does not deliver to the Condominium a negative written response within 60 days of the receipt of the request shall be deemed to have approved such amendment. There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the Unit owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the 60 day period such presumption will be deemed conclusive.

There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the Unit owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the 60 day period such presumption will be deemed conclusive.

C. The Declarant, its successors, assigns and purchasers of undeveloped or unsold Units shall have the right without vote or consent of the Unit Owners, the Board of Managers or the holders of Unit mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Register's Office of the City of New York, County of New York and elsewhere, if required by law, an amendment or amendments to this Declaration (together with such other documents, plan and maps as may be required to effectuate the same) to reflect (i) the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the Building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units as built, or (ii) utility easements, or (iii) technical corrections to the Declaration to conform to other documents including but not limited to the Offering Plan or as-built plans (iv) to amend Schedule B of this Declaration to conform the model type, square footage and type and number of rooms and any other required information for a specified Unit, so long as the appurtenant percentage of common interest does not change for said Unit, or (v) to amend Schedule B of this Declaration to consolidate or subdivide Units subject to all necessary approvals by the City of New York, to revise the square footage and type and number of rooms and any other required information for a specified Unit and to change the appurtenant percentage of common interest so long as the new percentage of common interest equals the percentage of common interest of the Units that were consolidated or subdivided, or (vi) to effectuate permissible changes in unsold Units, or (vii) to amend Schedule B to make technical corrections to said Schedule including, but not limited to, square footage of Units, assign or revise Limited Common Elements appurtenant to a Unit or to revise the number and description of rooms contained in a Unit, or (viii) to make changes or revisions to comply with the requests, guidelines and/or requirements of any major participant in the second market for mortgages, including but not limited to the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal Housing Association ("FHA") of the Housing and Urban Development ("HUD"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies, or (ix) to amend Schedule B prior to the first closing, to effect a change in the Percentage of Common Interest of all or specific Units and revise Schedule B accordingly but in no event will the Common Interest of any Unit be increased or decreased by more than 5%, or (x) the carrying out of other provisions of the Offering Plan of the Condominium.

4. Any amendment to this Declaration shall not take effect until it is recorded in the Register's Office of the City of New York, County of New York.

Regardless of any other provision of this Declaration, no action for partition or division of the Common Elements shall be brought nor shall this plan of condominium ownership be terminated where such partition, division or termination will result in a violation of the then existing local zoning and building laws and codes.

ARTICLE TWELFTH: SUBJECT TO DECLARATION, BY-LAWS, ETC.

All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units of the Condominium or the mere act of occupancy of any of said Units shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

ARTICLE THIRTEENTH: COMMON CHARGES.

Common Expenses of the Condominium shall be determined by the Board of Managers of the Condominium. The Common Expenses of the Condominium shall be assessed to and paid by the Unit Owners of the Condominium Units based upon each Unit's percentage of common interest as reflected in Schedule B of this Declaration. The assessments paid by the Unit Owners towards the Common Expenses of the Condominium shall be referred to as "Common Charges". All unpaid Common Charges together with the maximum interest permitted in New York thereon, chargeable to any Unit Owner shall constitute a lien on his or her Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivisions of any governmental authority, including but not limited to State, County, City, and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys' fees and costs of collection (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a General Common Expense. However, where the holder of an institutional mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional mortgage, obtains title to the Unit as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall also be liable and the Unit shall also be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges will be charged to all other Unit Owners as a General Common Expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the

Declarant to a purchaser of a Unit or in which the Declarant participates with one of the above.

In addition to the Board's right to bring an action to foreclose a lien on a Unit Owner's Unit, the Board (on behalf of the Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board, without foreclosing or waiving the lien securing such Common Charges. In such an event, the Condominium shall be entitled to recover all costs of suit including reasonable attorneys' fees.

Every Unit Owner shall pay the Common Charges assessed against the Unit Owner when due as determined by the Board of Managers and no Unit Owner may be exempt from liability for the payment of the Common Charges assessed against the Unit Owner by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of a Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by the Unit Owner of such Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

The Board of Managers shall from time to time, at least annually, prepare a budget for the operation of the General Common Elements and the General Residential Units' Limited Common Elements and Common Expenses of the Condominium, determine the amount of the Common Charges payable by the Unit Owner(s) to meet the Common Expenses of the General Common Elements and the General Residential Units' Limited Common Elements and other expenses for the Condominium, and allocate and assess such Common Charges and Common Expenses among all the Unit Owners based on special or exclusive use or availability or exclusive control of particular Units or Common Areas by particular Unit Owners as determined by the Board of Managers. Any dispute regarding the allocation and apportionment of the Common Charges assessed against Units shall be resolved by Arbitration in accordance with the provisions of the By-Laws of the Condominium.

ARTICLE FOURTEENTH: UNITS ACQUIRED BY THE BOARD.

In the event any Unit Owner shall convey their Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article IX of the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners.

ARTICLE FIFTEENTH: POWER OF ATTORNEY.

A. In order to carry out the provisions of Article Fourteenth of the Declaration and Article XI of the By-Laws, each Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest to the Board of Managers and

their successors to acquire title or lease any such Unit acquired by the Board of Managers under whatever terms the Board may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board in its sole discretion shall deem proper.

B. Each Residential Unit Owner shall upon becoming a Residential Unit Owner shall further grant an irrevocable power of attorney, coupled with an interest to the Board of Managers to nominate, designate, constitute and appoint the Members of the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Residential Unit Owner's Condominium Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium. This paragraph B of Article Fifteenth shall not apply to an owner of a Commercial Unit.

C. Each Unit Owner shall upon becoming a Unit Owner further grant an irrevocable power of attorney, coupled with an interest to the Board of Managers to exercise all rights and obligations pursuant to a Declaration recorded in the Register's Office of the City of New York, County of New York at Liber _____ Page ____ and to act in the Unit Owner's behalf for all modifications, amendments and/or cancellations of the aforesaid Declaration.

ARTICLE SIXTEENTH: ENCROACHMENTS.

The Unit Owners agree that if any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as aforedescribed due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Building shall stand.

ARTICLE SEVENTEENTH: UNIT OWNERSHIP.

Upon the Closing of Title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain such until such time as the Unit Owner ceases to own the Unit for any reason.

ARTICLE EIGHTEENTH: USE OF UNITS.

A. Residential Units shall be restricted to Residential Occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

B. A Commercial Unit shall be used as a commercial facility as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York which includes retail stores, personal service establishments and offices. The following uses are not permitted veterinarian's office or pet shop; martial arts studio or school; machine shop or welding shop; dry cleaning or laundry service; chemical wholesaling, storage, retailing or manufacturing; heavy trucking, methadone clinic, drug or alcohol rehabilitation; extermination service; bicycle messenger center; bowling alley, manufacturer of tobacco products; leather dying or coloring; motel/hotel/hostel/homeless shelter or any transient use; sweat shop; roller/ice skating rink; tattoo parlor; waste disposal/refuse center; amusement arcade; auditorium; billiard parlor; brewery; heavy manufacturing of any kind; adult bookstore or video shop or other adult entertainment facility; any other noxious use (as defined by the company); homeless shelter; no enterprise engaging in pornography and no restaurant and no commercial cooking.

C. Garage Parking Space Units may be used only for the purpose of parking automobiles and other permitted vehicles. Vehicles over 80 inches in height or having a gross weight over 10,000 pounds are not permitted in or on the Garage Parking Space Units or in the Garage Area at any time. In no event shall Garage Parking Space Units be converted into additional residential living space.

D. Garage Storage Space Units may be used for storage of an automobile or other vehicle and for general storage.

ARTICLE NINETEENTH: CONVEYANCE OF A UNIT.

In any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Unit shall be jointly and severally liable with the Grantor for any unpaid Common Charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charge against the Grantor and such Grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for any unpaid Common Charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of

an institutional first mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional first mortgage.

ARTICLE TWENTIETH: COVENANT OF FURTHER ASSURANCES.

Any party subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, or the occupant of a portion of a Unit, a Member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

If any Unit Owner or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within seven (7) days after request thereof, to take any action which the Unit Owner or such other party is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, or other party and such document or action shall be binding on such Unit Owner or other party.

If any Unit Owner or the Board of Managers or any other party who is subject to the terms of this Declaration fails or refuses to execute, acknowledge or deliver any instrument, or fails or refuses within seven (7) days after request therefor, to take any action that the Board of Managers, any Unit Owner, or other party is required to take pursuant to this Declaration at the request of Declarant or Declarant's designee, then Declarant or Declarant's designee, as the case may be, is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other party, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other party, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other party, as the case may be.

Each Unit Owner will have the affirmative duty to maintain its respective Unit in such a manner so as to reasonably prevent and avoid inflicting harm to other Units, the Limited Common Elements, the General Common Elements or the Building. In the event any Unit Owner causes or permits any condition, or fails to take any action to prevent a condition, that has a deleterious effect on another Unit, any Limited Common Element, the General Common Elements or the Building, the Condominium Board will give written notice to such Unit Owner including a request that the Unit Owner take specific steps to ameliorate such a condition ("Remedy Notice"). If the Unit Owner fails

to remedy the condition within seven (7) days of the receipt of the Remedy Notice, or, if the condition is such that it cannot be remedied within seven (7) days, fails to commence appropriate remedies, the Condominium Board may, upon ten (10) business days additional notice to the Unit Owner, enter into the Unit and effect a reasonable remedy, at the Unit Owner's sole cost and expense. In the event a Unit Owner reasonably believes another Unit Owner has caused, permitted, or failed to prevent a condition that has a deleterious effect on its Unit, the first Unit Owner may request that the Board of Managers send a Remedy Notice. If the Board of Managers fails or otherwise determines not to send the Remedy Notice, the Unit Owner will have all rights to enjoin, abate or remedy by appropriate legal proceedings against the other Unit Owner or the Board of Managers, either at law or in equity, the continuance of any such condition or breach and to seek reimbursement for any costs or expenses incurred in connection therewith.

The Board of Managers will not promulgate and/or enforce any rules or regulations, or otherwise act, in a discriminatory manner.

ARTICLE TWENTY-FIRST: COVENANTS AND RESTRICTIONS.

The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

(a) The Unit and area restricted to the Unit Owner's use shall be maintained in good repair and overall appearance.

(b) No alteration, addition, decoration or change to any part of the General Common Elements or General Residential Units' Limited Common Elements, may be made and no structure or other improvement may be built or placed on any portion of the General Common Elements or General Residential Units' Limited Common Elements, without the written consent of the Board of Managers. The provisions of this paragraph shall not apply to Declarant.

(c) No Residential Unit Owner shall make any structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Residential Unit, or any Limited Common Element, without the prior written approval of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed structural addition, alteration or improvement.

No Residential Unit Owner shall make any structural addition, alteration or improvement in or to any Residential Unit or any Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done and (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all Residential Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from the City of New York, Landmarks Preservation Commission or any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Residential Unit Owner shall pay the charges of such architect or engineer. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements. Said provision requiring the written consent of the Board of Managers does not apply to the Sponsor or any principal of the Sponsor who acquires a Residential Unit in the Condominium for their own use.

Any application to any department of the City of New York or any other governmental authority for a permit to make a structural addition, alteration or improvement in or to any Residential Unit or Limited Common Element shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

These provisions shall not apply to Residential Units owned by the Declarant or its designee until such Residential Units shall have been transferred to a Residential Unit Owner by the Declarant or such designee or any principal of the Sponsor who acquires a Residential Unit in the Condominium for their own use.

(d) A Commercial Unit Owner shall be permitted to make a structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Commercial Unit, or any Limited Common Element for their

exclusive use, without the prior written approval of the Board of Managers. However, a Commercial Unit Owner must notify the Board of Managers at least forty-five (45) days prior to any such structural addition, alteration or improvement and no Commercial Unit Owner shall make any structural addition, alteration or improvement in or to any Commercial Unit or any Limited Common Element for its exclusive use without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done and (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its Members and officers, and all Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary from the City of New York, Landmarks Preservation Commission, all applicable municipal departments, municipal agencies and any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Commercial Unit Owner shall pay the charges of such architect or engineer. A Commercial Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to any department of the City of New York or any other governmental authority, department or agency, for a permit to make a structural addition, alteration or improvement in or to any Commercial Unit or Limited Common Element for its exclusive use shall be completed by the Commercial Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

(e) The balconies and terraces are not permitted to be used for storage and are not permitted to be enclosed. All drains located on a balcony or terrace must be kept open at all times.

(f) Any interior alterations or improvements made to a Residential Unit shall be made in accordance with all applicable rules, regulations, permits and

zoning ordinances of any governmental agencies having jurisdiction thereof.

(g) Any Unit Owner who mortgages their Unit shall notify the Board of Managers providing the name and address of the mortgagee.

(h) The Board of Managers shall, at the request of the mortgagee of the Unit, report any unpaid Common Charges due from the Unit Owner of such Unit.

(i) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.

(j) No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(k) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the Unit Owners, provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.

(l) Garage Parking Space Units may be used only for the purpose of parking automobiles and other permitted vehicles. Vehicles over 80 inches in height or having a gross weight over 10,000 pounds are not permitted in or on the Garage Parking Space Units or in the Garage Area at any time. In no event shall Garage Parking Space Units be converted into additional residential living space.

(m) Garage Storage Space Units may be used for storage of an automobile or other vehicle and for general storage.

(n) The Common Charges shall be paid when due.

ARTICLE TWENTY-SECOND: FIRST LIEN HOLDERS' RIGHTS.

(a) Notices of Action. A holder, insurer or guarantor of a first mortgage, upon written request to the Condominium, (such request to state the name and address or such holder, insurer or guarantor and the unit number), shall be entitled to timely written notice of:

(1) Any proposed amendment of the Condominium instruments effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interest in the general or limited Common Elements appertaining to any Unit or the liability for common expenses appertaining thereto, (iii) the number of votes in the Condominium appertaining to any Unit or (iv) the purposes to which any Unit or the Common Elements are restricted;

(2) Any proposed termination of the Condominium regime;

(3) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects any Unit on which there is a first mortgage held, insured or guaranteed by such eligible holder;

(4) Any delinquency in the payment of assessments or charges owed by a Unit Owner of a Unit subject to the mortgage of such eligible holder, insurer or guarantor, which such delinquency has continued for a period of sixty (60) days; and

(5) Any lapse, cancellation or material modification of any insurance policy maintained by the Condominium.

(b) Other Provisions for First Lien Holders. To the extent permitted under applicable law, the following protections for the benefit of first mortgage holders will be legally binding with respect to the Condominium:

(1) Any restoration or repair of the Condominium after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with the Declaration and the original plans and specifications unless the approval of the eligible holders of first mortgages on Units to which at least 51% of the votes of Units subject to mortgages held by such eligible holders are allocated, is obtained;

(2) Any election to terminate the Condominium regime after substantial destruction or a substantial taking in condemnation of the Condominium property must require the approval of the eligible holders of first mortgages on Units to which at least 51% of the votes of Units subject to mortgages held by such eligible holders are allocated; and

(3) Unless the formula for reallocation of interests in the Common Elements after a partial condemnation or partial destruction of the

Condominium project is fixed in advance by the Declaration or by applicable law, no reallocation of interests in the Common Elements resulting from a partial condemnation or partial destruction of the Condominium project may be effected without the approval of the eligible holders of first mortgages on Units to which at least 51% of the votes of Units subject to mortgages held by such eligible holders are allocated.

As used in this section, the term "eligible holder, insurer or guarantor" shall mean a holder, insurer or guarantor of a first mortgage on a Unit in a Condominium which has requested notice in accordance with the provisions of (a) above.

ARTICLE TWENTY-THIRD: AIR RIGHTS.

Notwithstanding anything to the contrary contained herein, S. Myles Group, his successors or assigns shall have the sole and exclusive right to sell an easement for light and air to the owners of any buildings adjacent to the Property and to receive and retain all consideration received from the sale of such easement. This right shall remain in full force and effect prior to and subsequent to the Sponsor retaining the majority of the Members of the Board of Managers and prior to and subsequent to the Sponsor retaining any Unsold Unit.

ARTICLE TWENTY-FOURTH: TRIBECA EAST HISTORIC DISTRICT.

Pursuant to the provisions of Section 3020 of the New York City Charter and Title 25, Chapter 3 of the Administrative Code of the City of New York ("Landmark Preservation Law") the Landmarks Preservation Commission (the "LPC") has designated an area, including the Condominium, as the Tribeca East Historic District. Pursuant to a certain Declaration dated _____, 200__, recorded in the Register's Office of the City of New York on ____, 200__ in Liber _____ page ___ the Board of Managers shall have the responsibility to carry out all of the Sponsor's obligations and the authority to exercise all of the Sponsor's right under the aforesaid Declaration and the Sponsor shall be released from its liability thereunder. The Board of Managers shall comply with the provisions of Article 3 of the aforesaid Declaration.

ARTICLE TWENTY-FIFTH: SPECIAL RIGHTS OF DECLARANT.

Notwithstanding anything to the contrary contained herein Declarant, its successors, assigns or designees shall have the right, without requiring the consent of either the Condominium or Board of Managers, and without charge or limitation, to:

(a) Have its employees, contractors, subcontractors and sales agents present on the properties described in Schedule A and any Building erected thereon.

(b) Erect and maintain signs and other promotional materials (including, without limitation, "For Sale", and "For Rent" signs), in connection with the promotion, sale, leasing, management, or operation of the Units.

(c) Use any one or more Units as:

(i) model Units,
(ii) offices for the promotion, sale, rental, management and/or operation of any unsold Units,
(iii) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Declarant with respect to the Common Elements and/or the Units; or any unsold Units; and/or
(iv) for any other purpose.

(d) Use any office in the Condominium for its exclusive use until such time as Sponsor no longer owns any Units in the Condominium.

(e) Do and cause to be done all of the things that are necessary, desirable or appropriate (including, without limitation, the use of the Common Elements, the Units and any unsold Units) for the purpose of:

(i) the promotion, sale, rental, management and/or operation of any unsold Units,
(ii) the performance and completion of installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Declarant with respect to the Common Elements and/or
(iii) the exercise performance and discharge of Declarant's other rights and obligations under this Declaration, the By-Laws or the rules and regulations.

(f) Make any other changes required by the City of New York or other Municipal Agency.

In no event, however, shall Declarant or such designee be entitled to use any portion of the Common Elements in such a manner as will unreasonably interfere with the use of the same or of any Unit for its permitted purposes.

The provisions of this Article cannot be amended without the written consent of the Declarant, or its successors or assigns.

ARTICLE TWENTY-SIXTH: INVALIDITY.

Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no wise affect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

77 READE, LLC

By: _____

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

On the day of in the year 20 , 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 whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

NOTARY PUBLIC

SCHEDULE A

(LEGAL DESCRIPTION TO BE INSERTED PRIOR TO RECORDATION)

SCHEDULE B

(UNIT INFORMATION TO BE INSERTED PRIOR TO RECORDATION)

BY-LAWS

OF

77 READE STREET CONDOMINIUM

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SCHEDULE C TO THE DECLARATION OF CONDOMINUM

BY-LAWS
OF
77 READE STREET CONDOMINIUM

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BY-LAWS

OF

77 READE STREET CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Unit Ownership.

The property located at 77 Reade Street, Borough of Manhattan, County, City and State of New York , as specifically set forth in the Declaration and more commonly known as 77 Reade Street Condominium has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability.

The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and the Building and improvements thereon including the Condominium Units (hereinafter referred to as "Units"), and the Common Elements and the use and occupancy thereof. The definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise stated.

Section 3. Personal Application.

All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium.

The Condominium shall be limited to Unit Owners. "Unit Owner" as referred to herein shall mean all of the owners of each Residential, Commercial Unit, Garage

Parking Space Unit and Garage Storage Space Unit. The owners of the Residential Units shall hereinafter be referred to as Residential Unit Owners. The owner of the Commercial Unit shall be referred to as the Commercial Unit Owner. The owners of the Garage Parking Space Units shall hereinafter be referred to as Garage Parking Space Unit Owners. The owners of the Garage Storage Space Unit shall be referred to as the Garage Storage Space Unit Owner.

Section 2. Voting.

Each Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Units), shall be entitled to cast one vote at all Unit Owners' meetings for each Unit (including Parking Space and Garage Space Units) owned by such Unit Owner subject to the restrictions contained herein, but in the event the Board of Managers acquires a Unit on behalf of the Condominium it shall not cast any of its votes appurtenant to such Unit, for the election of any Member to the Board. Any Unit Owner in default of their Common Charges, Special Assessments, late fees or penalties shall be prohibited from voting at any annual, general or special meeting of the Unit Owners.

Section 3. Quorum.

So many Unit Owners as shall represent at least fifty-one (51%) percent of the total authorized votes of all Unit Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting. At such adjourned meeting any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting so many Unit Owners as shall represent at least thirty-three and one-third (33⅓%) percent of the total authorized votes of all Unit Owners shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting. At such adjourned meeting any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting so many Unit Owners as shall represent at least twenty-five (25%) percent of the total authorized votes of all Unit Owners shall constitute a quorum.

Section 4. Vote Required to Transact Business.

When a quorum is present at any meeting, the vote of a majority of the Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote.

At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. Any Unit Owner in default of their Common Charges, Special Assessments, late fees or penalties shall be prohibited from voting at any annual, general or special meeting of the Unit Owners.

Section 6. Proxies.

All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent.

Whenever the vote of Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings.

Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings/Control of Board of Managers by Declarant.

The initial Board of Managers will call for the first annual meeting of the Unit Owners to elect a new Board of Managers within one (1) year of the Closing of the first Unit. At such meeting, Members of the Board of Managers shall be elected by the Unit

Owners, other than the Members of the Board the Sponsor shall have the right to designate, and the former Members of the Board shall thereupon resign. Thereafter annual meetings shall be held on the anniversary of such date each succeeding year or such other convenient date as the Board of Managers may so designate. At such meetings there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them. The Sponsor will have voting control and is entitled to designate four (4) of the five (5) Residential Members of the Board of Managers for a period of three (3) years from the date of closing of Title to the first Residential Unit or after seventy-five (75%) percent of the Residential Units have Closed Title, whichever comes later. At such time as Sponsor no longer owns a Unit in the Condominium, Sponsor may not hold a seat on the Board of Managers.

Section 10. Special Meetings.

It shall be the duty of the President to call a special meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Unit Owners. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the Officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 11 of this Article to each Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request pursuant to this Section 10 unless a later date is agreed to in writing by the Unit Owners of the Condominium entitled to vote or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Unit Owners of the Condominium are present in person or by proxy. Any or all of the Residential Members of the Board of Managers of the Condominium, other than those designated by the Declarant, may be removed without cause by vote of the Residential Unit Owners of the Condominium at a special meeting called pursuant to this section if the meeting is called for such purpose. The Commercial Unit Member representative of the Board of Managers of the Condominium may only be removed by the Commercial Unit Owner(s) and no special meeting for such purpose is necessary.

Section 11. Notice of Meetings.

It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least five (5) but not more than ten (10) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business.

The order of business at all meetings shall be as follows:

(a) Roll Call
(b) Proof of notice of meeting or waiver of notice
(c) Reading of minutes of preceding meeting
(d) Report of Officers
(e) Report of committees
(f) Election of inspectors of election (in the event there is an election)
(g) Election of Members (in the event there is an election)
(h) Unfinished business
(i) New business

ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term.

The affairs of the Condominium shall be governed by a Board of Managers. The initial Board of Managers shall consist of two (2) Members (hereinafter "Members") designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Unit Owners.

At the first annual meeting of Unit Owners called pursuant to Section 9 of Article II, six (6) Members shall be elected by the Unit Owners. Five (5) Members shall be elected as Residential Unit Owner Members of the Board ("Residential Members") and one (1) Member shall be appointed or elected as the Commercial Unit Owner Member of the Board ("Commercial Members").

Until succeeded by the Members elected at the first annual meeting of Unit Owners, Members need not be Unit Owners; thereafter, other than the Residential Members the Sponsor is entitled to designate and appoint, all Residential Members of the Board of Managers must be Residential Unit Owners. The one (1) Commercial Member of the Board of Managers does not need to be a Commercial Unit Owner.

The term of office of two (2) of the Residential Members shall be fixed for three (3) years, the term of office of two (2) of the Residential Members shall be fixed at two (2) years, and the term of office of the one (1) of the Residential Members shall be fixed at one (1) year. The two (2) Residential Unit Owners receiving the highest number of votes shall be elected to the three (3) year term, the two (2) Residential Unit Owners receiving the next highest number of votes shall be elected to a two (2) year term and the term of office of the one (1) Residential Unit Owner receiving the next highest number of votes shall be elected for a one (1) year term. Each Unit Owner (including the Garage Parking Space and Garage Storage Space Unit Owners shall be entitled to

cast one (1) vote for each Residential Member to be elected to the Board of Managers. At the expiration of the initial term of office of each respective Residential Unit Member, their successor shall be elected to serve a term of three (3) years. The Residential Unit Members shall hold office until their successors have been elected and hold their first meeting.

The Commercial Member representative to the Board of Managers shall be designated by the Sponsor as long as the Sponsor retains ownership of at least one (1) of the Commercial Units. In the event the Sponsor sells all the Commercial Units, the one (1) Commercial Member of the Board of Managers shall be elected by the then Commercial Unit Owners. In the event the Commercial Unit Owners cannot decide on the one (1) Commercial Unit Member, the then Members of the Board shall vote and elect the Commercial Unit Member or Members being proposed. The Commercial Unit Owners' Member appointed or elected to the Board of Managers shall serve until such time as the Member resigns or is replaced by the Commercial Unit Owners at an annual meeting.

Notwithstanding the foregoing, the Sponsor shall have the right to designate four (4) of the five (5) Residential Members of the Board of Managers until all of the Residential Units have been sold and titled. At such time as all the Residential Units in the Condominium are sold and titled, the Sponsor shall not be entitled to any representation of the Residential Members to the Board of Managers.

In addition to the Residential Members designated by the Sponsor, Sponsor may vote as Sponsor so determines for any other Residential Members, so long as the Residential Members are Residential Unit Owners and are not on Sponsor's slate of Residential Members for the Board, Sponsor's payroll or as long as they did not receive other financial backing from the Sponsor other than a mortgage held by the Sponsor or affiliated entity of the Sponsor, if applicable.

In the event Sponsor is entitled to designate four (4) of the five (5) Residential Members to the Board of Managers at the first annual meeting, two (2) Sponsor Members shall be appointed for a one (1) year term, and two (2) of the Sponsor Members shall be appointed for a two (2) year term. Sponsor Members shall thereafter be appointed to the same length of term until such time as Sponsor is required to relinquish the seat or Sponsor voluntarily resigns. At such time as a Sponsor designated Residential Member of the Board of Managers is required to relinquish a position on the Board or resigns a position on the Board either (a) a special meeting of the Residential Unit Owners shall be held to elect a Residential Unit Owner to fulfill the balance of the term or (b) the remaining Residential Members of the Board of Managers shall appoint a Residential Unit Owner to fulfill the balance of the applicable term. At the expiration of the applicable term an election shall be held to elect a Residential Unit Owner to the Board for a full three (3) year term.

This Section may not be amended without the written consent of the Sponsor.

Section 2. Vacancy and Replacement.

If the office of any Member or Members becomes vacant by reasons of death, resignation, retirements, disqualification, removal from office or otherwise, a majority of the remaining Members, though less than a quorum, at a special meeting of Members duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. In the event of the failure to hold any election of the Residential Members of the Board of Managers at the time designated for the annual election of the Residential Members of the Board of Managers or in the event that the Residential Members of the Board of Managers shall not have filled any such vacancy, a special meeting of the Residential Unit Owners to elect new Residential Members to the Board of Managers or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of the Unit Owners. If the vacancy occurs with respect to any Member of the Board of Managers who has been designated by the Sponsor, only the Sponsor shall have the right to choose such Member's successor to fill the unexpired portion of the term. If the vacancy occurs with respect to any Member of the Board of Managers who has been designated or elected by the Commercial Unit Owners, only the Commercial Unit Owners shall have the right to choose such Member's successor to fill the unexpired portion of the term of office. If the vacancy occurs with respect to any Member of the Board of Managers who has been elected by the Residential Unit Owners, only the Residential Unit Owner's remaining Member(s) on the Board of Managers shall have the right to choose such Member's successor to fill the unexpired portion of the term of office.

The Board of Managers shall also have the right to call for a special meeting in accordance with Article II, Section 10 to elect the Member's successor to fill the unexpired portion of the term of office.

Section 3. Removal.

Members, other than Sponsor designees, may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Member other than the Commercial Unit Member on the Board of Managers or a Member designated by the Sponsor shall continue to serve on the Board if, during their term of office, they shall cease to be a Unit Owner.

Section 4. Resignation.

Any Member may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

Section 5. First Board of Managers.

The first Board of Managers shall consist of three (3) Members appointed by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. Any or all of said Members shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 6. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws, directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special Common Charges in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro-rata according to their respective common interest.

2. To collect, use, and expend the Common Charges collected to maintain, care for and preserve the General Common Elements, the General Residential Units' Limited Common Elements, and any Individual Residential Unit's Limited Common Elements for which the Condominium is responsible to repair, replace and maintain and any other Common Expenses of the Condominium.

3. To make repairs, restore or alter any Unit or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

4. To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the maintenance, care, and preservation of the property, including any inspection or repairs necessitated by mold. No prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium. Any repairs required as the result of

negligence of a Unit Owner will be at the expense of the Unit Owner.

5. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts.

6. To insure and keep insured the Common Elements and Units in accordance with Article VII of these By-Laws.

7. To collect delinquent Common Charges by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the property for violations of the Declaration, By-Laws or the Rules and Regulations of the Condominium.

8. The Residential Members of the Board of Managers shall be empowered to make reasonable Rules and Regulations applicable to the Residential Units and the Residential Unit Owners and to amend the same from time to time, and such Rules and Regulations and amendments shall be binding upon the Residential Unit Owners when the Residential Members of the Board have approved them in writing. A copy of such Rules and Regulations and all amendments thereto shall be delivered to each Residential Unit. The Board of Managers shall not be able to pass or adopt any Rule or Regulation affecting a Commercial Unit without the written consent of the Commercial Unit Member of the Board of Managers.

9. The entire Board of Managers shall be empowered to make reasonable Rules and Regulations applicable to all Units and all Unit Owners and to amend the same from time to time, and such Rules and Regulations and amendments shall be binding upon all the Unit Owners when the Board has approved them in writing. A copy of such Rules and Regulations and all amendments shall be delivered to each Unit Owner. In no event however, may any Rule or Regulation prevent a Commercial Unit Owner from engaging in the practice or operation of their business unless such practice is a violation of the law or applicable zoning. Further, the Board of Managers may not pass any Rule or Regulation which interferes with or affects the operation of a Commercial Unit or a Commercial Unit Limited Common Element, without the Commercial Unit Owner's consent, unless it affects the General Common Elements, General Residential Units' Limited Common Elements or the structural integrity of the Building and/or is a violation of any municipal or state code or statute.

10. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters herein above set forth.

11. To bring and defend actions by or against one or more Unit Owner and pertinent to the operation of the Condominium and to levy Special Assessments to pay for the cost of such litigation.

12. To acquire a Unit in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Unit so acquired and to vote as a Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers.

13. To make additions, alterations, or improvements to the General Common Elements and the General Residential Units' Limited Common Elements. Any addition, alteration or improvement to the General Residential Units' Limited Common Elements shall be paid for solely by the Residential Unit Owners based upon their Residential Unit's square footage as reflected in Schedule B of the Declaration in relation to the total square footage of all the Residential Units as reflected in Schedule B of the Declaration.

14. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the General Residential Units' Limited Common Elements and General Common Elements, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owners of said Unit.

15. To act as an agent for one (1) or more Unit Owners to file a single complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax assessments of their Unit pursuant to Section 339-y(4) of the New York Real Property Law. In such event, the Board could retain counsel on behalf of such Unit Owners and charge each Unit Owner for whom it is acting a pro-rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Unit. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Unit Owners it will perform such service for.

16. To grant utility or other easements over or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Unit Owners who have the right to use such Common Elements to the exclusion of any other Unit Owners, the consent of all such affected Unit Owners shall be required in writing before such easement shall be granted);

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least two (2) Members or Unit Owners one of whom shall be a Board Member, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) The Board of Managers may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the General Common Elements or General Residential Units' Limited Common Elements or to any Unit, costing cumulatively more than $25,000, the foregoing not to include necessary repairs and maintenance work, (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, (iii) hire any employee in addition to the employees referred to in the Budget for the first year of operation of the Condominium, (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first Closing, (v) borrow money on behalf of the Condominium, (vi) reduce the services or maintenance set forth in the Condominium budget for the first year of operation, (vii) charge any Special Assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the Condominium, (viii) increase the Common Charges of the Condominium more than ten (10%) percent from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates, evidencing the need for an increase greater than ten (10%) percent, or (ix) utilize Condominium funds or assess the Sponsor in order to commence a lawsuit against the Sponsor or any of its principals. The provisions of this paragraph may not be amended without the written consent of the Sponsor.

The provisions of this paragraph may not be amended without the written consent of Sponsor.

(d) Notwithstanding Article III, Section 6(c) of these By-Laws Sponsor may not exercise veto power over expenses described in the proposed first year budget, as described in the Offering Plan, or over expenses required:

(i) to comply with applicable laws or regulations; or

(ii) to remedy any notice of violation; or

(iii) to remedy any work order by an insurer.

(e) Sponsor may exercise veto power over expenses described in the Condominium budget, other than those described in Article III, Section 6(c) of the By-Laws, for a period ending not more than five (5) years after the Closing of the first Unit or whenever the unsold Units constitute less than twenty-five (25%) percent of the common interest, whichever is sooner.

Section 7. Repairs and Maintenance.

Except as hereinafter provided, all maintenance, painting, repairs and replacement of the General Common Elements and General Residential Units' Limited Common Elements including but not limited to exterior walls, roof and roof members of the Building, as well as painting, repair and/or maintenance of the exterior surfaces, roof, windows and doors which open from the Building, as well as all maintenance, repairs and replacements of foyers and stairways of the Building, and of any pipes, wires, conduits and utility lines, or any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and utility lines as are located in the General Common Elements or General Residential Units' Limited Common Elements but serve two (2) or more Units shall be contracted for by the Board of Managers and the cost thereof shall be a General Common Expense except if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of a Unit Owner or the prior alteration of the Unit by a Unit Owner, in which event the cost thereof shall be assessed individually and paid by the applicable Unit Owner.

All maintenance (including electrical repairs and plumbing stoppages and repairs in the Residential Units and Commercial Units, cleaning of interior of windows and painting and decorating of the interior of the Residential Units and Commercial Units), repairs and replacements to the Residential Units and Commercial Units including doors which open from a Residential Unit and Commercial Units on which painting is performed by the Board of Managers, and repairs to pipes, wires and conduits located in and servicing an individual Residential Unit or Commercial Unit, other than as set forth above shall be made by the respective Residential or Commercial Unit Owner at their own expense. This would include but not be limited to all painting and decorating to the interior of the Residential and Commercial Units, individual appliances, individual heating and cooling for the Residential and Commercial Units and the interior side of all entrance doors.

All maintenance and repair to the interior portion of the window area and doors which open from a Unit are the responsibility of the Unit Owner. All maintenance, repair and any replacement to the external portion of the window area, the actual window and external portion of the doors which open from a Unit will be the responsibility of the Condominium, unless the maintenance, repair or replacement of the external portion of the window, the actual window and external portion of the doors which open from a Unit

are caused as a direct result of the negligence or act of a Unit Owner. In such an event it shall be the Condominium's responsibility to repair or replace the external portion of the window, the window or the external portion of the doors which open from a Unit and the cost of such repair or replacement shall be charged to the Unit Owner as an additional Common Charge.

All exterior glass windows or walls initially installed by the Sponsor that are either opaque in appearance or that are sealed and enclosed on the interior with construction material may not be altered or changed by a Unit Owner for any reason.

All structural repairs and replacements to any balcony or terrace that is a Limited Common Element of an individual Residential Unit will be the responsibility of the Condominium and a Common Expense of the Condominium. All general maintenance and repairs of a balcony, terrace or courtyard that is a Limited Common Element of an individual Residential Unit, including cleaning, snow removal and all repairs not structural in nature, shall be the responsibility of the Residential Unit Owner whose balcony, terrace or courtyard is appurtenant to their Residential Unit and is a Limited Common Element of their Residential Unit.

All repairs, maintenance and any replacement of any heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Residential Unit shall be the responsibility of the Residential Unit Owner for such equipment services, etc.

The balconies, terraces and courtyards are not permitted to be used for storage and are not permitted to be enclosed. No barbequing is permitted in any courtyard or any terrace on the 2nd floor. Barbequing will be permitted on the penthouse terraces as long as it is not a violation of any New York City or other municipal, State or agency code or health, safety or fire requirement. All drains located on a balcony or terrace must be kept open at all times.

All repairs and maintenance to Garage Parking Space Units shall be the responsibility of the Condominium and a Common Expense of the Condominium.

All structural repairs of the Garage Storage Space Unit shall be the responsibility of the Condominium and a General Expense of the Condominium. All general maintenance and repairs of the Garage Storage Space Unit shall be the responsibility of the Garage Storage Space Unit Owner.

The Unit Owners will not be permitted to store any combustible material or other items in Garage Storage Space Unit that may be illegal or cause the Condominium insurance to be increased or is not in compliance with the building code of the City of New York.

All repairs and replacement of windows, and any snow removal from the General Common Elements and General Residential Units' Limited Common Elements shall be contracted for by the Board of Managers and the cost thereof shall be a Common Expense of the Condominium payable by all Unit Owner's based on their percentage of Common Interest except that the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Unit Owner or prior alteration of a Unit shall be assessed to and paid by the applicable Unit Owner.

The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the General Common Elements and General Residential Units' Limited Common Elements and the cost thereof shall be a Common Expense of the Condominium except that the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Unit Owner or prior alteration of a Unit shall be assessed to and paid by the applicable Unit Owner.

All maintenance, repairs and replacements to the Commercial Unit and Commercial Unit Limited Common Elements, whether structural or non-structural, ordinary or extraordinary, will be made by the Commercial Unit Owner at its/their sole expense.

The Board of Managers and their agents, employees and contractors shall have the right of access to any Unit for the purpose of making any repairs or replacements to any Common Elements no matter how classified contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Unit or any other Common Element no matter how classified, or which would violate the provisions of any mortgage covering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Units but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

All repairs, painting or maintenance, whether made by the Unit Owner or the Board of Managers, to the doors, windows, or the exterior surface of the Building or to any generally visible portion of the General Common Elements or General Residential Units' Limited Common Elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless varied by the Board of Managers.

In the event that a Unit Owner fails to maintain, repair or replace any Limited Common Element for its exclusive use or any portion of the Unit that is the Unit Owners

responsibility which maintenance, repair or replacement is necessary to protect any of the General Common Elements, General Residential Units' Limited Common Elements, any other portions of the Building or any other Unit, the Board of Managers shall have the right to make the necessary maintenance, repair or replacement (after the failure of said Residential or Commercial Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge said Residential or Commercial Unit Owner for the cost of all such repairs and/or maintenance and/or replacement. In the event that the Board of Managers charges a Residential or Commercial Unit Owner for repairs, maintenance and/or replacement to any part of the Residential or Commercial Unit or for maintenance, repairs and/or replacement to any Limited Common Elements restricted in use to such Residential or Commercial Unit Owner that is the Unit Owner's responsibility, and the Residential Unit or Commercial Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Residential or Commercial Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

Section 8. Compensation.

Members and Officers, as such, shall receive no compensation for their services.

Section 9. Meetings.

(a) The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall take place.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each Member either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) Members.

(d) At all meetings of the Board, a majority of the Members shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Members present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of Members, the Members present thereat may adjourn the meeting from

time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(f) Members of the Board may participate in a meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

Section 10. Annual Statement.

The Board of Managers shall furnish all Unit Owners and shall present annually (at the annual meeting, but in no event later than four (4) months after the close of the fiscal year) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owner and a notice of the holding of the annual Unit Owners meeting.

Section 11. Fidelity Bonds.

The Board of Managers shall require that all Officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Expense of the Condominium.

Section 12. Management Agent.

The Board of Managers may employ for the Condominium a management agent under a term contract or otherwise at compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the delegable duties of the Board listed in this Article.

Section 13. Liability of the Board of Managers, Officers and Unit Owners.

No Member of the Board of Managers or Officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as a Member of the Board or Officer, provided that

this provision does not eliminate or limit the liability of a Member of the Board or Officer if a judgment or other final adjudication adverse to the Member establishes (a) that the Member's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that the Member personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Condominium, through the Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member of the Board or Officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that he, his testator or intestate, was a Member of the Board or Officer or the joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member of the Board or Officer if a judgment establishes that the Member's 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 the Member or Officer personally gained in fact a financial profit or the advantage to which he or she was not legally entitled.

The Unit Owners shall indemnify and hold harmless each of the Members and Officers of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Members of the Board of Managers and Officers of the Condominium shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Unit Owners). It is understood and permissible for the original Board of Managers, who may be members of or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the Member of the Board of Managers shall be limited to such proportion of the total liability thereunder as the Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by a Member or on behalf of the Condominium shall provide that the Members of the Board of Managers, or the managing agent, or the Member, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners).

Each Unit Owner's liability pursuant to this Section shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

ARTICLE IV. OFFICERS

Section 1. Elective Officers.

The Officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other Officers as in their judgment may be necessary. All Officers must be Unit Owners or Members of the Board of Managers except for the Commercial Unit Owner's Member to the Board of Managers and any assistant secretaries or assistant treasurers. Two (2) or more offices may be held by the same person, except the President, who can only hold the office of President.

Section 2. Election.

The Board of Managers at its first meeting after each annual Unit Owners Meeting shall elect a president, a vice president, a secretary and a treasurer. Only the president must be a Member of the Board.

Section 3. Appointive Officers.

The Board may appoint such other Officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term.

The Officers shall hold office until their successors are chosen and qualify in their stead. Any Officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any Officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President.

The President shall be the chief executive Officer of the Condominium; shall preside at all meetings of the Unit Owners and Members, the President shall be an exofficio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation of the State of New York.

Section 6. The Vice President.

The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary.

The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision he shall be.

Section 8. The Treasurer.

The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the condominium in such depositories as may be designated by the Board of Managers.

The Treasurer shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Members, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc.

All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V. NOTICES

Section 1. Definition.

Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Member or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, such Member or Unit Owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice Waiver.

Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI. FINANCES

Section 1. Checks.

All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other Officer or Officers or such other person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments.

The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and supplement to the budget to every Unit Owner. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the General Common Elements, General Residential Units' Limited Common Elements and other Common Expenses as well as charges to cover any deficits from prior years.

The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the provisions of Section 8 hereof.

Said assessments shall be payable monthly or such other manner as ordered by the Board of Managers and shall be referred to as Common Charges. Special Assessments, should such be required, shall be levied and paid in the same manner as herein above provided for regular Common Charges.

The Unit Owner agrees to pay promptly when due the monthly Common Charges and all Special Assessments assessed against the Unit. In the event any Unit Owner fails to make payment of the Unit Owner's Common Charge payment, the Unit Owner who owns such Unit shall be obligated to pay (a) a "late charge" of $.15 for each $1.00 of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of two (2%) percent per month (but in no event in excess of the maximum rate theretofore collected on such amounts) computed from the due date thereof, and (c) all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by any Managing Agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit Owner's Unit arising from said unpaid Common Charges in the manner permitted by applicable law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner.

In addition, in the event of a default in payment of Common Charges by any Unit Owner, the Board, at its sole option, may declare the Common Charge assessment on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit giving the Unit Owner a five (5) day grace period in which to make the late payment.

The Board may take action to collect any Common Charges due from any Unit Owner which remains unpaid ninety (90) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law or otherwise.

No Unit Owner shall be liable for any Common Charges which accrue against the Unit Owner's Unit subsequent to a sale, transfer or other conveyance of the Unit Owner in accordance with these By-Laws and the Declaration. A purchaser of a Unit shall be liable for the payment of all future Common Charges assessed against the Unit, as well as unpaid Common Charges assessed against the Unit at the time of the purchase.

However, where the holder of an institutional first mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional first mortgage, obtains title to the Unit as a result of foreclosure, or the institutional first mortgage holder obtains title by conveyance in lieu of foreclosure, such acquiree of title, its successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquiree. In such event, the unpaid balance of Common Charges will be charged to all other Unit Owners as a Common Expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or

other institutional lender or a mortgage granted by the Declarant to a purchaser of a Unit or in which the Declarant participates with one of the above.

Section 3. Foreclosures of Liens for Unpaid Common Charges.

The Board shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Unit because of unpaid Common Charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Unit. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Unit. In either event the Unit Owner shall be liable for all costs of suit, including reasonable attorney's fees.

Section 4. Statement of Common Charges.

Upon the written request of any Unit Owner or their mortgagee, the Board shall promptly furnish such Unit Owner or their mortgagee with a written statement of the unpaid Common Charges due from such Unit Owner.

Section 5. Liability for Utilities.

Any utility, including electricity and gas, individually consumed and individually metered in an individual Unit shall be an expense of each individual Unit Owner.

Section 6. Operating Account.

There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all monthly Common Charges and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of a Unit.

Section 7. Other Accounts.

The Board shall maintain any other accounts it shall deem necessary to carry out its purpose.

Section 8. Determination of Common Expenses and Fixing of Common Charges.

The Board of Managers shall from time to time, at least annually, prepare a budget for the operation of the General Common Elements and the General Residential

Units' Limited Common Elements and Common Expenses of the Condominium, determine the amount of the Common Charges payable by the Unit Owner(s) to meet the Common Expenses of the General Common Elements and the General Residential Units' Limited Common Elements and other expenses for the Condominium, and allocate and assess such Common Charges and Common Expenses among all the Unit Owners based on special or exclusive use or availability or exclusive control of particular Units or Common Areas by particular Unit Owners as determined by the Board of Managers. Any dispute regarding the allocation and apportionment of the Common Charges assessed against Units shall be resolved by Arbitration in accordance with the provisions of Article XII of these By-Laws.

The Common Expenses of the Condominium shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Article VIII and the fees and disbursements of the Insurance Trustee. The Common Expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the General Common Elements and the General Residential Units' Limited Common Elements, and other Building wide obligations of the Condominium contained herein, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale.

Any addition, alteration or improvement to the General Residential Units' Limited Common Elements shall be paid for solely by the Residential Unit Owners based upon their Residential Unit's square footage as reflected in Schedule B of the Declaration in relation to the total square footage of all the Residential Units as reflected in Schedule B of the Declaration.

The portion of any increase in any insurance premium which may result from the specific use of a Commercial Unit shall be borne by the respective Commercial Unit Owner pursuant to Section 339-bb of the Real Property Law of the State of New York.

The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based, to all Unit Owners.

The Sponsor or its designee shall be responsible for the Common Charges assessed against each Unit owned by it until such Unit is sold to a bona fide purchaser.

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board.

The Board of Managers shall be required to obtain and maintain, to the extent obtainable from generally acceptable insurance carriers, the following insurance: blanket property insurance, liability insurance as provided below, flood insurance (if applicable), fidelity bond coverage and worker's compensation, insuring all of the Common Elements, Limited Common Elements and the Units in the Building(s) in the Condominium (except land, foundations, excavation and other items normally excluded from cover) including fixtures, to the extent they are part of the Common Elements of the Condominium, building service equipment and supplies and other common personal property belonging to the Condominium. In addition, any fixtures, equipment or other property within the Units which are to be financed by a mortgage (regardless of whether or not such property is part of the Common Elements, but not including wall, ceiling or floor decoration, furniture, furnishings or other personal property supplied or installed by the Unit Owners, contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Buildings, exclusive of land, foundation, excavation and other items normally excluded from coverage. Each of such policies shall be in favor of the Condominium, and shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee as defined below, hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, as defined below, and that the net proceeds thereof, if $40,000 or less, shall be payable to the Board of Managers, and if more than $40,000 shall be payable to the Insurance Trustee. Each Unit Owner and each Unit Owner's mortgagee, if any, shall be beneficiaries of the policy in the percentage of common ownership applicable to said Unit.

The fire insurance will commence with the Closing of Title to the first Unit in an amount as required by the mortgagee of such Unit and such amount will be increased upon the Closing of Title to all Units. Until the first meeting of the Board of Managers following the first Unit Owners meeting, such amount shall be at least in the sum as provided for in the estimated first year budget contained in the Offering Plan upon completion of the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including

all mortgagees of a Unit. Duplicate originals of all policies of physical damage insurance and of all renewals thereof together with proof of payment of premiums, shall be delivered to all mortgagees of a Unit at least ten (10) days prior to expiration of then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building, including all of the Common Elements appurtenant thereto for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

All policies must also provide for the following: recognition of any, Insurance Trust Agreement; a waiver of the right of subrogation against Unit Owners individually; that the insurance is not prejudiced by any act or neglect of individual Unit Owners which is not in the control of such Unit Owners collectively; and that the policy is primary in the event the Unit Owner has other insurance covering the same loss. All policies shall include the standard form of a "Special Condominium Endorsement" or its equivalent. All policies shall include an "Agreed Amount Endorsement" and, if available, an "Inflation Guard Endorsement".

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering the Common Elements, each Member and Officer of the Board of Managers, the managing agent and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners meeting, such public liability insurance shall be a minimum of $1,000,000 covering all claims for bodily injury, deaths and property damage arising out of one occurrence in connection with the operation, maintenance or use of the Common Elements, and legal liability arising out of lawsuits related to employment contracts of the Condominium. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least 10 days' prior written notice to the Condominium and to each holder of a first mortgage on any Unit in the Condominium which in listed as a scheduled holder of a first mortgage in the insurance policy. Such coverage may also include protection against such other risks as are customarily covered with respect to condominiums similar in construction, location and use, including, but not limited to, host liquor liability, employers liability insurance, contractual and all-written contract insurance, and comprehensive automobile liability insurance. Such public liability insurance shall commence on the closing of title to the first Unit.

The portion of any insurance premium which results from the specific use of a Commercial Unit shall be borne by the Commercial Unit Owner pursuant to Section 339-bb of the Real Property Law of the State of New York.

In addition to the above, blanket fidelity bonds shall be required to be maintained by the Condominium for all officers, directors and employees of the Condominium and all other persons handling or responsible for, funds of or administered by the

Condominium. In the event a management agent has the responsibility for handling or administering funds of the Condominium, the management agent shall be required to maintain fidelity bond coverage for its officers, employees and agents handling or responsible for funds of, or administered on behalf of the Condominium. Such fidelity bonds shall name the Condominium as an obligee and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Condominium or the management agent, as the case may be, at any given time during the term of each bond. In no event may the aggregate amount of such bonds be less than a sum equal to 3 months aggregate assessments on all Units plus reserve funds. The bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees", or similar terms or expressions. The premiums on all bonds required herein, except those maintained by the management agent, shall be paid by the Condominium as a Common Expense. The bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 10 days' prior written notice to the Condominium or Insurance Trustee. Such bonds shall also provide that, if applicable, the Federal National Mortgage Association, ("FNMA") Servicers on behalf of FNMA, also receive such notice of cancellation or modification.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 2. The Insurance Trustee.

The Board of Managers on behalf of the Condominium, shall name an authorized representative, including any trustee with whom the Condominium may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee") who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance and to perform such other functions as are necessary to accomplish this purpose subject to the adjustment of loss provision contained in the first paragraph of Section 1 of this Article VII. The Insurance Trustee shall be a bank or trust company located in the State of New York, designated by the Board of Managers and costs associated with the Insurance Trustee shall constitute a Common Expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York. The Insurance Trustee shall have a capital, surplus and undivided profits of $50,000 or more.

Section 3. Restoration or Reconstruction After Fire or Other Casualty.

In the event of damage to or destruction of the Building as a result of fire or other casualty (unless seventy-five [75%] percent or more of the Units are destroyed or substantially damaged and seventy-five [75%] percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Unit, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceed of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to the irrespective common interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

If the proceeds of physical damage insurance or condemnation awards on account of a Taking are less than $40,000 and the loss is limited solely to the Commercial Units or a Commercial Unit's Limited Common Elements, such proceeds shall be paid (i) entirely to the owner of the Commercial Units, if no part of the General Common Elements, General Residential Units' Limited Common Elements, or other Units are involved or (ii) to the owner of the Commercial Units and the Board of Managers if the General Common Elements and the Commercial Unit's Limited Common Elements are involved. In the latter case the net insurance proceeds or condemnation awards shall be shared by the Commercial Unit Owners and the Board of Managers in proportion to the cost of repairing and restoring the Commercial Units (and/or a Commercial Unit's Limited Common Elements), the General Common Elements, the General Residential Units' Limited Common Elements and the other Units, respectively.

Notwithstanding the foregoing, if only a Commercial Unit (including a Commercial Unit's Limited Common Elements) is destroyed or damaged by fire or other casualty or taken in a Taking, the owner of the Commercial Unit will alone make all arrangements for the prompt repair and restoration thereof, and if the net insurance proceeds or condemnation awards are insufficient to cover, or exceed, the cost, the Commercial Unit Owner will bear the entire amount of the deficit or shall receive all of the excess.

Similarly, if only the Residential and Commercial Units and/or the General Residential Units' Limited Common Elements are damaged or destroyed by fire or other casualty or taken in a Taking and the insurance proceeds or condemnation awards are not sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus will be borne or shared entirely by all the Residential and Commercial Unit Owners in proportion to their respective Common Interest in the Building.

ARTICLE VIII. RULES AND REGULATIONS

Section 1. General

In addition to the other provisions of these By-Laws, the following house rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers shall govern the use of the Unit and the conduct of all residents and occupants thereof.

Section 2. Rules and Regulations Applicable to All Unit Owners.

(a) Use.

(i) All Residential Units shall be used for residential purposes only in accordance with municipal regulations.

(ii) A Commercial Unit shall be used as commercial facilities as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York which includes retail stores, personal service establishments and offices. The following uses are not permitted veterinarian's office or pet shop; martial arts studio or school; machine shop or welding shop; dry cleaning or laundry service; chemical wholesaling, storage, retailing or manufacturing; heavy trucking, methadone clinic, drug or alcohol rehabilitation; extermination service; bicycle messenger center; bowling alley, manufacturer of tobacco products; leather dying or coloring; motel/hotel/hostel/homeless shelter or any transient use; sweat shop; roller/ice skating rink; tattoo parlor; waste disposal/refuse center; amusement arcade; auditorium; billiard parlor; brewery; heavy manufacturing of any kind; adult bookstore or video shop or

other adult entertainment facility; any other noxious use (as defined by the company); homeless shelter; no enterprise engaging in pornography and no restaurant and no commercial cooking.

(iii) Garage Parking Space Units may be used only for the purpose of parking automobiles and other permitted vehicles. Vehicles over 80 inches in height or having a gross weight over 10,000 pounds are not permitted in or on the Garage Parking Space Units or in the Garage Area at any time. In no event shall Garage Parking Space Units be converted into additional residential living space.

(iv) Garage Storage Space Units may be used for storage of an automobile or other vehicle and for general storage.

(b) Owners, members of their families, their employees, guests and their pets, if permitted, shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the Condominium.

(c) The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

(d) Every Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Unit Owner or such other person for whose conduct the Unit Owner is legally responsible.

(e) Maintenance.

(i) Every Unit Owner must perform promptly all maintenance and repair work to their own Unit and any Limited Common Element for the Unit Owner's exclusive use which is their sole responsibility and, if omitted would affect the Condominium in its entirety or in a part belonging to other Unit Owners, or the Building of which the Unit forms apart, the Unit Owner being expressly responsible for the damages and liabilities that the failure to do so may engender.

(ii) All the repairs to internal installations of the Unit located in and servicing only that Unit, such as telephones and sanitary installations shall be at the Unit Owner's expense.

(f) Structural Changes.

(i) No Residential Unit Owner shall make any structural addition, alteration or improvement (of either a temporary or permanent

nature) in or to their Residential Unit, or any Limited Common Element for its exclusive use, without the prior written approval of the Board of Managers. In addition, no structural addition, alteration or improvement to any balcony or terrace which is a Limited Common Element shall be permitted unless required as part of the general maintenance, repair or replacement of said balcony or terrace. The Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed structural addition, alteration or improvement. No Residential Unit Owner shall make any structural addition, alteration or improvement in or to any Residential Unit or any Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its Members and Officers, and all Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from the City of New York, Landmarks Preservation Commission or any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Residential Unit Owner shall pay the charges of such architect or engineer. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements. Said provision requiring the written consent of the Board of Managers does not apply to the Sponsor or any principal of the Sponsor who acquires a Residential Unit in the Condominium for their own use.

Any application to any department of the City of New York, Landmarks Preservation Commission or any other governmental authority for a permit to make a structural addition, alteration or

improvement in or to any Residential Unit or Limited Common Element for its exclusive use shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

These provisions shall not apply to Residential Units owned by the Sponsor or its designee until such Residential Units shall have been initially conveyed by the Sponsor or such designee.

(ii) No alteration, addition or change to any part of the General Common Elements or General Residential Units' Limited Common Elements may be made and no structure or other improvement (including landscaping) may be built or placed on any portion of the Common Elements or Limited Common Elements without the written consent of the Board of Managers and subject to any approvals required from the City of New York, Landmarks Preservation Commission or any other governmental agency.

(iii) A Commercial Unit Owner shall be permitted to make a structural addition, alteration or improvement (of either a temporary or permanent nature) in or to a Commercial Unit, or any Limited Common Element for its exclusive use, without the prior written approval of the Board of Managers. However, a Commercial Unit Owner must notify the Board of Managers at least forty-five (45) days prior to any such structural addition, alteration or improvement and no Commercial Unit Owner shall make any structural addition, alteration or improvement in or to the Commercial Unit or any Limited Common Element for its exclusive use without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its Members and Officers, and all Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such

work and (4) obtaining all approvals, as necessary, from the City of New York, Landmarks Preservation Commission or any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Unit Owner shall pay the charges of such architect or engineer. A Commercial Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to any department of the City of New York, Landmarks Preservation Commission, or any other governmental authority for a permit to make a structural addition, alteration or improvement in or to any Commercial Unit or Limited Common Element for its exclusive use shall be completed by the Commercial Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

At the request of a Commercial Unit Owner, the Board will execute any application or other document required to be filed with Landmarks Preservation Commission or any governmental agency having or asserting jurisdiction in connection with any addition, alteration, improvement, or repair of the Commercial Unit or the operation thereof. The respective Commercial Unit Owner shall indemnify and hold the Board and the Unit Owners harmless from any liability resulting therefrom.

The Board of Managers will not have any right to restrict or limit the method of operation, use or appearance of any Commercial Unit which are permitted by law. No rules affecting the operation of the Commercial Unit maybe adopted or modified by the Board of Managers without the consent of the Commercial Unit Owner.

The Board of Managers shall not use the above provisions in a way that would violate rights a Unit Owner may have pursuant to the Federal Fair Housing Act or New York State Human Rights Law.

(g) It is prohibited to hang garments, rugs, etc., from the windows, or from the Building or to string clothes lines on or over the Common Elements (including any Limited Common Element) or to use any of the Common

Elements for storage purposes except if specifically designated for such purposes.

(h) No Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of their Unit.

(i) No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior of the Building without the prior written consent of the Board of Managers.

(j) Each Unit Owner shall keep their Unit and its appurtenant Limited Common Element in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

(k) Garage Parking Space Units may be used only for the purpose of parking automobiles and other vehicles and for such other related purposes as the Board of Manager shall from time to time in writing permit. In no event shall Garage Parking Space Units be converted into additional residential living space.

(l) No structural additions, alterations or improvements to a Garage Parking Space Unit will be permitted.

(m) The entrances, passages, public halls, vestibules, corridors and stairways of the Condominium may not be obstructed or used for any other purpose other than ingress to and egress from the Units.

(n) No article (including, but not limited to, garbage cans, bottles or mats) may be placed in any of the passageways, public halls, vestibules, corridors or stairways of the Condominium, nor may any fire exit be obstructed in any manner.

(o) Neither Unit Owners, residents, occupants, tenants, agents, servants, licensees or their guests are permitted to play in, exercise or use for any unintended purposes, the entrances, passageways, public halls, vestibules, corridors and stairways of the Condominium.

(p) No public hall of the Condominium is permitted to be decorated or furnished by any Unit Owner in any manner.

(q) The following shall be applicable to the elevator in the Building:

(i) The elevator of the Condominium may not be obstructed or used for any other purpose other than ingress to and egress from the Units or halls and floors of the Condominium.

(ii) No article (including, but not limited to, garbage cans, bottles or mats) may be placed in the elevator.

(iii) Neither Unit Owners, residents, guests, tenants, clients, employees, licensee or occupants are permitted to play in, exercise or use for any intended purposes the elevator of the Condominium.

(iv) No elevator or elevator cab of the Condominium is to be decorated or furnished by any Unit Owner in any manner.

(v) The Board of Managers shall have the right to charge a move in – move out fee, which fee shall be determined by the Board at its sole discretion.

(vi) The Board of Managers may make such other rules and regulations regarding the elevator in the Building.

Section 3. Rules and Regulations for the Residential Units and General Residential Units' Limited Common Elements.

(a) The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of or appurtenant to the Residential Area of the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Residential Units. No vehicle belonging to a Residential Unit Owner, to a family member of a Residential Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Residential Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from the Building.

(b) No baby carriages, bicycles, scooters, or similar vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

(c) No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases of the Building, nor shall any fire exit thereof be obstructed in any manner.

(d) Nothing shall be hung or shaken from any doors, windows, balconies or terraces, or placed upon the exterior window sills, of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance there from. The Common Elements, General Residential Units' and Individual Unit's Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

(e) There shall be no playing or lounging in the elevators, entrances, passageways, public halls, vestibules, corridors, or stairways, of the Building, except in any designated recreational areas, if any, or other areas designated as such in the Declaration or by the Board.

(f) The Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements and/or General Residential Units' Limited Common Elements that may be devoted to storage, recreation, or service purposes in the Building.

(g) Nothing shall be done or kept in any Residential Unit or in the Limited Common Elements that are designated for the exclusive use of an individual Residential Unit that will increase the rate of insurance of the Building or the contents thereof, without the prior written consent of the Board. No Residential Unit Owner shall permit anything to be done or kept in their Residential Unit or in the Limited Common Elements that are designated for the exclusive use of an individual Residential Unit, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any of the Residential Unit Owner's family members, tenants, agents, servants, employees, licenses, or visitors shall, at any time, bring into or keep in their Residential Unit or Common Areas any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Residential Unit or the Limited Common Elements that are designated for the exclusive use of an individual Residential Unit.

(h) 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 their Residential Unit or the Limited Common Elements that are designated for the exclusive use of an individual Residential Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a Compact Disk Player, Ipod, computer, phonograph, radio, television set, or other similar equipment in such Residential 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 Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless

such construction or repair work is necessitated by an emergency or approved by the Board of Managers.

(i) No Residential Unit Owner shall install any plantings in the Common Elements or the Individual Residential Limited Common Elements that are for the exclusive use of an individual Residential Unit without the prior written approval of the Board. It shall be the responsibility of the Residential Unit Owner to maintain all plantings in the Residential Units and Individual Residential Unit's Limited Common Elements to prevent any damage to floors, walls or any other part of the Building. Residential Unit Owners shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

(j) 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 and applicable zoning, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

(k) The balconies, terraces and courtyards designated as Individual Residential Unit's Limited Common Elements, are not permitted to be used for storage and are not permitted to be enclosed. No barbequing is permitted in any courtyard or any terrace on the 2nd floor. Barbequing will be permitted on the penthouse terraces as long as it is not a violation of any New York City or other municipal, State or agency code or health, safety or fire requirement. All drains located on a balcony or terrace must be kept open at all times.

(l) No ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

(m) No sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease", or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or By-Laws or shall have been approved in writing by the Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

(n) All radio, television, or other electrical equipment of any kind or nature installed or used in each Residential Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

(o) No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior of a Residential Unit without the prior written consent of the Board of Managers. The Board of Managers may adopt such rules and regulations pertaining to antenna so as to comply with the Federal Communications Commission rules adopted on October 14, 1996.

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

(q) Each Residential Unit Owner shall keep their Residential Unit and any Individual Residential Limited Common Elements that are for the exclusive use of an individual Residential Unit in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

(r) The agents of the Board or the Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent, may enter any room in a Residential Unit at any reasonable hour of the day, on at least one day's prior notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

(s) The 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 Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to their Residential Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board or the Managing Agent, then the 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 Residential Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

(t) If any key or keys are entrusted by a Residential Unit Owner, by any family member thereof, or by their agent, tenant, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Residential 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 Residential Unit Owner, and neither the Board nor the Managing Agent shall (Except as provided in Rule (r) above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

(u) No Residential Unit Owner of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

(v) Any Residential Unit Owner who mortgages or sells their Residential Unit shall immediately notify the Board of Managers, providing the name and address of the new mortgagee or new Residential Unit Owner within thirty (30) days of the closing of the mortgage, within thirty (30) days of the execution of the Purchase Agreement of the sale of the Residential Unit for the new Purchaser or thirty (30) days prior to any tenant occupying the Residential Unit, whichever is applicable.

(w) Any Residential Unit Owner who sells their Residential Unit shall notify the Board of Managers, providing the name and address of the new Residential Unit Owner, within thirty (30) days of the execution of the Purchase Agreement of the sale of the Residential Unit for the new Purchaser.

(x) The Board of Managers shall, at the request of the mortgagee of the Residential Unit, report any delinquent assessments due from the Owner of such Residential Unit.

(y) Every Residential Unit Owner shall be liable for any and all damage to the Common Elements, which shall be caused by said Residential Unit Owner, the Residential Unit Owner's permitted lessees and occupants of Residential Units, their respective family members and guests and such other person for whose conduct the Residential Unit Owner is legally responsible.

(z) Residential Unit Owners will faithfully observe the procedures established from time to time by the Board of Managers or the Managing Agent with respect to services provided and the management of the Building.

(aa) Residential Unit Owners will be limited to two (2) domestic pets per Residential Unit. The foregoing notwithstanding no breed or mix of dog, including American Pit Bulls, Terrier or Rottweiler, deemed to be dangerous to the safety of the residents of the Condominium shall be permitted to be kept or harbored in the Condominium or any Residential Unit. No exceptions will be permitted unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium. The Board of Managers may require the permanent removal of any animal kept in a Residential Unit that is not in compliance with the above as well as any animal causing or creating a nuisance or unreasonable disturbance or noise upon ten (10) days written notice from the Board of Managers. In no event shall any pet be permitted in any of the public corridors or lobbies of the Condominium unless carried or on leash. All Residential Unit Owners shall be responsible for picking up and disposing of their pets' waste and for any damage caused by their pets to any Common Elements of the Condominium and shall comply with the local and municipal rules and regulations regarding pets.

(bb) All Residential Unit Owners shall keep their thermostats at a minimum of 60 degrees Fahrenheit to prevent freezing of pipes. Any Residential Unit Owner failing to adhere to this requirement shall be responsible for any damage done to the Common Elements of the Condominium and/or any other Residential Unit.

(cc) No window guards or window decorations (other than curtains and window treatments which conform to the By-Laws) are permitted to be used in or about any Residential Unit, unless otherwise required by law, except such as will have been approved in writing by the Board of Managers. The Board of Managers shall have the right to designate or approve a contractor to do any of such work at the Residential Unit Owners' sole expense. In no event however, shall any exterior glass surface of any windows of a Residential Unit be colored or painted. In the event window guards are required in a Residential Unit, the cost of installing the window guards shall be the sole responsibility of the Residential Unit owner.

(dd) Corridor doors are required to be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

(ee) Except as permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees are not permitted at any time or for any reason whatsoever to enter upon or attempt to enter upon the roofs of the Building.

(ff) No group tour or exhibition of any Residential Unit or its contents may be conducted, nor will any auction sale or other sale of contents be permitted to be held in any Residential Unit, without the prior consent of the Board of Managers.

(gg) Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Residential Members of the Board. Any such consent or approval may, in the discretion of the Residential Members of the Board or the Managing Agent, be conditional in nature.

(hh) The Residential Members of the Board of Managers reserves the right to rescind, alter, waive or add, as to one or more or all Residential Unit Owners, occupants, lessees, guests and any other person residing in the Building, any rule or regulation at any time prescribed for the Condominium when, in the reasonable judgment of the Residential Members of the Board of Managers, the Residential Members of the Board of Managers deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, or the preservation of good order therein, or for the operation or maintenance of the Condominium or the equipment thereof, or the comfort of Residential Unit Owners, occupants or others in the Condominium. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Residential Unit Owner or other occupant will operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

(ii) Complaints regarding the service of the Condominium shall be made in writing to the Board of Managers or to the Managing Agent.

Section 4. Rules and Regulations for the Commercial Units Limited Common Elements.

(a) The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of or appurtenant to the Building for the exclusive use of a Commercial Unit shall not be obstructed or used for any purpose other than ingress to and egress from the Commercial Units. No vehicle belonging to a Commercial Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, agent, customer or client of a Commercial Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to or exit from the Building.

(b) No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases of the

Condominium servicing the Commercial Unit, nor shall any fire exit thereof be obstructed in any manner.

(c) Nothing shall be hung or shaken from any doors, windows, or placed upon the exterior window sills, of the Commercial Unit, and the Commercial Unit Owner shall not sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance there from.

(d) Nothing shall be done or kept in any Commercial Unit or a Commercial Unit's Limited Common Element for the exclusive use of an individual Commercial Unit that is not used in conjunction with the operation of the Commercial Unit's business or practice that will increase the rate of insurance of the Building or the contents thereof, without the prior written consent of the Board. No Commercial Unit Owner shall permit anything to be done or kept in their Commercial Unit or a Commercial Unit Limited Common Element for the exclusive use of an individual Commercial Unit, 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 Commercial Unit Owner or any of its tenants, agents, servants, employees, licenses, visitors, clients, patients or customers shall, at any time, bring into or keep in their Commercial Unit or a Commercial Unit's Limited Common Element for the exclusive use of an individual Commercial Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or a Limited Common Element for the exclusive use of an individual Commercial Unit.

(e) All construction, repair work, or other installation involving noise shall be conducted in any Commercial Unit only on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or approved by the Board of Managers.

(f) No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in a Commercial Unit.

(g) No patients, clients, or other invitees of the Commercial Unit Owner or its tenant shall be permitted to wait in any lobby, public hallway, or vestibule used for the Residential portion of the Building.

(h) All radio, television, or other electrical equipment of any kind or nature installed or used in a Commercial 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

Commercial Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

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

(j) Each Commercial Unit Owner shall keep their Commercial Unit and the Commercial Unit's Limited Common Elements designated to a Commercial Unit for the Commercial Unit's exclusive use in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

(k) The agents of the Board or the Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent, may enter any room in a Commercial Unit at any reasonable hour of the day, on at least one day's prior notice to the Commercial Unit Owner, for the purpose of inspecting such Commercial Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Commercial Unit for its permitted purposes.

(l) Complaints regarding the service of the Condominium shall be made in writing to the Board of Managers or to the Managing Agent.

(m) The Board of Managers shall not interfere with the business operation of a Commercial Unit unless it affects the General Common Elements, General Residential Units' Limited Common Elements or the structural integrity of the Building and/or is a violation of any municipal or state code or statute.

(n) Each Commercial Unit Owner and/or their tenants shall have an easement to erect, maintain and replace one (1) or more signs on the property permitted by law for the purpose of advertising the operation of any business conducted therein. Any such signs shall be of reasonable size and shall not be located so as to unduly disturb the aesthetics of the Building.

(o) Each Commercial Unit Owner shall have the right, without the payment of any fees or charges to the Board, to sell or lease the Commercial Unit

without interference by the Board. All sale or rental proceeds shall belong solely to the applicable Commercial Unit Owner.

(p) A Commercial Unit will not be permitted to install any finished floor exceeding one (1") inch above the concrete slab, unless prior approval is provided by Sponsor's architect as long as the Sponsor continues to retain at least one (1) Unit in the Condominium and, thereafter, by an architect approved by the Board of Managers of the Condominium.

These Rules and Regulations applicable to the Commercial Units may not be amended, modified, added to, or repealed without the written consent of the Member of the Board of Managers representing the Commercial Units.

Section 5. Violations of Rules and Regulations.

(a) Upon receipt, by the President of the Board of Managers or by the Managing Agent, of a signed written complaint alleging violation of any of the Rules and Regulations or other provisions of the By-Laws as herein established or hereafter established or adopted by the Board of Managers, the President of the Board, or in the President's absence, the Vice President together with a minimum of two (2) other Members of the Board, without a formal meeting of the Board, shall make a determination as to the validity of the complaint. Any Unit Owner accused of a violation of the Rules and Regulations or other provisions of the By-Laws shall be entitled to receive written notice by registered mail of such accusation. The written notice shall contain the following statements:

i) A copy of the Rule and Regulation the Unit Owner has violated and a description of the manner in which the Unit Owner violated the Rule and Regulation.

ii) A time and place at which the Unit Owner shall be given the opportunity to present a defense before final action is taken.

(b) If, after said notice and hearing it is determined that the complaint is valid and justified the Managing Agent shall be directed to send written notice to the violator. If the violation is not corrected or eliminated within a period of three (3) days from the date of receipt of such notice, another notice will be sent levying a fine of up to two hundred and fifty ($250) dollars upon the violator; such fine is to be considered as an additional Common Charge to the account of the violator and shall be treated as such regarding late penalties and a lien upon the property as elsewhere provided for in the Declaration of Condominium or By-Laws. If after imposition of a fine the violation is not corrected or eliminated, the Board of Managers may assess additional fines of up to two hundred and fifty

($250) dollars each after serving written notice upon the violator as provided for above. If the violation results in loss of or damage to property classified as a Common Element, the Board of Managers shall itself or direct the Managing Agent, if employed, to have said loss or damage repaired or replaced and the actual cost of said repair or replacement shall be assessed to the violator as an additional Common Charge.

(c) During the period the Sponsor or its designee own at least one (1) of the Commercial Units any complaint alleging a violation of any Rule or Regulation applicable to a Commercial Unit shall require the vote of the one (1) Commercial Unit Member of the Board of Managers. The Commercial Unit Member of the Board of Managers shall be one (1) of the three (3) Board Members hearing the complaint. At such time as the Sponsor no longer owns any of the Commercial Units the procedure regarding a violation of a Rule or Regulation applicable to a Commercial Unit Owner shall be as provided for in Article VIII Section 5(b) above except that the Commercial Unit Owner Member of the Board is required to be one (1) of the Board Members hearing the complaint.

Section 6. Costs.

Any costs incurred by the Board of Managers to remedy or cure any violation of these By-Laws, the Rules and Regulations as herein or hereafter established, shall be an additional Common Charge charged to the violator in addition to the Two Hundred Fifty ($250) Dollar fine(s) levied upon the violator. Fines may be levied against a Unit Owner's tenant, and the Unit Owner shall be jointly and severally liable with the Unit Owner's tenant for the payment of same.

In the event the Condominium institutes legal action for the collection of any fines or the enforcement of any of the provisions of the Declaration, By-Laws and/or Rules and Regulations of the Condominium, then the Defendant shall be responsible for payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit.

Section 7. Board of Managers Right to Change Rules and Regulations.

Except as provided in Sections 3 and 4 of this Article VIII, the Board of Managers reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Condominium when, in the reasonable judgment of the Board of Managers, the Board of Managers deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, or the preservation of good order therein, or for the operation or maintenance of the Condominium or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Condominium. 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.

Section 8. Sponsor.

The above provisions shall not apply to the Sponsor unless required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation.

ARTICLE IX. DEFAULT

In the event a Unit Owner does not pay any sums, charges or assessments required to be paid when due, as determined by the Board of Managers, the Board of Managers, acting in behalf of the Board shall notify the Unit Owner and the mortgagee, if any, of such Unit. If such Common Charges, Special Assessment or any other sum, charge or assessment shall remain unpaid for ninety (90) days after the giving of such notice, the Board may foreclose the lien encumbering the Unit as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the owner of a Unit does not pay the Common Charge assessment required to be paid by the Unit Owner on its due date, the Board of Managers may collect said fees and take such action as is provided in Article VI, Section 2 of these By-Laws and said Unit Owner shall be liable for the Condominium's reasonable costs and a reasonable attorney's fee incurred by it incident to the collection or enforcement of such lien.

In addition to the Board's right to bring an action to foreclose a lien on a Unit Owner's Unit, the Board (on behalf of the Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board, without foreclosing or waiving the lien securing such charges. In such an event the Unit Owner shall be liable for the reasonable costs and reasonable attorney's fee incurred by it incident to the collection of the delinquent Common Charges.

ARTICLE X. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Unit Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty-six and two-thirds (66⅔%) percent of the Unit Owners in number and common interest and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration.

In addition the following shall apply to amendments to the By-Laws:

(i) No amendment shall be passed which will affect or impair the validity of the Unit Owners' interest in a Unit.

(ii) No amendment, modification, addition or deletion of, to or from the By-Laws or any Rules and Regulations shall be effective in any way against Sponsor or its designee or any Unsold Unit, as long as the Sponsor owns an Unsold Unit in the Condominium unless Sponsor has given its prior written consent thereto. This provision is not subject to amendment.

(iii) The Board of Managers shall have the right to amend these By-Laws without the consent of the Unit Owners to make corrections to the By-Laws that are patent errors, inconsistencies, scrivener's errors and technical errors.

(iv) Notwithstanding any provision contained hereto to the contrary an Amendment in By-Laws which solely affects the Residential Unit(s) may only be adopted by a vote of at least 66-2/3rds% of only the Residential Unit Owners.

(v) The Sponsor shall have the right to amend the By-Laws without the consent of the Unit Owners or the Board of Managers to (a) make corrections that are patent errors, inconsistencies, scrivener's errors, technical errors, to conform to other documents, or (b) to make changes or revisions to comply with the requests, guidelines and/or requirements of any major participant in the secondary market for mortgages, including but not limited to the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), the Federal Housing Association ("FHA") of the Housing and Urban Development ("HUD"), the Veterans Administration ("VA") and/or any State or Local Funding Agencies, or (c) the carrying out of other provisions of the Offering Plan of the Condominium.

(vi) No amendment to the By-Laws which solely affects the Commercial Unit may be adopted without the written consent of the Commercial Unit Owner.

(vii) No amendment to the By-Laws shall be passed which shall impair or prejudice the validity, interest, rights and priorities of a mortgagee.

(viii) In the case of material changes, approval must be obtained from first mortgage holders representing at least fifty-one (51%) percent of the votes of Units that are subject to first mortgages. A change to any of the following would be considered as material: voting rights; assessments, assessment liens, or subordination of assessment liens; reserves for maintenance, repair and replacement of common elements; responsibility

for maintenance and repairs; reallocation of interests in the general or limited common elements, or rights to their use; boundaries of any Unit; convertibility of Units into Common Elements or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; insurance or fidelity bonds; revisions to the leasing provisions of Units contained in Article XI; imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit; a decision by the Condominium to establish self management when professional management had been required previously by an eligible mortgage holder; restoration or repair of the project (after a hazard damage or partial condemnation) in a manner other than that specified in the documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or any provisions that expressly benefit mortgage holders, insurers or guarantors. An addition or amendment to these By-Laws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. Any eligible mortgage holder who received a written request to approve amendments who does not deliver to the Condominium a negative written response within 60 days of the receipt of the request shall be deemed to have approved such amendment.

ARTICLE XI. SELLING, MORTGAGING AND LEASING UNIT

Section 1. **Selling and Leasing Units.**

Any Unit may be conveyed or leased, subject to the leasing requirements contained in Section 7, subject to local zoning ordinances, by its Unit Owner free of any restrictions except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease their Unit unless and until all unpaid Common Charges assessed against the Unit Owner's Unit shall have been paid to the Board of Managers of the Condominium and subject to the right of first refusal of the Board of Managers as provided for in Section 2 hereof. However, such unpaid Common Charges can be paid out of the proceeds of the sale of a Unit, or by the Grantee. Notwithstanding the above any Unit Owner who wishes to enter into a lease for the Unit Owner's Unit shall be required to provide the Board of Managers of the Condominium with a copy of the lease prior to its execution. Notwithstanding the above any Unit Owner who wishes to enter into a lease for the Unit Owner's Unit shall be required to provide the Board of Managers of the Condominium with a copy of the lease, name of the proposed tenant, terms of the lease, credit and background check, a minimum of two (2) referrals and any other information that may be requested by the Board of Managers at least thirty (30) days prior to its execution. All leases must comply with all the requirements contained in Section 7 below. Failure to comply will be deemed an automatic violation of the By-Laws of the Condominium. Further, any Unit Owner may convey the Unit Owner's Unit and common interest appurtenant thereto, to the Board of Managers on behalf of all Unit Owners free

of any cost to the Board or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any Common Charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this section shall be voidable at the election of the Board of Managers.

Whenever the term "Unit" is referred to in this section, it shall include the Unit, the Unit Owners undivided interest in the Common Elements and the Unit Owners interest in any Units acquired by the Board of Managers.

Section 2. Right of First Refusal.

No Unit Owner (hereinafter "Unit Owner"), other than Sponsor, its successors, assigns or designees, may sell or lease their Unit except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer to (a) purchase his or her Unit together with (i) the undivided interest in the Common Elements appurtenant thereto, and (ii) the interest of such Unit Owner in any Unit theretofore acquired by the Board of Managers or its designee on behalf of all Unit Owners, or his or her interest in the proceeds of sale or lease of such Unit, if any, or (b) lease his or her Unit (such an offer to purchase or lease a Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror" and the Unit Owner to whom the Outside Offer is made is called the "Offeree Unit Owner"), which he or she intends to accept, shall give notice by certified or registered mail to the Board of Managers of the receipt of such Outside Offer. Said notice shall state the name and address of the Outside Offeror, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require. The giving of such notice to the Board of Managers shall constitute an offer by such Unit Owner to sell his or her Unit or Lease his or her Unit to the Board of Managers or its designee, corporate or otherwise, on behalf of all other Unit Owners, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a warranty and representation by the Offeree Unit Owner who has received such Outside Offer to the Board of Managers, on behalf of all Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Board of Managers may reasonably request. Not later than ten (10) days after the later of the receipt of such notice or such further information as may have been requested by the Board of Managers, the Board of Managers may elect, by sending written notice to such Offeree Unit Owner before the expiration of said ten (10) day period, by certified or registered mail, return receipt requested, to purchase such Unit or to lease such Unit, as the case may be, or to cause the same to be purchased or leased by its designee (corporate or otherwise), on behalf of all Unit Owners on the same terms and conditions as contained in the Outside Offer and stated in the notice from the Offeree Unit Owner.

In the event the Board of Managers shall timely elect to purchase any such Unit or to Lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or lease shall be executed at the office of the attorneys for the Condominium, in accordance with the terms of the Outside Offer, within forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. If, pursuant to such Outside Offer to purchase such Unit, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board of Managers may purchase the Unit and assume to take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-O of the Real Property Law of the State of New York, with all tax and other documents and/or documentary stamps affixed at the expense of such Unit Owner, who shall also pay all the taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interests, if any, and the Common Charges shall be apportioned between the Offeree Unit Owner and the Board of Managers, or its designee (corporate or otherwise), as of the closing date. In the event such Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board of Managers, or to its designee (corporate or otherwise), a lease between the Offeree Unit Owner, as Landlord, and the Board of Managers, or its designee (corporate or otherwise), as Tenant, covering such Unit for the rental and terms contained in such Outside Offer.

In the event the Board of Managers or its designee shall fail to accept such offer within ten (10) days after receipt of such notice, as aforesaid, or in the event the Board of Managers shall, prior thereto, waive such right of first refusal in accordance with Section 4 of this Article, the Offeree Unit Owner shall be free to accept the Outside Offer within a sixty (60) day period after (i) notice of refusal is sent or (ii) the expiration of the period in which the Board of Managers or its designee might have accepted such offer, as the case may be. In the event the Offeree Unit Owner shall not, within such sixty (60) day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such sixty (60) day period, but such sale or lease, as the case may be, shall not be consummated, then should such Offeree Unit Owner thereafter elect to sell such Unit or lease such Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and conditions of this Section.

Any deed to an Outside Offeror shall provide that the acceptance thereof by the Grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time.

Any lease executed in connection with the acceptance of an Outside Offer to lease a Unit shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended, or assigned without the prior written consent of the Board of Managers; the tenant shall not assign his or her interest in such Lease or sublet the demised premises or any part thereof without the prior written consent of the Board of Managers; and the Board of Managers 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 (i) a default by the tenant to perform its obligations under such lease or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

Except as herein above set forth, the form of any such lease executed by the Board of Managers, or an Outside Offeror, shall be the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain such other modifications as shall be approved in writing by the Board of Managers. Any lease executed by the Board of Managers, as tenant, shall provide that the Board may enter into a sublease of the premises without the consent of the landlord.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers and, if the Board of Managers shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board of Managers to commence legal proceedings to evict the purported tenant (in the case of an unauthorized leasing) in the name of the said Unit Owner as the purported landlord. Said Unit Owner shall reimburse the Board of Managers for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

The foregoing restrictions of Section 2 of this Article XI shall not apply to Sponsor-owned Units, or any mortgagee acquiring title to a Unit, in a foreclosure or otherwise. The Sponsor, its successors, assignees or designees; any mortgagee acquiring title to a Unit in a foreclosure or otherwise shall have the right to freely sell their Unit or to freely lease all or any part thereof without first having to offer the same for sale or lease to the Board of Managers.

Section 3. Release by Board of Managers of the Right of First Refusal.

The right of first refusal contained in Section 2 of this Article XI may be released or waived by the Board of Managers only in the manner provided in Section 3 of this Article XI. In the event the Board of Managers shall release or waive its right of first refusal as to any Unit, such Unit may be sold, conveyed or leased free and clear of the provisions of said Section 2 and all other restrictions, except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his or her Unit unless and until all unpaid Common Charges assessed against his or her Unit shall have been paid to the Board of Managers. Further, a Unit Owner may convey his or her Unit and his or her Common Interest appurtenant thereto to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners, and upon such conveyance

such Unit Owner shall not be liable for any Common Charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this section shall be voidable at the election of the Board of Managers.

Section 4. Certificate of Termination of Right of First Refusal.

A certificate executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 2 of this Article XI have been met by a Unit Owner or stating that the Right of First Refusal contained therein has been duly released or waived by the Board of Managers, and that as a result thereof the rights of the Board of Managers thereunder shall terminate, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely upon such certificate in good faith. The Board of Managers shall furnish, without charge, such certificate upon request to any Unit Owner with respect to whom the provisions of such section have, in fact, terminated.

Section 5. Financing of Purchase of Unit by Board of Managers.

The purchase of a Unit by the Board of Managers or its designee, on behalf of all Unit Owners, may be made from funds deposited in the capital and or expense account of the Condominium. If the funds in such accounts are insufficient to effectuate any such purchase, the Board of Managers may levy an assessment against each Unit Owner, in proportion to the Unit Owner's interest in the Common Elements, as a Common Charge, and/or the Board of Managers may in its discretion finance the acquisition of the Unit; provided, however, that no such financing may be secured by an encumbrance, or an hypothecation of any portion of the Property other than the Unit to be purchased.

Section 6. Exceptions.

The provisions of Section 2 of this Article XI shall not apply with respect to any lease, sale or conveyance of a Unit by (a) the Unit Owner thereof to his spouse, adult children, parents, parents-in-law, adult siblings, or any one or more of them, (b) the Sponsor or its designee, (c) the Board of Managers, or (d) any proper officer conducting the sale of the Unit in connection with the foreclosure of a mortgage or other lien covering such Unit, or delivering a deed in lieu of such foreclosure; provided, however, that the new Unit Owner shall be bound by, and his Unit subject to, the provisions of this Article. The provisions of Section 2 of this Article XI shall not apply to a Retail Unit.

Section 7. Leasing Requirements for Residential Units.

In addition to the Right of First Refusal detailed in Section 2 above and except as noted in Sections 11 and 12, every lease on every Residential Unit in the Condominium is subject to the following rules and regulations, regardless of whether in the lease:

(a) a copy of the lease must be provided to the Board of Managers at least thirty (30) days prior to occupancy of a tenant;

(b) the form of the lease and any renewal lease is subject to the review of the Board of Managers and must contain a provision that the tenant agrees to be subject to the Declaration, the By-Laws and Rules and Regulations of the Condominium and agrees to accept the power of attorney of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the Rules and Regulations of the Condominium;

(c) the lease must be in writing;

(d) the lease must be for the entire Residential Unit;

(e) the lease must be for a minimum and maximum of twelve (12) months. Renewals shall be for a one (1) year term and are subject to review by the Board of Managers of the Condominium;

(f) the use of the premises is subject to the Declaration and the By-Laws of the Condominium and the rules and regulations of the entire Condominium;

(g) within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Managing Agent or if no Managing Agent to a Member of the Board of Managers of the Condominium;

(h) within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the Managing Agent or if no Managing Agent to the Board of Managers of the Condominium for review;

(i) all leases and tenants are subject to all municipal requirements applicable to leasing, if any;

(j) the Residential Unit cannot be used as a motel or hotel or otherwise for transient tenants;

(k) if any Residential Unit Owner (landlord) or tenant is in violation of any of the provisions of the Declaration or By-Laws, or both, including any rules and regulations, the Board of Managers of the Condominium may bring an action in its own name or in the name of the Residential Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

In order to carry out the provisions of this Article XI and pursuant to the provisions of Article Fifteenth of the Declaration of Condominium each Residential Unit Owner shall upon becoming a Residential Unit Owner grant an irrevocable power of attorney, to nominate, designate, constitute and appoint the members of the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Residential Unit Owner's Condominium Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to

adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies available to the Board of Managers of the Condominium. If permitted by present or future law, the Condominium may recover all of its costs, including court costs and reasonable attorney's fees, and these costs shall be a continuing lien on the Residential Unit that shall bind the Residential Unit in the hands of the then Residential Unit Owner and the Residential Unit Owner's successors and assigns. The Board of Managers of the Condominium shall give the tenant and the Residential Unit Owner written notice of the nature of the violation of the rules, and thirty (30) days from the mailing of the notice in which to cure the violation before the Board of Managers of the Condominium may file for eviction.

The foregoing restrictions of Sections 1, 2 and 7 of this Article XI shall not apply to Sponsor-owned Residential Units or any mortgagee acquiring title to a Unit, in a foreclosure or otherwise. The restrictions of Section 7 shall not apply to a Commercial Unit Owner. The Sponsor, its successors, assignees or designees; any mortgagee acquiring title to a Unit in a foreclosure or otherwise and the Commercial Unit Owner shall have the right to freely sell their Unit or to freely lease all or any part thereof without first having to offer the same for sale or lease to the Board of Managers as long as the lease and use by a tenant is in compliance with the permitted use of the applicable Unit under New York City zoning and occupancy requirements.

Section 8. Waiver of Partition Rights.

The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 9. Gifts, etc.

Any Unit Owner may convey or transfer their Unit by gift during their lifetime or devise their Unit by will or pass the same by intestacy, without restriction.

Section 10. Tenant Bound by Declaration.

By becoming a tenant, each tenant agrees to be bound by the Declaration, the By-laws and the other Rules and Regulations of the Condominium, and recognizes and accepts the right and the power of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the other Rules and Regulations of the Condominium.

Section 11. Lenders.

To protect first mortgage lenders and to encourage first mortgage lenders to make loans on Residential Units in the Condominium, only subsections (b), (d), (e), (f), (g) and (h) of Section 7 of this Article XI shall apply to a first mortgage lender who has title to the Residential Unit through (a) foreclosure of its first mortgage on the Residential Unit; or (b) a deed in lieu of foreclosure of its first mortgage on the Residential Unit. Any subsequent purchaser from the first mortgage lender is subject to all the terms of Article XI. This provision does not apply to any Retail Unit Owner who rents their Retail Unit.

Section 12. Sponsor.

The terms of Sections 1, 2, 3, 4, 5, 6 and 7 of this Article XI shall not be applicable to the Sponsor, its successors or assigns.

Section 13. Section 339-kk of the Real Property Law

Pursuant to the provisions of Section 339-kk of the Real Property Law of the State of New York, any non-occupying Residential Unit Owner who rents any Residential Unit in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Unit within sixty (60) days of the expiration of any grace period after they are due is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium association. The provisions of Section 339-kk of the Real Property Law shall control any dispute pursuant to this provision of the By-Laws. This provision does not apply to any Retail Unit Owner who rents their Retail Unit.

ARTICLE XII. ARBITRATION

Section 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 New York City, New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City, New York before one arbitrator appointed, upon the application of any party by the Real Estate Board of New York.

Section 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 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. Binding Effect.

The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. Costs and Expenses.

The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE XIII. CONDEMNATION

In the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than $50,000 and to the Board of Managers if the award is $50,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

(a) So much of the award as is applicable to the General Common Elements, to the Unit Owners pro rata according to the respective common interest appurtenant to the Unit owned by such Unit Owners.

(b) So much of the award as is applicable to a Limited Common Element to the Unit Owner having general use of such Limited Common Element.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to General Common Elements and to

each Limited Common Element. In the event the award does not set forth such allocation then the question of such allocation shall be submitted to the arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XIV. SPONSOR RIGHTS

Section 1. Sales/Rentals.

The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sales and rental offices in and about the Condominium, including any model Units located within the Condominium Building or elsewhere throughout the project, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective purchasers or tenants, to utilize the Common Elements, and without limitation, to do any and all things necessary incident to the sale or rental of the Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

Section 2. Signs/Ingress/Egress.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to construct, sell and lease the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. This Article XIV may not be modified or amended without the written consent of the Sponsor so long as the Sponsor continues to own one (1) or more unsold Units.

ARTICLE XV. MISCELLANEOUS

Section 1. Insurance.

Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in a Unit Owner's Unit which will increase the insurance rates on the Unit or any other Unit or on the common elements.

Section 2. Severability.

Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium.

A Unit Owner who mortgages his Unit, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers in the event there is no management agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Unit".

Section 4. Notice of Unpaid Assessments.

The Board of Managers shall at the request of a mortgagee of a Unit, report any unpaid assessments due from the Unit Owners of such Unit.

Section 5. Examination of Books and Records.

Any Unit Owner who shall have been a Unit Owner of a Unit for at least six (6) months preceding the Unit Owner's demand, upon at least five (5) days written demand, but not more often than once per month, shall have the right to examine in person or by agent or attorney, during usual business hours the books and records and to make copies therefrom at the Unit Owner's cost. Such inspection may be denied to such Unit Owner or other person upon the Unit Owner's refusal to furnish to the Board of Managers an affidavit that such inspection is not desired and will not be used for a purpose which is in the interest of a business or object other than the business of the Condominium and that the Unit Owner has not within five years given, sold or offered for sale any list or record of Unit Owners of any domestic or foreign corporation or aided or abetted, or attempted or offered to aid or abet, any person in procuring any such list or record of Unit Owners for any such purpose.

Section 6. Construction.

Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 7. Compliance with Article 9-B.

These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

AMENDMENT NO. 2

To The Offering Plan of

77 READE STREET CONDOMINIUM

77 Reade Street
New York City, New York 10007

Dated: December 23, 2009

The Offering Plan dated June 25, 2008 as amended by Amendment No. 1 dated June 23, 2009 is hereby further amended as follows:

I. UNITS

As of November 1, 2009, Sponsor has not commenced its sales program.

II. BUDGET

The proposed first year budget contained as Exhibit "A" to Amendment No. 1 dated June 23, 2009 remains the same with the exception of the commencement date which will now be December 1, 2010. Annexed hereto as Exhibit "A" are the Certification of Adequacy of the Budget as well as the Certification of Adequacy of the Common Charges payable by the Non-Residential Unit Owners by Midboro Management, Inc., 148 West 37th Street, 8th Floor, New York, New York 10018.

III. CLOSING

Sponsor anticipates closing the first Residential Unit in the Condominium on or about December 1, 2010.

IV. PARKING

Article VIII of the By-Laws titled "Rules and Regulations", Section 2, paragraph (a), subparagraph (iii) is revised in applicable part to reflect that vehicles over 80 inches in height or with a gross weight over 10,000 pounds are not permitted in the Garage Area and shall now read as follows:

(iii) Garage Parking Space Units may be used only for the purpose of parking automobiles and other permitted vehicles. Vehicles over 80 inches in height or having a gross weight over 10,000 pounds are not permitted in or on the Garage Parking Space Units or in the Garage Area at any time. In no event shall Garage Parking Space Units be converted into additional residential living space.

V. POWER OF ATTORNEY

On or about January 27, 2009, General Obligations Law Sections 5-1501, 5-1501A and 5-1501-B regarding a Power of Attorney was signed into law by the Governor of the State of New York to take effect on September 1, 2009. Subsequent thereto a number of technical corrections have been proposed to the new form to the New York State Legislature. Until such time as these technical corrections are adopted by the Legislature, Purchasers will be required to provide an undertaking at the Closing to execute and pay recording fees for the then new form of Power of Attorney, if necessary. The new form is annexed hereto and made a part of this Amendment as Exhibit "B".

VI. TAX ABATEMENT

As discussed in the Footnotes to Schedule A and in the tax opinion rendered by Sponsor's counsel in Section XXIII of the Plan, Sponsor has applied for partial real estate tax exemption benefits for the Property pursuant to Section 421-a of the Real Property Tax Law of the State of New York and the rules and regulations promulgated thereunder ("421-a Tax Benefits"). As required by the 421-a Rules and Regulations issued by the New York City Department of Housing and Preservation ("HPD"), if the Plan has not been declared effective for filing at a time fifteen (15) months after HPD has issued the Final 421-a Certificate of Eligibility, as of such date, the Building and all Units as they become occupied shall become rent stabilized and subject to the rent stabilization laws applicable thereto for the entire period during which the Property is receiving 421-a Tax Benefits. As of such date, the Sponsor must register the Building and all Residential Units as they become occupied with the New York State Department of Housing and Community Renewal ("DHCR"). Any leases and renewals thereof to a Residential Unit that is required to be registered with DHCR shall contain a notice at least twelve (12) point type informing any such tenant that the Residential Unit shall be subject to deregulation upon the expiration of the 421-a Tax Benefit period and stating the approximate date on which such benefit period is expected to expire. If each lease and renewal thereof does not contain the aforementioned notice, then, the Unit shall remain rent stabilized after the expiration of the 421-a Tax Benefits until the Unit becomes vacant. During such rent stabilization period, the Unit shall not be subject to luxury decontrol.

After any such registration of the Building and applicable Units with DHCR, the Plan shall be amended to disclose the rights of existing tenants.

VII. EXTENSION

This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and, thereafter, said date is to be extended in a further Amendment to be filed.

Other than as set forth above, there are no material changes which require an amendment to the Offering Plan.

77 READE, LLC
Sponsor

CERTIFICATION OF ADEQUACY OF OPERATING BUDGET
PURSUANT TO 13 NYCRR 20.4 (d)

Date: October 20,2009

State of New York
Department of Law
120 Broadway - 23rd Street
New York, NY 10271

RE:**77 Reade Street Condominium**

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property retained me/our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. My/or our experience in this field includes:

Midboro Management, Inc has managed Cooperatives and Condominiums since 1963 and currently manages 74 buildings. Gary Ziprin, a Certified Public Accountant, has over 20 years of experience in Cooperative and Condominium finance, including budget preparation.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

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

I/we certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I/we certify that the Schedule:

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

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

EXHIBIT "A"

(iii) does not omit any material fact;

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

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

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

(vii) does not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I/we further certify that I am/we are not owned or controlled by the Sponsor. I/we understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____

Gary Ziprin, Midboro Management, CFO

Sworn to before me this
20 day of October, 2009.

_____
Notary Public

Kimberly K. McDowell
Notary Public, State of New York
No. 01MC6041686
Qualified in New York County
Commission Expires May 15, 2010

CERTIFICATION OF ADEQUACY OF COMMON CHARGES PAYABLE BY NON-RESIDENTIAL UNIT OWNERS PURSUANT TO 13 NYCRR 20.4(e)

Date: October 20, 2009

Department of Law
120 Broadway - 23rd Street
New York, NY 10271

Re: **77 Reade Street Condominium**

Ladies and Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained me/our firm to review or prepare Schedule B which includes projections of common charges payable by the owners of the Non-Residential Units. My/or our experience in this field includes:

Midboro Management, Inc has managed Cooperatives and Condominiums since 1963 and currently manages 74 buildings. Gary Ziprin, a Certified Public Accountant, has over 20 years of experience in Cooperative and Condominium finance, including budget preparation.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the Non-Residential Units listed in Schedule B.

I/we have reviewed Schedule B as it impacts upon the Non-Residential Units and investigated the facts underlying it with due diligence in order to form a basis for this Certification. I/We also have relied on my/our experience in managing residential buildings.

I/we certify that the projections in Schedule B for common charges payable by the owner of the Non-Residential Units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such Non-Residential Units for the projected first year of condominium operation, and that the allocation of common charges attributable to the Non-Residential Units also reflects special or exclusive use or availability or exclusive control of particular common areas.

I/we certify that the estimates in Schedule B for the common charges payable by the owner of the Non-Residential Units:

(i) set forth in detail the projected common charges for the Non-Residential Units for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the Non-Residential Units;

(iii) do not omit any material fact;

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

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

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

(vii) do not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I/we further certify that I am/we are not owned or controlled by the sponsor. I/We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the Non-Residential Units for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____

Gary Ziprin, Midboro Mangement, CFO

Sworn to before me this
20 day of October, 2009

_____
NOTARY PUBLIC

Kimberly K. McDowell
Notary Public, State of New York
No. 01MC6041686
Qualified in New York County
Commission Expires May 15, 2010

POWER OF ATTORNEY

(a) CAUTION TO THE PRINCIPAL: Your Power of Attorney is an important document. As the "principal," you give the person whom you choose (your "agent") authority to spend your money and sell or dispose of your property during your lifetime without telling you. You do not lose your authority to act even though you have given your agent similar authority.

When your agent exercises this authority, he or she must act according to any instructions you have provided or, where there are no specific instructions, in your best interest. "Important Information for the Agent" at the end of this document describes your agent's responsibilities.

Your agent can act on your behalf only after signing the Power of Attorney before a notary public.

You can request information from your agent at any time. If you are revoking a prior Power of Attorney by executing this Power of Attorney, you should provide written notice of the revocation to your prior agent(s) and to the financial institutions where your accounts are located.

You can revoke or terminate your Power of Attorney at any time for any reason as long as you are of sound mind. If you are no longer of sound mind, a court can remove an agent for acting improperly.

Your agent cannot make health care decisions for you. You may execute a "Health Care Proxy" to do this.

The law governing Powers of Attorney is contained in the New York General Obligations Law, Article 5, Title 15. This law is available at a law library, or online through the New York State Senate or Assembly websites, www.senate.state.ny.us or www.assembly.state.ny.us.

If there is anything about this document that you do not understand, you should ask a lawyer of your own choosing to explain it to you.

(b) I (We) residing at _____ ("Principal") the owner of Condominium Unit No. ___ in the Condominium known as 77 Reade Street Condominium covering the property located at 77 Reade Street, New York, New York, do hereby nominate, constitute and appoint the Members of the Board of Managers of 77 Reade Street Condominium c/o 77 Reade, LLC, 295 Greenwich Street, 50 East 42nd Street, Suite 1001, New York, New York 10017-5405 ("Board of Managers/Agent"), and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Units in said property, any Condominium Unit whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale, at such price and on such terms as my said attorneys-in-fact shall, in their sole discretion deem proper and thereafter to convey, sell, lease,

sublease, mortgage, vote or otherwise deal in such Condominium Unit so acquired, at such terms as my attorneys-in-fact may in their sole discretion determine, granting to my said attorneys-in-fact the power to do all things in the said premises which I could do if I were personally present.

I (We) do further hereby nominate, designate, constitute and appoint the members of the Board of Managers/Agent of 77 Reade Street Condominium and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf, the right to act in my behalf to take any and all action necessary against any tenant(s) that may be residing in my Condominium Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of 77 Reade Street Condominium.

I (We) do hereby further irrevocably nominate, constitute and appoint 77 Reade, LLC, 295 Greenwich Street, 50 East 42nd Street, Suite 1001, New York, New York 10017-5405 ("Sponsor/Agent") and its successors, my true and lawful attorneys-in-fact coupled with an interest in my name and on my behalf to vote at any Unit Owners meeting for, and to file an amendment to the Declaration of Condominium of Novo 64 Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units, as built, and to amend any Filed Map or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Eleventh, Section (c) of the Declaration of Condominium.

This document does not revoke any power of attorney I/We have previously executed. In order to revoke a prior power of attorney, I/We will execute a revocation specifically referring to the power to be revoked.

Notwithstanding anything set forth herein to the contrary, this power of attorney is irrevocable and shall not be revoked by any subsequent power of attorney I/We may execute.

Whenever two or more powers of attorney are valid at the same time, the agents appointed on each shall act separately, unless specified differently in the documents.

(c) IMPORTANT INFORMATION FOR THE AGENT:

When you accept the authority granted under this Power of Attorney, a special legal relationship is created between you and the principal. This relationship imposes on you legal responsibilities that continue until you resign or the Power of Attorney is terminated or revoked. You must:

(1) act according to any instructions from the principal, or, where there are no instructions, in the principal's best interest;
(2) avoid conflicts that would impair your ability to act in the principal's best interest;
(3) keep the principal's property separate and distinct from any assets you own or control, unless otherwise permitted by law;
(4) keep a record or all receipts, payments, and transactions conducted for the principal; and
(5) disclose your identity as an agent whenever you act for the principal by writing or printing the principal's name and signing your own name as "agent" in either of the following manner: (Principal's Name) by (Your Signature) as Agent, or (Your Signature) as Agent for (Principal's Name).

You may not use the principal's assets to benefit yourself or give major gifts to yourself or anyone else unless the principal has specifically granted you that authority in this Power of Attorney or in a Statutory Major Gifts Rider attached to this Power of Attorney. If you have that authority, you must act according to any instructions of the principal or, where there are no such instructions, in the principal's best interest. You may resign by giving written notice to the principal and to any co-agent, successor agent, monitor if one has been named in this document, or the principal's guardian if one has been appointed. If there is anything about this document or your responsibilities that you do not understand, you should seek legal advice.

Liability of agent:
The meaning of the authority given to you is defined in New York's General Obligations Law, Article 5, Title 15. If it is found that you have violated the law or acted outside the authority granted to you in the Power of Attorney, you may be liable under the law for your violation.

IN WITNESS WHEREOF, I (we) have set my (our) hand(s) and seal this day of , 20 .

Witnesses:

_____

_____

_____
Unit Owner/Principal

_____
Unit Owner/Principal

Board of Managers of 77 Reade Street Condominium/Agent

By:_____
, (Officer)

77 Reade, LLC /Agent

By:_____
, duly authorized agent

STATE OF NEW YORK)
:ss
COUNTY OF)

On the day of in the year 20 , before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that they executed the same in their capacity, and that by their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
:ss
COUNTY OF)

On the day of in the year 20 , before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that they executed the same in their capacity, and that by their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK)
:ss
COUNTY OF)

On the day of in the year 20 , before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that they executed the same in their capacity, and that by their signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

AMENDMENT NO. 1

To The Offering Plan of

77 READE STREET CONDOMINIUM

77 Reade Street
New York City, New York 10007

Dated: June 23, 2009

The Offering Plan dated June 25, 2008 is hereby amended as follows:

I. COMMON EXPENSES/BUDGET/ESTIMATED DATE OF COMMENCEMENT

In accordance with Section 339-m of the Real Property Law, the Common Expenses of the Condominium will be allocated and apportioned based on special or exclusive use or availability or exclusive control of particular Units or Common Areas by particular Unit Owners. As a result, the Common Expenses for the Residential Unit Owners and Non-Residential Unit Owners, i.e. the Commercial, Garage and Parking Space and Garage Storage Space Units will be allocated and apportioned in the manner reflected in the proposed first year budget and footnotes attached to and made a part of this Amendment as Exhibit "A". In view of the fact the Residential Units will be utilizing more of certain line items than their total percentage of Common Interest; the Residential Units will be paying a greater allocation and apportionment of the Common Expenses. This is a Special Risk of this Offering. In addition, the estimated date of commencement of the first year of operation of the Condominium is now estimated to be June 1, 2010 subject to unforeseen circumstances such as weather conditions, possible strikes, sales activity, material shortages, acts of God or other unforeseen delays beyond the control of the Sponsor. Annexed hereto as Exhibit "B" are the Certification of Adequacy of the Budget as well as the Certification of Adequacy of the Common Charges payable by the Non-Residential Unit Owners by Midboro Management, Inc., 148 West 37th Street, 8th Floor, New York, New York 10018. Annexed hereto as Exhibit "C" is the revised Schedule A which includes the changes reflected in this Paragraph as well as in Paragraph I above.

II. DECLARATION/BY-LAWS

A. A new paragraph is added to the end of Article Thirteenth of the Declaration of Condominium to read as follows:

The Board of Managers shall from time to time, at least annually, prepare a budget for the operation of the General Common Elements and the General Residential Units' Limited Common Elements and Common Expenses of the Condominium, determine the amount of the Common Charges payable by the Unit Owner(s) to meet the Common Expenses of the General Common Elements and the General Residential Units' Limited Common Elements and other expenses for the Condominium, and allocate and assess such Common Charges and Common Expenses among all the Unit Owners based on special or exclusive use or availability or exclusive control of particular Units or Common Areas by particular Unit Owners as determined by the Board of Managers. Any dispute regarding the allocation and apportionment of the Common Charges assessed against Units shall be resolved by Arbitration in accordance with the provisions of the By-Laws of the Condominium.

B. Article VI, Section 8 of the By-Laws is revised to read as follows:

The Board of Managers shall from time to time, at least annually, prepare a budget for the operation of the General Common Elements and the General Residential Units' Limited Common Elements and Common Expenses of the Condominium, determine the amount of the Common Charges payable by the Unit Owner(s) to meet the Common Expenses of the General Common Elements and the General Residential Units' Limited Common Elements and other expenses for the Condominium, and allocate and assess such Common Charges and Common Expenses among all the Unit Owners based on special or exclusive use or availability or exclusive control of particular Units or Common Areas by particular Unit Owners as determined by the Board of Managers. Any dispute regarding the allocation and apportionment of the Common Charges assessed against Units shall be resolved by Arbitration in accordance with the provisions of Article XII of these By-Laws.

III. TAX ABATEMENT

The Section of the Offering Plan regarding the tax abatement is revised to reflect that there is a ten (10) year exemption period available to buildings located south of 14th Street in Manhattan instead of what was previously disclosed. The ten (10) year exemption is phased in as follows

Year	Percentage Exemption On Improvements
1	100%
2	100%
3	80%
4	80%
5	60%
6	60%
7	40%
8	40%
9	20%
10	20%

The benefits include the exemption from real estate taxes of all additional value added to the assessment as a result of the new construction above the base assessment. The 421a benefits do not exempt future equalization assessment increases resulting from market appreciation. Although Sponsor anticipates obtaining Section 421-a benefits, Sponsor makes no guarantee that Section 421-a tax benefits will be granted or if granted when the abatement will commence. Sponsor does not expect the applications to be acted upon for at least 10-12 months from the date of submission of the applications. If approved, the 421-a tax benefits would not be reflected on a Residential Unit Owner's tax bill for at least another 10-12 months from the date of approval. As a result the Purchasers will most likely be required to pay real estate taxes for a period of time without the 421-a tax benefits. Therefore, Schedule A annexed hereto as Exhibit "C" reflects the estimated real estate taxes for each Residential Unit both with and without Section 421-a tax benefits. Annexed hereto and made a part of this Amendment as Exhibit "D" is a revised opinion letter reflecting said change.

IV. SPONSOR ADDRESS

The address of the Sponsor has changed. The new address is 50 East 42nd Street, Suite 1001, New York, New York 10017-5405.

V. UNITS

As of June 1, 2009, Sponsor has not entered into any Purchase Agreements.

VI. EXTENSION

This Plan may be used for six (6) months from the date this Amendment is duly accepted for filing and, thereafter, said date is to be extended in a further Amendment to be filed.

Other than as set forth above, there are no material changes which require an amendment to the Offering Plan.

77 READE, LLC
Sponsor

VI. SCHEDULE B

77 READE STREET CONDOMINIUM

PROJECTED BUDGET FOR FIRST YEAR OF OPERATION

Beginning June 1, 2010

Projected Income			
(1)	Common Charges-Residential Unit	464,206	
(1)	Common Charges-Commercial Unit	17,155	
	Common Charges-Basement Parking and Storage	1,464	
	Total Projected Common Charges		$482,825
Projected Expenses			
(2)	Labor and Benefits	242,494	
(3)	Gas (heating and hot water)-Residential	38,500	
(4)	Electricity	29,040	
(5)	Water charges and sewer rents	29,600	
(6)	Repairs, maintenance and supplies	24,800	
(7)	Service Contracts	15,151	
(8)	Insurance	39,500	
(9)	Management fees	32,000	
(10)	Legal and Accounting	11,750	
(11)	Other	14,990	
(12)	Contingency	5,000	
	Total Projected Expenses		$482,825

*In the event the actual first year budget differs from the actual commencement of the budget year by six (6) months or more, Sponsor will amend the Plan to include a revised budget. See explanatory footnotes. If amended budget exceeds this budget by twenty-five (25%) percent or more, the Sponsor will offer all Purchasers the right to rescind their Purchase Agreement and have their deposits returned, with interest, if any within a reasonable period of time that is not less than fifteen (15) days.

EXHIBIT "A"

FOOTNOTES TO PROJECTED BUDGET

1. Annual Common Charges

Common Charges projected herein are based upon estimated expenses for the twelve (12) month period commencing June 1, 2010. If the actual or anticipated date of commencement of Condominium operation is to be delayed by more than six (6) months from the budget year projected in the Offering Plan, the Plan will be amended to include a revised budget disclosing the current projections.

The common charges are allocated among the Condominium Units, as detailed on pages that follow and summarized below, in a fair and equitable manner.

2. Labor and Related Expenses

It is believed that the level of staffing complies with all applicable housing laws, labor laws, and minimum wage laws. Based on the services of a part time non-union superintendent who does not live on premises as follows.

The building staff shall consist of:

NUMBER OF EMPLOYEES	NUMBER OF EMPLOYEES IN CATEGORY	CATEGORY	ANNUAL WAGE
1	1	SUPER/PORTER	35,360
4 1/5	4 1/5	DOORMAN	131,040
5 1/5	**5 1/5**		**166,400**

BASE, OT, BONUS:	BASE PAY		166,400
	OVERTIME PAY		638
	BONUSES		3,150
VACATIONS & HOLIDAYS AND PERSONAL	VACATION & SICK PAY		6,138
	3.5	AVERAGE WEEKS PER EMPLOYEE	
	1	PERSONAL DAY	456
	10	HOLIDAYS (TIME AND A HALF)	9,600
EMPLOYER FICA	FICA @ **7.650%**		14,258
UNEMPLOYMENT INSURANCE	FEDERAL @ **1.100%**		673
	STATE @ **2.000%**		1,224
GOVERNMENT MANDATED BENEFITS	DISABILITY INSURANCE		350

	WORKERS COMP @ **4.00%**			7,447
MANDATED BENEFITS (coverage for 5 fulltime employees)	HEALTH INSURANCE	(annual rates) 6,432 (per employee)	32,160	

SUMMARY

GROSS SALARY	202,537
BENEFITS	39,957
TOTAL	**242,494**

Staffing is based on 1 fulltime super/porter plus twenty-four (24) hour, seven (7) days per week doorman, plus all statutory taxes at the prevailing rates, plus single health insurance coverage. The Condominium will be a non-union building. The first 95% of the super/porter costs and first 98% of door coverage is allocated to the Residential Units.

3. Gas

Heat and hot water for the Residential Units, including the Common Elements, shall be provided by gas-fired hot water heaters located in the boiler room. The cost of heat and hot water for the Commercial Unit will be solely the responsibility of the Commercial Unit Owners. The entire budget is allocated to the Residential Units.

The budgeted amount, based on an estimate prepared by Laszlo Bodak, Engineer PC, assumes annual consumption of natural gas at approximately 21,900 therms at a unit cost of $1.76. Fluctuations in the natural gas market and the weather will ultimately determine actual costs. Accordingly, the budget estimate cannot be guaranteed.

Gas will be provided by Con Edison.

4. Electricity

Electric consumption includes the aggregate cost of power to the Common Elements, including lighting for the lobby, public stairways and corridors, elevator and exterior power for the elevator, voice intercom system and electric door release at the front entrance door and mechanical equipment systems covering the Common Elements.

The budgeted amount, based upon an estimate prepared by Laszlo Bodak Engineer, PC located at 45 West 36th Street New York, N.Y. 10018, assumes power consumption for the first year of Condominium operation will be 132,000 kilowatt hours @ 22 cents per kilowatt hour, inclusive of sales taxes, for a total of $29,040. The actual cost will vary based on equipment maintenance and

efficiency as well as the unpredictable nature of price fluctuations. Accordingly, the budgeted cost cannot be guaranteed.

Electricity will be provided by Con Edison. The total cost will be allocated to the Residential Units.

The Commercial Unit utility costs will be metered separately. Any electrical consumption for the Commercial Unit will be billed directly from the utility company to the Commercial Unit Owner. The Commercial Unit is separately metered for gas services.

It is not possible to predict how closely the budgeted figure will reflect the actual expenses for electricity and gas to be incurred during the first year of Condominium Operation, in part because such expenses will vary with the level of consumption and the applicable rates.

Many factors affect the cost of electricity, including the cost of oil used to generate electricity, which cost has historically been highly volatile and unpredictable. In recent years, electric rates have been increasing steadily. The cost of natural gas is also likely to increase, although it is not possible to forecast with certainty the amount or timing of such increases.

5. Water and Sewer Charges

All charges for water consumption in the Residential Units and the Common Elements plus related sewer rents will be an expense of Residential Units only.

The budget, based on an estimate provided by Laszlo Bodak Engineer, P.C., contemplates annual usage of 4,900 hundred cubic feet. The current unit cost as of July 2007 is $5.22. The budget projects unit cost increases totaling 16%, or $6.05. Accordingly, the budgeted amount is $29,600.

The Commercial Units will be separately metered for water consumption and each Commercial Unit Owner will solely responsible to pay all costs associated therewith. In addition each Commercial Unit Owner will contribute to the Building wide water and sewage costs based upon their percentage of common interest in the Condominium.

The actual water cost will be impacted by future rate increases, efficiency of water fixtures, personal habits and population density within the individual residential units. Accordingly, no guarantee can be rendered concerning the budgeted amount.

6. Repairs, Maintenance and Supplies

Does not include repairs, painting, maintenance, or supplies for individual Units, all of which are the responsibility of the individual Unit Owners. The budget includes repairs to the interior of the building, the plumbing and electrical systems, painting of public areas, foundation, the heating system (including pipes

and control devises regulation distribution in the building) and various supplies (such as cleaning supplies and materials, lubricants, bulbs, public fixtures, general and hardware supplies). No amount is included for items covered by construction warranties or to cover the cost of any major capital expenditure in the building. The budgeted amount is based on the Sponsor's experience in operating newly constructed buildings of comparable size and quality.

	Allocations	Total	Residential Unit	Commercial Unit	Basement Parking & Storage
Boiler and HVAC		2,000	2,000	-	-
Plumbing	Relative commercial unit common interest of 15.4% allocated to commercial unit	2,000	1,692	308	-
Doors		1,000	1,000	-	-
Electrical		1,000	1,000	-	-
Intercom & Security		1,000	1,000	-	-
Lobby & Halls		1,500	1,500	-	-
Water Conditioning		1,800	1,800	-	-
Flowers and Landscape		2,500	2,500	-	-
Supplies	95%, 5%	5,000	4,750	250	-
Equipment Repairs	Relative commercial unit common interest of 15.4% allocated to commercial unit	2,000	1,692	308	-
Apartment Repairs		2,500	2,500	-	-
Other Repairs	Relative commercial unit common interest of 15.4% allocated to commercial unit	2,500	2,115	385	
			-	-	-
Totals		**24,800**	**23,549**	**1,251**	**-**

7. Service Contracts

Elevator	3,251	Major Elevator Corp. -72 Reade St, NY, NY 10007
HVAC	10,400	Air Depot – 4118 2nd Avenue Brooklyn, NY 11232
Exterminating	1,500	Based on similar buildings

	ALLOCATION	Totals	Residential Unit	Commercial Unit	Basement Parking & Storage
Elevator		3,251	3,251	-	-
HVAC		10,400	10,400	-	-
Exterminating	Relative commercial unit common interest of 15.4% allocated to commercial unit	1,500	1,269	231	-
Totals		15,151	14,920	231	-

As of the date of acceptance of the Offering Plan the Condominium has not entered into contracts with Major Elevator Corp. or Air Depot.

8. Insurance

Insurance projections are based on an estimate of insurance premiums provided by Hub International with offices located at 100 Sunnyside Boulevard, Woodbury, N.Y. 11797 as follows:

Property Coverages	
Building – Special Form/"All Risk"/Replacement Cost (No co-insurance)	$16,000,000 ($5,000 Ded)
Building Ordinance/Increased Cost of Construction	$5,000,000
Underground Main/Sewer Back-up	$5,000,000
Flood	$5,000,000 ($25,000 Ded)
Business Income (Common charges)	12 Months-Actual Loss Sustained
Contents/Personal Property	$20,000
Boiler & Machinery	Included
General Liability Coverages	
General Aggregate Limit	$2,000,000
Products/Completed Operations Aggregate	$1,000,000
Personal/Advertising Injury	$1,000,000
Each Occurrence	$1,000,000
Fire Damage Limit – Any one fire	$ 100,000
Employee Benefits	$1,000,000
Non-Owned & Hired Auto Liability	$1,000,000
Crime/Fidelity Insurance	
Employee Dishonesty	$250,000
Forgery/Alteration	$100,000

Projected Annual Premium – Property, Liability & Crime Coverage - $29,500

Directors & Officers Liability	
Limit	$1,000,000

Projected Annual Premium - $2,500

Umbrella Policy	
Limit	$100,000,000

Projected Annual Premium - $7,500

Total	83.16% Residential	15.40% Commercial	1.44% Parking
$39,500	$32,848	$6,083	$569

The Sponsor represents that it will deliver at the Condominium's expense, on or before the first Closing of Title to a Unit, a fire and liability binder of policy containing all the coverage described in this footnote and meeting the

requirements of the Condominium By-Laws. This coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of the Unit Owner.

Unit Owners are advised to obtain insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements and liability coverage for occurrences within the Unit.

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

Insurance expense has been allocated to all Unit Owners based on relative common interest.

IN RECENT YEARS, PREMIUMS FOR INSURANCE HAVE BEEN ON THE INCREASE. THE RATES REFLECTED ABOVE ARE THOSE IN EFFECT AS OF THE DATE OF THE OFFERING PLAN. BECAUSE OF THE VOLATILITY OF THE INSURANCE MARKET, IT IS NOT POSSIBLE TO PREDICT WHETHER FUTURE PREMIUMS WILL CONTINUE TO INCREASE OR WILL LEVEL OFF. NO REPRESENTATION IS MADE REGARDING THE ACTUAL COST OF INSURANCE AT THE TIME OF THE COMMENCEMENT OF THE BUDGET.

9. Management Fees

The initial contract with the managing agent shall commence upon the conveyance of title by the Sponsor of the first Unit in the Condominium and shall continue until the first anniversary of such date. The fee shall be $32,000 per annum based on a quote provided by Midboro Management, Inc. with offices located at 148 West 37th Street, New York, New York 10018.

Total	83.16% Residential	15.40% Commercial	1.44% Parking
$32,000	$26,611	$4,928	$461

10. Legal and Accounting Fees

Legal	$5,000
Accounting and Auditing	$6,750
Total Legal and Accounting	**$11,750**

Legal fees include general business matters as well as collection efforts beyond the scope of the Board of Managers or managing agent. All Condominium Unit Owners are entitled to receive annual audited financial statement from the

Condominium. Accounting also includes preparation of the annual income tax returns. Accounting estimate provided by the accounting firm of Czarnowski and Beer LLP with offices located at 554 Fifth Avenue New York, NY 10036.

Total	83.16% Residential	15.40% Commercial	1.44% Parking
11,750	9,771	1,810	169

Allocations are based on relative common interests.

11. Other Expenses

	Allocation Percentages	Total	Residential Unit	Commercial Unit	Basement Parking & Storage
Telephone-Lobby		1,500	1,500	-	-
Payroll Processing	(99.55%, .42%, .03%)	2,800	2,787	12	1
Permits & Inspections	relative common interest	2,500	2,079	385	36
Uniforms	(99.55%, .42%, .03%)	3,750	3,733	16	1
Dues & Subscriptions	relative common interest	1,200	998	185	17
Office Expenses	relative common interest	1,500	1,247	231	22
Administrative Exp	relative common interest	1,500	1,247	231	22
Bank Charges	relative common interest	240	200	37	3
Total		**14,990**	**13,792**	**1,096**	**102**

Covers telephone, payroll processing, New York City mandated fees and inspections such as boiler permits, elevator inspection fee, postage, messengers, copies, various compliance-related administrative fees, new employee uniforms and cleaning, membership dues to various real estate and condominium advocacy organizations and other miscellaneous expenses incurred in the normal course of business. Allocations for telephone-super, payroll processing and uniforms are consistent with payroll allocations discussed above in section (2).

Total	83.16% Residential	15.40% Commercial	1.44% Parking
$5,000	$4,158	$770	$72

12. Contingencies

This item is intended to provide a fund for possible expenses not included in the budget or possible increases in one or more items of operating expense above the amounts projected. These funds may be used at the discretion of the Board of Managers for unforeseen expenses or other appropriate expenses. The purpose of the contingency fund is to provide for any unanticipated expenses or unanticipated increases in projected expenses and is not part of the reserve fund which is utilized for capital expenditures.

IN THE OPINION OF MIDBORO MANAGEMENT, INC. ("CONSULTANT"), 148 WEST 37TH STREET, 8TH FLOOR, NEW YORK, NEW YORK 10018 (SET FORTH IN "CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET," IN PART II OF THIS PLAN), THE PROJECTED RECEIPTS APPEAR REASONABLE AND ADEQUATE BASED ON PRESENT PRICES (ADJUSTED TO REFLECT CONTINUED INFLATION AND PRESENT LEVELS OF CONSUMPTION FOR COMPARABLE UNITS SIMILARLY SITUATED) TO MEET THE ESTIMATED EXPENSES FOR THEIR FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE YEAR COMMENCING JUNE OF 2010. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A WARRANTY THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM BOARD WILL BE AS SET FORTH IN SAID BUDGET.

IT IS LIKELY THAT THE ACTUAL COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

CERTIFICATION OF ADEQUACY OF OPERATING BUDGET
PURSUANT TO 13 NYCRR 20.4 (d)

Date: March 31, 2009

State of New York
Department of Law
120 Broadway - 23rd Street
New York, NY 10271

RE: **77 Reade Street Condominium**

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property retained me/our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. My/or our experience in this field includes:

Midboro Management, Inc had managed Cooperatives and Condominiums since 1963 and currently manages 74 buildings Gary Ziprin, a Certified Public Accountant, has over 20 years of experience in Cooperative and Condominium finance, including budget preparation.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

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

I/we certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I/we certify that the Schedule:

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

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

EXHIBIT "B"

(iii) does not omit any material fact;

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

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

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

(vii) does not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I/we further certify that I am/we are not owned or controlled by the Sponsor. I/we understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____

Gary Ziprin, Midboro Mangement, Inc. CFO

Sworn to before me this
31st day of March 2009.

_____
Notary Public

Kimberly K. McDowell
Notary Public, State of New York
No. 01MC6041686
Qualified in New York County
Commission Expires May 15, 2010

CERTIFICATION OF ADEQUACY OF COMMON CHARGES PAYABLE BY NON-RESIDENTIAL UNIT OWNERS PURSUANT TO 13 NYCRR 20.4(e)

Date: March 31, 2009

State of New York
Department of Law
120 Broadway - 23rd Street
New York, NY 10271

Re: **77 Reade Street Condominium**

Gentlepeople:

The sponsor of the condominium offering plan for the captioned property retained me/our firm to review or prepare Schedule B which includes projections of common charges payable by the owners of the Non-Residential Units. My/or our experience in this field includes:

Midboro Management, Inc. had managed Cooperatives and Condominiums since 1963 and currently manages 74 buildings. Gary Ziprin, a Certified Public Accountant, has over 20 years of experience in Cooperative and Condominium finances, including budget preparation.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the Non-Residential Units listed in Schedule B.

I/we have reviewed Schedule B as it impacts upon the Non-Residential Units and investigated the facts underlying it with due diligence in order to form a basis for this Certification. I/We also have relied on my/our experience in managing residential buildings.

I/we certify that the projections in Schedule B for common charges payable by the owner of the Non-Residential Units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such Non-Residential Units for the projected first year of condominium operation, and that the allocation of common charges attributable to the Non-Residential Units also reflects special or exclusive use or availability or exclusive control of particular common areas.

I/we certify that the estimates in Schedule B for the common charges payable by the owner of the Non-Residential Units:

(i) set forth in detail the projected common charges for the Non-Residential Units for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the Non-Residential Units;

(iii) do not omit any material fact;

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

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

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

(vii) do not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I/we further certify that I am/we are not owned or controlled by the sponsor. I/We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the Non-Residential Units for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____

Gary Ziprin, Midboro Mangement, CFO

Sworn to before me this
31st day of March, 2009

_____
Notary Public

Kimberly K. McDowell
Notary Public, State of New York
No. 01MC6041686
Qualified in New York County
Commission Expires May 15, 2010

EXHIBIT "C"

V. SCHEDULE A

77 READE STREET CONDOMINIUM

Unit Information and Sales Prices for the Period June 1, 2010 through May 31, 2011

Unit No.	Floor	Total Unit Sq. Footage*	Interior Sq. Footage	Storage Area Sq. Ftge	Number of Rooms, Bedrooms (BR), Bathrooms (BTH)	Offering Price	% of Common Interest	Roof Area Sq. Footage	Estimated Monthly Common Charges	Estimated Annual Common Charges	1/1/10-12/31/10 Estimated 1st Year's R.E Taxes w/o 421a	1/1/10-12/31/10 Estimated Monthly R.E Taxes w/o 421a	1/1/11-12/31/11 Estimated 2nd Year's R.E Taxes w/o 421a	1/1/11-12/31/11 Estimated Monthly R.E Taxes w/o 421a	1/1/10-12/31/10 Estimated R.E Taxes with 421a	1/1/10-12/31/10 Estimated Monthly R.E Taxes with 421a
2A	2	1,938	1,838	100	3 BR, 3 BTH	$ 3,149,250.00	3.58	601	$ 1,665.32	$ 19,983.86	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
2B	2	1,692	1,592	100	2 BR, 2 BTH	$ 2,749,500.00	3.06	601	$ 1,423.43	$ 17,081.17	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
2C	2	953	853	100	STUDIO, 1 BTH	$ 1,310,375.00	1.72	0	$ 800.10	$ 9,601.18	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
2D	2	955	855	100	STUDIO, 1 BTH	$ 1,313,125.00	1.44	0	$ 669.85	$ 8,038.20	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
2E	2	1,623	1,523	100	2 BR, 2 BTH	$ 2,637,375.00	2.80	385	$ 1,302.49	$ 15,629.83	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
2F	2	1,597	1,497	100	2 BR, 2 BTH	$ 2,595,125.00	2.63	497	$ 1,223.41	$ 14,680.88	$ 14,171.51	$ 1,180.96	$ 18,649.60	$ 1,554.13	$ 5,600.23	$ 466.69
3A	3	1,938	1,838	100	3 BR, 3 BTH	$ 2,810,100.00	3.58	0	$ 1,665.32	$ 19,983.86	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
3B	3	1,692	1,592	100	2 BR, 2 BTH	$ 2,453,400.00	3.06	0	$ 1,423.43	$ 17,081.17	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
3C	3	953	853	100	STUDIO, 1 BTH	$ 1,381,850.00	1.72	0	$ 800.10	$ 9,601.18	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
3D	3	955	855	100	STUDIO, 1 BTH	$ 1,384,750.00	1.44	0	$ 669.85	$ 8,038.20	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
3E	3	1,623	1,523	100	2 BR, 2 BTH	$ 2,353,350.00	2.80	0	$ 1,302.49	$ 15,629.83	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
3F	3	1,597	1,497	100	2 BR, 2 BTH	$ 2,315,650.00	2.63	0	$ 1,223.41	$ 14,680.88	$ 14,171.51	$ 1,180.96	$ 18,649.60	$ 1,554.13	$ 5,600.23	$ 466.69
4A	4	1,938	1,838	100	3 BR, 3 BTH	$ 2,897,310.00	3.58	0	$ 1,665.32	$ 19,983.86	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
4B	4	1,692	1,592	100	2 BR, 2 BTH	$ 2,529,540.00	3.06	0	$ 1,423.43	$ 17,081.17	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
4C	4	953	853	100	STUDIO, 1 BTH	$ 1,424,735.00	1.72	0	$ 800.10	$ 9,601.18	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
4D	4	955	855	100	STUDIO, 1 BTH	$ 1,427,725.00	1.44	0	$ 669.85	$ 8,038.20	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
5A	5	1,938	1,838	100	3 BR, 3 BTH	$ 2,955,450.00	3.58	0	$ 1,665.32	$ 19,983.86	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
5B	5	1,692	1,592	100	2 BR, 2 BTH	$ 2,580,300.00	3.06	0	$ 1,423.43	$ 17,081.17	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
5C	5	953	853	100	STUDIO, 1 BTH	$ 1,453,325.00	1.72	0	$ 800.10	$ 9,601.18	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
5D	5	955	855	100	STUDIO, 1 BTH	$ 1,456,375.00	1.44	0	$ 669.85	$ 8,038.20	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
5E	4	1,623	1,523	100	2 BR, 2 BTH	$ 2,426,385.00	2.80	0	$ 1,302.49	$ 15,629.83	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
5F	4	1,597	1,497	100	2 BR, 2 BTH	$ 2,387,515.00	2.63	0	$ 1,223.41	$ 14,680.88	$ 14,171.51	$ 1,180.96	$ 18,649.60	$ 1,554.13	$ 5,600.23	$ 466.69
6A	6	1,938	1,838	100	3 BR, 3 BTH	$ 3,003,900.00	3.58	0	$ 1,665.32	$ 19,983.86	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
6E	5	1,623	1,523	100	2 BR, 2 BTH	$ 2,475,075.00	2.80	0	$ 1,302.49	$ 15,629.83	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
6C	6	953	853	100	STUDIO, 1 BTH	$ 1,477,150.00	1.72	0	$ 800.10	$ 9,601.18	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
DPHA	7, 8	2,419	2,169	250	3 BR, 2 1/2 BTH	$ 5,079,900.00	4.04	1116	$ 1,879.30	$ 22,551.61	$ 21,769.17	$ 1,814.10	$ 28,648.05	$ 2,387.34	$ 8,602.63	$ 716.89
DPHB	7, 8	2,639	2,389	250	3 BR, 2 1/2 BTH	$ 5,541,900.00	4.49	1687	$ 2,088.63	$ 25,063.55	$ 24,193.95	$ 2,016.16	$ 31,839.05	$ 2,653.25	$ 9,560.85	$ 796.74
DPHC	6, 7, 8	3,196	2,946	250	4 BR, 2,2- 1/2 BTH	$ 6,711,600.00	4.47	1233	$ 2,079.33	$ 24,951.91	$ 24,086.18	$ 2,007.18	$ 31,697.22	$ 2,641.44	$ 9,518.26	$ 793.19
DPHD	6, 7	1,897	1,647	250	2 BR, 2 1/2 BTH	$ 3,983,700.00	2.25	332	$ 1,046.64	$ 12,559.69	$ 12,123.92	$ 1,010.33	$ 15,954.98	$ 1,329.58	$ 4,791.07	$ 399.26
DPHE	5, 6	2,801	2,551	250	3 BR, 2 1/2 BTH	$ 6,372,275.00	4.32	474	$ 2,009.55	$ 24,114.60	$ 23,277.92	$ 1,939.83	$ 30,633.56	$ 2,552.80	$ 9,198.86	$ 766.57
		49,278	45,528			$ 82,638,010.00	83.16		$ 38,683.86	$ 464,206.00	$ 448,100.00	$ 37,341.67	$ 589,696.00	$ 49,141.33	$ 177,078.00	$ 14,756.50

V. SCHEDULE A

77 READE STREET CONDOMINIUM

Unit Information and Sales Prices for the Period June 1, 2010 through May 31, 2011

Unit No.	Floor	Total Unit Sq. Footage*	Interior Sq. Footage	Storage Area Sq. Fige	Number of Rooms, Bedrooms (BR), Bathrooms (BTH)	Offering Price	% of Common Interest	Roof Area Sq. Footage	Estimated Monthly Common Charges	Estimated Annual Common Charges	1/1/10-12/31/10 Estimated 1st Year's R.E Taxes w/o ICIP	1/1/10-12/31/10 Estimated Monthly R.E Taxes w/o ICIP	1/1/11-12/31/11 Estimated 2nd Year's R.E Taxes w/o ICIP	1/1/11-12/31/11 Estimated Monthly R.E Taxes w/o ICIP	7/1/10-6/30/11 Estimated R.E Taxes with ICIP	7/1/10-6/30/11 Estimated Monthly R.E Taxes with ICIP
G1	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G2	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G3	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G4	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G5	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
GS	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
1A	1, Bsmt	8,595	8,595	N/A	Commercial	$ 7,702,985.00	11.47	0	$ 1,064.70	$ 12,776.38	$ 142,906.52	$ 11,908.88	$ 176,207.50	$ 14,683.96	$ 134,093.98	$ 11,174.50
1B	1, Bsmt	4,046	4,046	N/A	Commercial	$ 2,224,130.00	3.93	0	$ 364.80	$ 4,377.61	$ 48,964.48	$ 4,080.37	$ 60,374.50	$ 5,031.21	$ 45,945.02	$ 3,828.75
		12,641	12,641			$ 11,427,115.00	16.84		$ 1,551.48	$ 18,617.99	$ 197,866.98	$ 16,488.93	$ 243,975.02	$ 20,331.25	$ 182,520.00	$ 15,210.01
Total		61,919	58,169			$ 94,065,125.00	100									

CERTILMAN BALIN
ATTORNEYS

90 MERRICK AVENUE, 9TH FLOOR
EAST MEADOW, NY 11554
PHONE: 516.296.7000 • FAX: 516.296.7111
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XXIII. OPINION OF COUNSEL

RICHARD HERZBACH
PARTNER
DIRECT DIAL 516.296.7006
rherzbach@certilmanbalin.com

June 1, 2009

77 Reade, LLC
50 East 42nd Street
Suite 1001
New York, NY 10017-5405

Re: **77 Reade Street Condominium**

Gentlepeople:

We have reviewed the Offering Plan (the "Plan") and relevant documents to opine whether under present laws and regulations the Residential Units in the Condominium will be eligible upon their completion for the partial real estate tax exemption under Section 421-a of the Real Property Tax Law of the State of New York ("Section 421-a") and the Rules and Regulations promulgated thereunder by the New York City Department of Housing Preservation and Development ("HPD").

Based solely on our review of the Plan and a letter provided by The Mazursky Group, 42 Broadway, Suite 1744, New York, New York, a consulting firm that specializes in Section 421-a tax exemptions, Section 421-a and the Rules and Regulations referred to above, as well as the validity and correctness of the assumptions hereinafter set forth, it is our opinion that, subject to changes in Section 421-a or the regulations or rulings issued thereunder, or any judication interpretations thereof, upon which we have based this opinion, the completed Residential Units will be eligible for partial real estate tax exemption under Section 421-a.

This opinion is conditioned upon the filing and approval of a Preliminary and Final Application to be submitted to HPD prior to initial occupancy and the submission of the temporary or permanent Certificate of Occupancy issued by the Department of Buildings of the City of New York.

Under Section 421-a, the Residential Units shall be exempt from taxation for local purposes; other than assessments for local improvements and except for the portions of the new building, if any, which are non-residential and which exceed twelve (12%) percent of the aggregate residential space; for a period not to exceed ten (10) years. The real estate taxes on the Residential Units (but not of the previous land and improvements) would be partially exempted during the ten (10) year declining period, as set forth below.

CERTILMAN BALIN
ATTORNEYS

Year	Percentage Exemption on Improvements
1	100%
2	100%
3	80%
4	80%
5	60%
6	60%
7	40%
8	40%
9	20%
10	20%

Our opinion regarding the partial tax exemption under Section 421-a is based upon information and representations provided by the Sponsor and The Mazursky Group, and the facts, assumptions and interpretations referred to above. No warranties or representations are given by this firm that a Final Certificate of Eligibility will be issued by HPD or that HPD or the Tax Commission of the City of New York will allow the Section 421-a benefits or that the laws, regulations or interpretations thereon on which this opinion is based will not change. Further, no warranties or representations are given by this firm as to when the benefit of the 421-a tax abatement will commence if a Final Certificate of Eligibility is issued by HPD. This firm will not be liable if the Property is not eligible for partial real estate tax exemption under Section 421-a benefits as a result of changes in the information or oral representations made by the Sponsor and The Mazursky Group, or because of any changes in applicable law, regulations, interpretations or decisional law. In addition, we have not passed upon the accuracy of any figures or estimates contained in the Offering Plan and do not warrant the amount of tax savings if the Residential Units receive partial tax exemption pursuant to Section 421-a.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP

By: _____
Richard Herzbach, Partner

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SPECIAL RISKS

1. The Sponsor has the right to maintain a majority of the Residential Members of the Board of Managers of the Condominium until all of the Residential Units being offered for sale have Closed Title. During said time the individual Unit Owners will not be able to enforce Sponsor's obligations through the Board of Managers. In addition, after Sponsor relinquishes control there is no provision in the By-Laws that requires a majority of the Residential Members of the Board of Managers be owner-occupants who are unrelated to the Sponsor or its principals. Purchasers should further note that owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed as a result of their different reasons for purchasing, i.e. purchasing as a Residential Unit to live in as opposed to purchasing as an investment. See Sections XVIII and IX of the Offering Plan.

2. The Sponsor has the right to retain control over certain expenditures and fiscal actions of the Board of Managers of the Condominium for a period ending not more than five (5) years after the Closing of the first Unit or whenever the unsold Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner. During this period the Sponsor will have control of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Unit Owners, including those paid by the Sponsor. During this period the Sponsor will also have control over the enforcement of the Sponsor's obligations. During this period, Sponsor will also have the right to control all decisions including but not limited to the determination of Common Expenses, management of the Condominium, the hiring and termination of employees of the Condominium, placing easements on the property and making improvements to the Common Elements. Notwithstanding the above, the Board of Managers has a fiduciary duty to the Unit Owners to enforce Sponsor's obligations. Sponsor's intentional refusal to allow the Board of Managers to pursue litigation against the Sponsor entity may constitute a beach of fiduciary duty to the Board of Managers. In addition the Unit Owners may commence a lawsuit in the nature of a derivative action. At no time may Sponsor exercise veto power over expenses described in Schedule B or over expenses required to (i) comply with applicable laws or regulations, (ii) to remedy any notice of violation, or (iii) to remedy any work order by an insurer. See Section XVIII of the Offering Plan and Schedule B.

3. The Condominium will consist of thirty (30) Residential Units ("Residential Units"), two (2) Commercial Units ("Commercial Units"), five (5) Garage Parking Space Units ("Garage Parking Space Units") and one (1) Garage Storage Space Unit ("Garage Storage Space Unit") in a seven (7) story building with a penthouse, cellar and sub-cellar. The term Units in the Offering Plan will refer to the Residential Units, Commercial Units and Garage Parking Space Units unless otherwise stated. See Section I of the Offering Plan. The Commercial Units may be used as Commercial

Facilities as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York which includes retail stores, personal service establishments and offices. The following uses are not permitted: veterinarian's office or pet shop; martial arts studio or school; machine shop or welding shop; dry cleaning or laundry service; chemical wholesaling, storage, retailing or manufacturing; heavy trucking, methadone clinic, drug or alcohol rehabilitation; extermination service; bicycle messenger center; bowling alley, manufacturer of tobacco products; leather dying or coloring; motel/hotel/hostel/homeless shelter or any transient use; sweat shop; roller/ice skating rink; tattoo parlor; waste disposal/refuse center; amusement arcade; auditorium; billiard parlor; brewery; heavy manufacturing of any kind; adult bookstore or video shop or other adult entertainment facility; any other noxious use (as defined by the company); homeless shelter; no enterprise engaging in pornography and no restaurant and no commercial cooking. The Residential Unit Owners will not have any input or decision making over the uses of a Commercial Unit. Purchasers should note that the use of a Commercial Unit may generate noise, traffic or other annoyances over which the Residential Unit Owners will have no control.

4. Sponsor will endeavor in good faith to sell the Residential and Commercial Units in the Condominium. However, Sponsor is retaining the unconditional right to rent rather than sell the Residential and Commercial Units. Because Sponsor is retaining the unconditional right to rent rather than sell the Residential and Commercial Units, this Plan may result in the creation of a condominium in which a majority of the Residential and Commercial Units are not owned by owner-occupants or investors who are unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell the Residential and Commercial Units, there is no commitment to sell more Residential and Commercial Units than the fifteen (15%) percent (15% x 32 = 5 Units) necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium.

5. Although normally a Sponsor's expense, pursuant to contractual agreement the following obligations have been transferred to Purchasers and shall be at Purchaser's sole expense: New York State Real Estate Transfer Taxes at the rate of $2.00 per $500 of consideration and New York City Transfer Tax of one (1%) percent of the Purchase Price for Units where the consideration is less than $500,000 and 1.4259 percent where the consideration is $500,000 or greater. Both taxes are considered additional consideration on which the respective tax is based. In addition, the Purchaser will be responsible for any New York State Mansion Tax pursuant to Section 1402-a of the Tax Law of one (1%) percent of the Purchase Price for any Unit which has a combined sales price of $1,000,000 or more. See Section XVI of the Offering Plan as to how the above taxes are calculated. See the Purchase Agreement set forth as Schedule D.

6. Sponsor has not been required to post a completion bond with the City of New York covering the Common Elements. In addition, no bond has been posted to secure Sponsor's obligations under the Offering Plan. See page Section XVII.

7. Although all funds received by Sponsor for upgrades or extras to a Unit will initially be placed in the Escrow Account as described in Section XII of the Offering Plan, such funds may be released from the escrow account as long as the Sponsor uses the funds for such upgrade or extra. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for upgrades or extras. See Section XII of the Offering Plan.

8. The first annual meeting of the Unit Owners may not be held until one (1) year after the date of the Closing of Title to the first Unit in the Condominium.

9. No Residential Unit Owner shall make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to the Residential Unit Owner's Residential Unit, or any Individual Residential Unit Limited Common Element, without the prior written approval of the Board of Managers. Said provision requiring the written consent of the Board of Managers does not apply to the Sponsor or any principal of the Sponsor who acquires a Residential Unit in the Condominium for their own use. It is recommended that any Residential Unit Owner contemplating any renovation in their Residential Unit either have been issued a permanent Certificate of Occupancy or obtain an assurance from a professional that the proposed renovations will not interfere with any work or sign-offs necessary to procure a permanent Certificate of Occupancy. See Article Nineteenth of Schedule I and Article VIII of Schedule J.

10. The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's down payment in the event a Purchaser is unable to obtain a mortgage. The Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at Closing regardless of the availability of financing. In the event a Purchaser does not Close Title to a Residential Unit as a result of Purchaser's inability to obtain a mortgage Sponsor will have the right to retain the downpayment plus the cost of any custom work ordered, as liquidated damages.

11. Pursuant to existing regulation, the Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) percent of the Units (excluding Garage Parking Space and Garage Storage Space Units) being offered for sale. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close Units with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Unit.

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 Residential Units being offered for sale 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 Condominium where the percentage of Residential Units purchased is lower than a Lender's particular sales minimum.

Even after Units are Closed, Lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell if prospective buyers are unable to obtain a loan due to such minimum sales requirements. See Section XIV.

12. Purchasers should note that in the event Sponsor is unable to convey title to a Residential Unit twelve (12) months after the proposed date of delivery set forth in the Purchase Agreement a Purchaser shall have the option to cancel the Purchase Agreement and have the down payment advanced by Purchaser returned to Purchaser. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option no later than thirty (30) days after the twelve (12) month period. Failure to so notify Sponsor shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. See Paragraph 6 of the Purchase Agreement in Part II of the Plan.

13. All deposits received from Purchaser will initially be deposited into an escrow account of the law firm of Certilman Balin Adler and Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554 (the "Escrow Agent") located at Capital One, N.A., 275 Broad Hollow Road, Melville, New York 11747, as described in Section XII of the Offering Plan. Said bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. If a Purchaser makes a down payment in excess of $100,000 for the purchase of a Residential Unit, it is a special risk of this offer that such deposit will not be federally insured in excess of $100,000.

14. The projections for the first year of operation of the Condominium contained in the budget are only estimates. Actual expenses may vary from the amounts shown. Purchasers should further note that premiums for insurance have been extremely volatile and have increased substantially in recent years. Sponsor cannot predict whether or not the insurance rates will continue to increase or stabilize. Sponsor makes no representation that the premium costs for the insurance reflected in the proposed first year budget will be applicable at the time of the first Closing of a Unit in the Condominium. See Schedule B, the proposed first year budget and the footnotes immediately following thereto.

15. It shall be the responsibility of each Purchaser to pay the following additional Closing Costs: (a) an initial non-reimbursable capital contribution of $750 to the Condominium; (b) reimbursement to the Sponsor based on each Unit's percentage of Common Interest for Sponsor's advancement for the cost of the Condominium's insurance; (c) $1,000 to Sponsor's attorney for the preparation of the Closing documents and (d) three-tenths (3/10) of one (1%) percent of the sales price for reimbursement to Sponsor for the cost of obtaining the Section 421-a and the Industrial Commercial Tax Exemption ("ICIP") tax abatement. Purchaser shall also pay, or reimburse to Sponsor, if Sponsor has already made payment, the following charges: (a) inspections, (b) appraisals, (c) surveying services, (d) water and sewer tap and connection fees, water meter deposit, water vault, water meter reading equipment and water and sewer test fees and (e) advance sewer use payments, if any. See Section XVI of the Offering Plan.

16. If through no fault of Sponsor, Purchaser fails for any reason to close title after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the apportionments shall be made as of midnight of the day preceding (i) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing Date (as the case may be). In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to .0438% per day (which equals an annual rate of 16%) of the purchase price for the Unit for each day beyond such originally scheduled or Sponsor adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges. See Section XVI of the Offering Plan.

17. The Owner of a Commercial Unit will be obligated to pay a share of the cost of insurance and maintenance and operation of the General Common Elements and other Common Expenses reflected in Schedule B based on the percentage of Common Interest in the Building allocated to such Unit even though they may not be entitled to use certain parts of the Condominium. A Commercial Unit Owner will also be responsible for the entire cost of the maintenance and operation of the Commercial Unit's Limited Common Elements. In addition, as provided for in Section 339-n of The Real Property Law of the State of New York, the Board of Managers may also make allocations and assessments of Common Charges to the General Common Elements in accordance with sub-metering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are based on special or exclusive use or availability or exclusive control of particular Units or common areas by particular Unit Owners. In the event of any dispute relating to the expenses to be borne by the Commercial Unit Owner such dispute shall be submitted to arbitration in accordance with the provisions contained in Article XII of the By-Laws. See Schedule B and Section XX of the Offering Plan.

18. A Commercial Unit Owner and/or its tenants shall have an easement to erect, maintain and replace one (1) or more signs on the property permitted by law for the purpose of advertising the operation of any business conducted therein. Any such signs shall be of reasonable size and shall not be located so as to unduly disturb the aesthetics of the Building. See Section XX of the Offering Plan.

19. Purchasers of a Commercial Unit will not be permitted to install any finished floor exceeding one (1") inch above the concrete slab, unless prior approval is provided by Sponsor's architect as long as the Sponsor continues to retain at least one (1) Unit in the Condominium and, thereafter, by an architect approved by the Board of Managers of the Condominium.

20. Purchasers should be aware that they may be living in an active construction site after they close on their Unit. During this period of construction there may be dirt and debris and construction material on site, construction vehicular traffic, construction noises, unfinished areas of the Development and other inconveniences which are normal in a community undergoing construction. Sponsor agrees to abide by all Federal, State, Local laws and ordinances regarding safe work practices during the time of construction.

21. As a result of the fact gas pipes, water pipes and electric wires run throughout the walls of the Building, Purchasers should be careful when placing any items on the wall or drilling into the walls of their Unit.

22. As disclosed in the footnotes to Schedule A, Sponsor is in the process of applying for real estate tax benefits under Section 421-a of the Real Estate Tax Law of the State of New York and the Industrial Commercial Tax Exemption ("ICIP"). If final certificate is granted there will be a 421-a real estate tax abatement on each Residential Unit and ICIP tax abatement for the Commercial Units as disclosed in Schedule A and in Section XIX of the Offering Plan. Although Sponsor anticipates obtaining Section 421-a and ICIP benefits, Sponsor makes no guarantee that Section 421-a and ICIP tax benefits will be granted or if granted when the abatement will commence. Sponsor does not expect the applications to be acted upon for at least 10-12 months from the date of submission of the applications. If approved, the 421-a and ICIP tax benefits would not be reflected on a Unit Owner's tax bill for at least another 10-12 months from the date of approval. As a result the Purchasers will most likely be required to pay real estate taxes for a period of time without the 421-a and ICIP tax benefits. Therefore, Schedule A of the Offering Plan reflects the estimated real estate taxes for each Residential Unit and Commercial Unit both with and without Section 421-a and ICIP tax benefits. Purchasers should note that if approved, it is anticipated that the 421-a and ICIP tax benefits may be retroactive and a Unit Owner would then be entitled to wither a reimbursement for the amount overpaid or a credit against future real estate taxes. As noted each Purchaser will also pay the Sponsor 3/10ths of 1% of the sales price to their

respective Unit to the Sponsor obtaining tax exemption benefits pursuant to Section 421-a of the New York State Real Property Tax Law and for the ICIP benefits.

Schedule A of the Offering Plan reflects the estimated real estate taxes for each Unit both with and without Section 421-a and ICIP tax benefits. See Schedule A and Section XXI of the Offering Plan.

23. The measurement of every Residential and Commercial Unit will consist of the area measured horizontally from the exterior face of the exterior walls of the Combined Building to the centerline of the partitions separating one Unit from another Unit and to the centerline of the walls separating one Unit from corridors, stairs, elevators and other mechanical spaces or any Common Elements (as herein after defined). Each Residential and Commercial Unit will consist of the area measured vertically from the top of the structural slab to the underside (of any fire protection) of the structural members above. As such the areas are not based upon measurements from interior surfaces of interior walls, and the actual living area comprising the Residential and Commercial Unit is less than the area listed in Schedule A.

24. The Condominium is located in an area known as the Tribeca East Historic District and is subject to the Landmarks Preservation Law. Sponsor has made an application to the Landmarks Preservation Commission pursuant to Section 74-711 Zoning Resolution of the City of New York for a special permit and was granted Certificate of Appropriateness ("COA") and Certificate of No Effect ("CNE") for the horizontal and vertical enlargement of the Building. A copy of the COA and CNE are contained in Part II of the Offering Plan as Exhibit C to the Declarations of Restrictions ("Declaration") described below. As part of the application the Sponsor was required to file a Declaration which provides for the preservation, repair and maintenance of the Building. Among other provisions the Declaration requires the following:

a). Preservation and Maintenance. The Board of Managers on behalf of the Condominium (hereinafter the "Board of Managers") covenants and agrees to preserve, repair and maintain the Designated Structure in sound first-class condition, at its own cost and expense, in accordance with the Declaration, the COA, the CNE and the Landmarks Preservation Law. It is understood that certain obligations and duties set forth in this Declaration are above and beyond the requirements of the Landmarks Preservation Law and do not in any way diminish the Board of Managers, on behalf of the Condominium, obligations and responsibilities to comply with all provisions of the Landmarks Preservation Law.

b). Continuing Maintenance Program. The Board of Managers shall comply with the obligations and restrictions of the continuing maintenance program (the "Continuing Maintenance Program") as set forth below:

(i). Periodic Inspections. The Board of Managers shall establish and carry out a cyclical inspection and maintenance program for the Designated Structure which shall include, without limitation, the following;

(a) At the Condominium's expense, an Inspection (the "Periodic Inspection") shall be made every five (5) years on or within thirty (30) days of the anniversary date of the issuance by the Landmarks Preservation Committee (herein after "LPC") of the Notice of Compliance pursuant to the COA and the CNE (collectively, the "Approvals"), and thereafter shall be made on or within every five (5) years from the date of such initial inspection. In the event that the Board of Managers has accepted a Temporary Certificate of Occupancy ("TCO") or a Permanent Certificate of Occupancy ("PCO") that permits a Special Permit Use without having first received the Notice of Compliance, the first periodic inspection shall be made on or within the fifth anniversary date of the issuance of such TCO or PCO and every five years thereafter. The Periodic Inspection shall be done by a preservation architect, engineer or other qualified person knowledgeable about the preservation of historic structures (the "Preservation Architect") selected by the Board of Managers from a list prepared by the Board of Managers and approved by the Chairperson of the LPC as to their credentials, which approval shall not be unreasonably withheld or delayed. The Board of Managers shall update such listing upon the request of the Chairperson of the LPC. In addition, the Board of Managers may periodically supplement the list of Preservation Architects, subject to the approval of the Chairperson of the LPC as to their credentials. The Preservation Architect shall make a thorough inspection of the exterior of the Designated Structure and those portions of the interior, which, if not properly maintained, could affect the condition of the exterior. The Periodic Inspection shall include (but not be limited to) the following portions of the Designated Structure:

Brick Masonry of Chambers and Reade Street Facades
Brownstone Masonry of Reade Street Façade
Cast-iron Elements of Reade Street Façade
Sheetmetal Cornice of Reade Street Façade
Granite and Limestone Masonry of Chambers Street Façade
Copper Cornices and Wrought Iron Railing of Chambers St. Facade
Ground Floor Windows and Doors of Front Façade
Windows of Chambers and Reade Street Facades
Roof and Flashing

(b). The Preservation Architect shall, at the expense of the Condominium, submit a report on each Periodic Inspection (the "Periodic Report") to the Board of Managers and the LPC within forty-five (45) days after each Period Inspection. The Periodic Report shall outline the existing conditions of the Designated Structure and detail the work which should be performed in order to maintain the Designated Structure, including all architectural features and elements, in a sound first-class condition, including but not limited to caulking, painting, cleaning, repair of architectural features and elements, checking for rust and repointing of masonry.

(c). Failure to Perform. In the event that the preservation, repair or maintenance of the Designated Structure is not performed in accordance with the provisions of the Article, the LPC shall give written notice of such failure to perform to the Board of Managers on behalf of the Condominium. In the event the Board of Managers, its successors or assigns fail after sixty (60) days from receipt of written notice from the LPC to perform or shall commence to perform but fail diligently to prosecute to completion, any such repair and/or maintenance, or any obligations of the Board of Managers on behalf of the Condominium set forth in the Declaration, the City of New York may perform all of the necessary work at the sole cost and expense of the Condominium and shall have the right to enter onto the Subject Property and to charge said Condominium for all the actual cost of such work, together with actual administrative and legal fees incurred in the collection thereof. Such actual costs shall include, but not be limited to, payments by the City of New York to any lawyers, consultants, contractors, painters, engineers, architects and skilled artisans required to be hired to perform or supervise such work. To the extent such actual costs are expended by the City of New York, the LPC shall have a lien on the Subject Premises as if a lien had been filed, perfected and enforced for materials and labor under Article 2 of the Lien Law of the State of New York. A copy of the Declaration is contained in Part II of the Offering Plan as Schedule O.

25. Purchasers should note that S. Myles Group, one of the members of the Sponsor entity, has reserved the sole and exclusive right to sell an easement for light and air to owners of any building adjacent to the Property of the Condominium and to receive and retain all consideration received from the sale of such easement. The sale of such easement may result in the adjacent property installing a lot line window adjacent to this property.

26. Purchasers should note that it is a possibility that the Building Department of New York City will issue temporary Certificates of Occupancy prior to the completion of all the Units in the Condominium. Upon completion of all the Units in the Condominium it is anticipated that the Building Department will issue permanent Certificates of Occupancy (see Section XVI). Sponsor expects it will obtain a permanent Certificate of Occupancy within two (2) years of the issuance of the temporary Certificate of Occupancy. Purchasers should consult with their attorneys regarding the ramifications of Closing Title to a Unit with a temporary Certification of Occupancy.

77 READE STREET CONDOMINIUM

PLAN OF CONDOMINIUM OWNERSHIP

I. INTRODUCTION

This is an Offering Plan (the "Plan") for the sale of thirty (30) Residential Units ("Residential Units"), two (2) Commercial Units ("Commercial Units") and five (5) Garage Parking Space Units ("Garage Parking Space Units") and one (1) Garage Storage Space Unit ("Garage Storage Space Unit") for sale to Residential Unit Owners, in a Condominium to be known as 77 Reade Street Condominium located at 77 Reade Street, New York, New York 10007. The Residential Units, Commercial Units, Garage Parking Space Units and Garage Storage Space Unit are collectively referred to as the "Units".

The purpose of the Plan is to set forth all the terms of the offer for the benefit of Prospective Purchasers.

The Plan may be amended at any time and from time to time provided that the amendment is duly filed with the Department of Law of the State of New York and is served on Purchasers and Unit Owners.

A Declaration submitting the property to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") and By-Laws will be recorded prior to conveyance of title to the first Unit by the Sponsor. The property will be subject to the Condominium Act. The Declaration and By-Laws will be substantially similar to those set forth in this Offering Plan and will not be changed so as to adversely affect the Purchaser. This Offering Plan and the accompanying documentation should be carefully studied by Prospective Purchasers and their attorneys prior to the purchase of a Unit.

The Sponsor of the Offering Plan is 77 Reade, LLC, 635 Broadway, Suite 214, New York, New York 10012, a New York limited liability company. Sponsor acquired title to the property by deed dated June 7, 2007, which deed was recorded in the New York City Register's Office, New York County.

The Condominium as proposed will contain seven (7) stories with a penthouse, cellar and sub-cellar.

A Commercial Unit Owner, its tenants, clients, customers and/or employees will not be permitted to utilize any portion of the Residential Units or Individual or General Residential Units' Limited Common Elements.

The Commercial Units may be used as Commercial Facilities as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York which includes retail stores, personal service establishments and offices. The following uses are not permitted: veterinarian's office or pet shop; martial arts studio or school; machine shop or welding shop; dry cleaning or laundry service; chemical wholesaling, storage, retailing or manufacturing; heavy trucking, methadone clinic, drug or alcohol rehabilitation; extermination service; bicycle messenger center; bowling alley, manufacturer of tobacco products; leather dying or coloring; motel/hotel/hostel/homeless shelter or any transient use; sweat shop; roller/ice skating rink; tattoo parlor; waste disposal/refuse center; amusement arcade; auditorium; billiard parlor; brewery; heavy manufacturing of any kind; adult bookstore or video shop or other adult entertainment facility; any other noxious use (as defined by the company); homeless shelter; no enterprise engaging in pornography and no restaurant and no commercial cooking. The Residential Unit Owners will not have any control over the permitted uses or types of operation of a Commercial Unit. The use of a Commercial Unit may generate noise, traffic or other annoyances over which the Residential Unit Owners will have no control. A Commercial Unit will share in the cost of Common Expenses of the overall Condominium based upon their allocable Percentage of Common Interest as reflected in Schedule A.

The purpose of the Plan is to set forth all the terms of the offer for the benefit of Prospective Purchasers.

All portions of the Condominium, excluding the Units, are Common Elements of the Condominium. The Common Elements of the Condominium are described as follows:

A. General Common Elements - General Common Elements are those shared by all Unit Owners and include all portions of the Condominium except for the individual Units and the Limited Common Elements and include without limitation the following:

1. The land on which the Condominium is erected and all other land within the boundaries of the Property;

2. The roof of the Building;

3. All exterior walls and windows of the Building;

4. All foundations, footings, columns, girders, beams, supports, floor slabs and ceilings that are not part of a Unit and any interior load bearing walls that are not part of a Unit and that service the entire Building;

5. Stairs, stairways, common hallways which are not located wholly within a Unit and entrances and exits to and from the Condominium other than entrances to the individual Units which service the entire Condominium;

6. All improved and unimproved areas of the Condominium located outside the boundaries of the Units that service the entire Condominium;

7. All central and appurtenant installations in the Common Elements for services such as power, light, telephone, television, gas, hot and cold water and heat (including all boilers, pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces that service the entire Condominium;

8. All drainage systems, sewers and/or storm sewer pipes, drywells or detention tanks or facilities that service the entire Condominium;

9. All mechanical equipment, refuse rooms, utility meters, storage areas, if applicable that service the entire Condominium;

10. Any heating, cooling or other mechanical system located in the Common Elements servicing the entire Condominium;

11. All telephone and cable rooms, meter rooms, compactor rooms, refuse rooms, equipment rooms and any other mechanical rooms or areas that service the entire Condominium;

12. Any compactor chute, compactor and compactor room that services the entire Condominium;

13. All tanks, pumps, motors, fans, compressors and control equipment that service the entire Building;

14. Any plantings, landscaping, gates, fences and garden walls servicing the entire Building and all the Units;

15. All pedestrian walkways and driveways intended for the common use of the entire Condominium;

16. The one (1) passenger elevator;

17. The lobby;

18. Any intercom system servicing the entire Building; and

19. All other parts of the Condominium and all apparatus and installations existing in the Building or Property for common use or necessary or convenient to the existence, maintenance or safety of the entire Condominium.

B. Irrevocably Restricted Areas/Limited Common Elements - Certain portions of the Common Elements are irrevocably restricted in use to specified Units or Unit Owners subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Unit or the Common Elements and subject to the Rules and Regulations of the Board of Managers (see By-Laws, Article VIII). Said irrevocably restricted Common Elements are also referred to as a Limited Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Unit Owner. Following are descriptions of the irrevocable restricted Limited Common Elements:

1. General Residential Units' Limited Common Elements- General Residential Units' Limited Common Elements are those shared by all Residential Unit Owners and include all portions of the Residential Area of the Condominium except for the individual Residential Units and the Individual Residential Unit Limited Common Elements (irrevocably restricted in use to a specified Residential Unit(s) or Residential Unit Owner(s) and include without limitation the following:

(a) Any portion of the roof that services exclusively the Residential Area of the Condominium;

(b) All foundations, footings, columns, girders, beams, supports, floor slabs and ceilings that are not part of a Residential Unit and any interior load bearing walls that are not part of a Residential Unit and that service exclusively the Residential Area of the Condominium;

(c) All parts of the exterior walls and facades that are for the exclusive use of the Residential Area of the Condominium;

(d) Stairs, stairways, common hallways which are not located wholly within a Residential Unit and entrances and exits to and from the Condominium other than entrances to the individual Residential Units which service exclusively the Residential Area of the Building;

(e) All improved and unimproved areas of the Condominium located outside the boundaries of the Residential Units that service exclusively the Residential Area of the Condominium;

(f) All central and appurtenant installations in the Common Elements for services such as power, light, telephone, television, gas, hot and cold water and heat (including all boilers, pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces that service exclusively the Residential Area of the Condominium;

(g) All drainage systems, sewers and/or storm sewer pipes, drywells or detention tanks or facilities that service exclusively the Residential Area of the Condominium;

(h) All mechanical equipment, refuse rooms, utility meters, storage areas, if applicable that service exclusively the Residential Area of the Condominium;

(i) Any heating, cooling or other mechanical system located in the Common Elements servicing exclusively the Residential Area of the Condominium;

(j) Any intercom system that services exclusively the Residential Units;

(k) The public recreation area located at the penthouse level;

(l) The exercise room located at the sub-cellar level;

(m) All telephone and cable rooms, meter rooms, compactor rooms, refuse rooms, equipment rooms and any other mechanical rooms or areas that service the Residential Area exclusively;

(n) All pedestrian walkways and driveways that service the Residential Area exclusively;

(o) Any plantings, landscaping, gates, fences and garden walls servicing the Residential Area exclusively; and

(p) All other parts of the Residential Area of the Condominium and all apparatus and installations existing in the Residential Area of the Condominium or Property for common use or necessary or convenient exclusively to the existence, maintenance or safety of the Residential Area of the Condominium.

2. Individual Residential Units Limited Common Elements - Individual Residential Units Limited Common Elements are irrevocably restricted in use to a specific Residential Unit or specific Residential Units. Following are descriptions of irrevocable restricted Limited Common Elements:

(a) Any balcony, terrace or courtyard appurtenant to a Residential Unit;

(b) Any heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements; and

(c) All apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit a Residential Unit exclusively.

All structural repairs and replacements to any balcony or terrace that is a Limited Common Element will be the responsibility of the Condominium and a Common Expense. All general maintenance and repairs of a balcony, terrace or courtyard that is a Limited Common Element, including cleaning, snow removal and all repairs not structural in nature, (including the repair of leaks and the repair or replacement of the surface of the balcony, terrace or courtyard), shall be the responsibility of the Residential Unit Owner whose balcony or terrace is appurtenant to their Residential Unit and is a Limited Common Element of their Residential Unit.

3. Commercial Unit's Limited Common Elements - The following portions of the Common Elements shall be Limited Common Elements for the exclusive use of the owner of a Commercial Unit and are herein sometimes collectively referred to as the "Commercial Unit's Limited Common Elements":

(a) The entrances to and exits from a Commercial Unit;

(b) The equipment and facilities serving only a Commercial Unit if located outside the Commercial Unit and all other apparatus, installations, systems equipment and facilities in

the Condominium (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Commercial Unit;

(c) Any portion of the roof that services exclusively a Commercial Unit;

(d) Stairs, stairways, hallways which service a Commercial Unit exclusively;

(e) All central and appurtenant installations in the Common Elements for services such as power, light, telephone, television, gas, hot and cold water and heat (including all pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces that service a Commercial Unit exclusively;

(f) All drainage systems, sewer and/or storm sewer pipes, drywells or detention tanks and facilities that service a Commercial Unit exclusively;

(g) All mechanical equipment, refuse rooms, utility meters, storage areas, if applicable that service a Commercial Unit exclusively;

(h) Any heating, cooling or other mechanical system located in the Common Elements servicing a Commercial Unit exclusively;

(i) Any intercom system that services a Commercial Unit exclusively;

(j) All telephone and cable rooms, meter rooms, compactor rooms, refuse rooms, equipment rooms and any other mechanical rooms or areas that service a Commercial Unit exclusively;

(k) Any compactor chute, compactor and compactor room that services a Commercial Unit exclusively; and

(l) All other parts of the Condominium and all apparatus and installations existing in the Condominium for the exclusive use of a Commercial Unit.

There are a number of different model types of Residential Units. See Schedule C in Part II of the Plan for a detailed description of each model. The land and all improvements to be erected thereon are hereinafter referred to as the "Development" or the "Condominium".

The five (5) Garage Parking Space Units and one (1) Garage Storage Space Unit being offered for sale will be located in a garage of the Building. The Garage Parking Space Units and Garage Storage Space Unit may be sold only to Residential Unit Owners on a first come first served basis and in compliance with Multiple Dwelling Law Section 60. Pursuant to said law, in the event any of the Garage Parking Spaces are not utilized by occupants of the Building it may be used by the Sponsor or Sponsor's principals for their own use. Any Garage Parking Spaces used by the Sponsor or Sponsor's principals shall be made available to an occupant of the Building within thirty (30) days after written request thereof. Transient parking for any period of less than one month by non-occupants is unlawful. Garage Parking Space Units may be used only for the purpose of parking automobiles and other vehicles.

The Garage Storage Space Unit may be utilized for general storage. In the event the Garage Storage Space is not utilized by an occupant of the Building it may be used by the Sponsor or Sponsor's principals for their own use.

In no event shall the Garage Parking Space Units or the Garage Storage Space Unit be converted into additional residential living space. Sponsor shall have the sole right of designating the location of a Garage Parking Space Unit for a Purchaser.

If a Purchaser of a Residential Unit elects to purchase one (1) of the Garage Parking Space Units or the Garage Storage Space Unit, the price of their purchase will be increased to include the price of the Garage Parking Space Unit or the Garage Storage Space Unit as reflected in Schedule A in addition to the Residential Unit. The percentage of common interest allocated to the Residential Unit will likewise be increased by the percentage of common interest for a Garage Parking Space Unit or the Garage Storage Space Unit as reflected in Schedule A and all Common Charges and individual expenses, including any real estate taxes associated with the Garage Parking Space Unit will become the responsibility of the applicable Residential Unit Owner.

Sponsor will endeavor in good faith to market and sell the Residential and Commercial Units in the Condominium however, Sponsor is retaining the unconditional right to rent rather than sell Residential and Commercial Units. Because Sponsor is retaining the unconditional right to rent rather than sell Residential and Commercial Units this Plan may result in the creation of a condominium in which a majority of the Residential and Commercial Units are not owned by owner-occupants or investors unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Residential and Commercial Units, there is no

commitment to sell more Residential and Commercial Units than the fifteen (15%) percent 15% of the 32 Residential and Commercial Units which equals 5 Units necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. In the event Sponsor makes a bulk sale of all or some of its unsold Residential or Commercial Units, the transferee successor Sponsor will be bound by Sponsor's representations regarding its commitment to sell Residential and Commercial Units. The fifteen (15%) percent requirement does not include the Garage Parking Space Units or the Garage Storage Space Unit which are ancillary to the Purchase of a Residential and/or Commercial Unit.

As noted above the Sponsor and its principals reserve the right to rent Garage Parking Spaces and the Garage Storage Space in the event they are not sold to Residential or Commercial Unit Owners within the Building. Sponsor will give Residential and Commercial Unit Owners in the Building priority to rent such space providing thirty (30) days written notice to said Owners prior to renting to someone who does not reside in the Building. The rent to be charged will be negotiated between the Sponsor and the person or entity renting the space.

Sponsor has obtained a Construction Loan from Midfirst Bank with a New York address at East 42nd Street, Suite 5220, New York, New York and Deutsche Genossenchafts-Hypothekenbank AG, with a New York address at 375 Park Avenue, Suite 2603, New York, New York 10152 ("Lender") which will enable Sponsor to construct the Development. The Construction Loan does not provide for any minimum number or percentage of Units that must be under contract before the Offering Plan can be declared effective. The Construction Loan does not have any limitations or requirements that have been imposed by the Lender that require when the Sponsor may rent rather than sell under specified market conditions except that the Sponsor cannot enter into any leases without the prior written consent of the Lender. The Construction Loan further provides that each Unit and its appurtenant Common Interest will be released from the lien of the Construction Loan at each Closing upon the payment to the Lender of a release price.

Sponsor or Sponsor's assignee or designee retains the right to sublet a Commercial Unit as long as Sponsor owns said Commercial Unit.

The Building does not contain a superintendent's unit. Notwithstanding, as provided for in the budget the Condominium will employ a full time superintendent in compliance with all applicable laws.

As in the ownership of a private one (1) family Home, the Purchaser of a Residential or Commercial Unit in a Condominium (the "Residential or Commercial Unit Owner") owns their Residential or Commercial Unit in fee simple absolute and is entitled to exclusive possession of their Residential or Commercial Unit. Each Purchaser of a Residential or Commercial Unit will also own an undivided interest in and right to use

the General Common Elements and a right to use the Limited Common Elements that pertain to an individual Residential or Commercial Unit or to all the Residential Units for the General Residential Units' Limited Common Elements. A full description of the General and applicable Limited Common Elements is described above.

The measurement of every Residential and Commercial Unit will consist of the area measured horizontally from the exterior face of the exterior walls of the Combined Building to the centerline of partitions separating one Unit from another Unit and to the centerline of the walls separating one Unit from corridors, stairs, elevators and other mechanical spaces or any Common Elements (as herein after defined). Each Residential and Commercial Unit will consist of the area measured vertically from the top of the structure slab to the underside (of any fire protection) of the structural members above. For a detailed description of the Residential and Commercial Unit to be conveyed see Schedule J, Article Third in Part II of the Plan.

Each Garage Parking Space Unit shall consist of the area contained within the painted lines of each Garage Parking Space Unit.

The Garage Storage Space Unit shall consist of the area horizontally from the inside face of all opposite walls forming the Garage Space Unit and vertically from the upper surface of the floor to the lower surface of the ceiling from the Garage Storage Space Unit.

A Unit Owner is required to pay monthly Common Charges assessed by the Board of Managers for the operation and maintenance of the Condominium pursuant to Sections 339(i) and (m) of the New York Condominium Act. Monthly Common Charges may commence with the Closing of the first Unit which is expected to be in December of 2009, however, see Section XX as to the right of the first Board of Managers to commence the collection of Common Charges at a subsequent date. Until title to a Unit has passed to a Purchaser, the Sponsor will pay such Common Charges and special assessments as are assessed by the Board of Managers on the Units to which title has not passed. Once title has passed to a Purchaser, the Purchaser will be responsible for all costs, including all Common Charges and individual expenses associated with the Unit, as well as any costs associated with the Limited Common Elements that pertain to the Purchasers' Unit.

A Unit Owner, upon acquiring title to their Unit, will be obligated to comply with the Declaration of Condominium, Condominium By-Laws and its rules and regulations and any other requirements of the Board of Managers of the Condominium.

There is no restriction upon ownership of a Residential Unit. Occupancy of a Residential Unit, however, may only be for residential purposes as described in Section XX of the Offering Plan. Residential Units can be sold by a Residential Unit Owner, provided that the Residential Unit Owner is not in arrears on the payment of Common

Charges (except where the payment of such unpaid Common Charges is paid by the Grantee or provided for out of the proceeds of the sale) and subject to restrictions contained in the mortgage, if any, covering their Residential Unit. A Purchaser is free to make a gift of their Residential Unit to anyone during their lifetime or to devise their Residential Unit by will, or to have it pass by intestacy without any restriction. No Residential Unit can be sold without a simultaneous sale of the undivided interest in the Limited Common Elements that pertain to the Residential Unit.

Each Unit Owner can sell their Unit to whomever they desire subject to the Condominium's right of first refusal as described in Section XX of the Offering Plan. Unit Owners may lease their Units subject to the conditions contained in Section XX of the Offering Plan and subject to the Condominium's right of first refusal as described in Section XX of the Offering Plan.

The Residential Units can be purchased for all cash or may be purchased partly for cash and partly by mortgage. The purchase of a Residential Unit is not contingent on the Purchaser obtaining a mortgage.

A Residential Unit Owner may mortgage their Residential Unit at any time after they acquire title to the Residential Unit in whatever amount and under whatever terms they can obtain. Any Residential Unit Owner may also, upon the resale of their Residential Unit, grant a purchase money mortgage to a Purchaser of their Residential Unit. A Residential Unit Owner may mortgage their Residential Unit only if all arrears for Common Charges, if any, are provided for at the closing of the mortgage.

Primary responsibility for operating the Condominium rests with the Board of Managers who are elected by the Unit Owners. See Schedule J, Article III in Part II of the Plan. For information concerning Sponsor's initial control of the Board of Managers, see Section XVIII of the Offering Plan.

Each Residential and Commercial Unit Owner, upon obtaining title, will automatically have one (1) vote at all meetings of Unit Owners for each of the Units owned by such Unit Owner. Garage Parking Space and Garage Storage Space Unit Owners will not have any voting rights except in conjunction with the vote they have for the Residential Unit they own.

Each Unit will be taxed separately for real estate tax purposes and may be separately mortgaged. Therefore, no Unit Owner is liable for the payment of real estate taxes or mortgage payments on any other Unit. In the opinion of counsel, a Unit Owner is presently entitled to deductions for income tax purposes for payments for real estate taxes applicable to their Unit. In addition, provided the Residential Unit will be the Purchaser's principal residence or one (1) other residence selected pursuant to Section 163(h)(5)(A)(i)(II) of the Internal Revenue Code of 1986, a Residential Unit Owner may

also deduct the interest on the mortgage they procure to finance the purchase of their Residential Unit for income tax purposes. See Section XXII of the Offering Plan.

Fire and liability insurance covering the General Common Elements and General Residential Units' Limited Common Elements are included with other items as part of Common Charges, but fire and liability insurance for the Purchaser's personal effects, the interior of the Unit and the Limited Common Elements for an individual Unit Owner's exclusive use should be carried by the individual Purchaser. Common Charges are levied in proportion to the interest in the "Common Elements" appurtenant to each Unit. For possible increases in Common Charges upon default in payment by a Unit Owner see Section XX of the Offering Plan. Each Unit Owner is responsible for the cost of their own interior repairs and decoration in their Unit after Closing.

The price of the Residential and Commercial Units will include only the appliances and fixtures detailed in the Description of Property Report contained in Part II of the Plan. Installation and the cost of any extras, upgraded appliances, upgraded fixtures or appliances or fixtures not provided is the sole responsibility of each Residential and Commercial Unit Owner.

The prices for the Units are set forth in Schedule A. THESE PRICES HAVE BEEN SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

This Offering Plan contains all of the material terms of this transaction. Parts I and II along with Parts A, B, C and D of the Schedules submitted along with the Offering Plan together constitute the entire Offering Plan. Copies of the Plan and Parts A, B, C and D of the Schedules will be available for inspection by Prospective Purchasers and their attorneys without charge and for copying at a reasonable charge at the Condominium site whenever the on-site sales office is open, at the office of the Sponsor or any Selling Agent engaged by Sponsor and at the New York State Department of Law, 120 Broadway, 23rd Floor, New York, New York 10271.

There are no restrictions on who may purchase a Residential Unit in the Condominium except that this offer is made only to persons over eighteen (18) years of age. Each Residential Unit Owner can sell their Residential Unit to whomever they desire.

Purchasers should refer to Special Risk No. 23 as to the effect of the Condominium being located in the Tribeca East Historic District and that the Building is subject to the Landmarks Preservation Law.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES. THE ATTORNEY GENERAL

STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT.

II. DEFINITIONS

The following words as hereinafter referred to shall be defined as follows:

1. "Board of Managers" - The governing body of the Condominium responsible for its affairs.

2. "Board Member" or "Member" – Each individual representative elected, designated or appointed to the Board of Managers.

3. "Building(s)" - The one seven (7) story building with penthouse, cellar and sub-cellar containing a total of thirty (30) Residential Units, two (2) Commercial Units, five (5) Garage Parking Space Units and one (1) Garage Storage Space Unit..

4. "By-Laws" - The document governing the operation of the Condominium.

5. "Closing" or "Close Title" or "Closing of Title" or "Title Closing" – The consummation of the sale of the Unit transferring title via a deed from the Sponsor to the Purchaser.

6. "Closing Costs" or "Closing Adjustments" or "Closing Fees" or "Closing Apportionments" – Fees and expenses over and above the price of the Unit, incurred by the Purchaser and/or Sponsor at the Closing.

7. "Closing Date" or "Date of Closing" – The date of Closing of Title.

8. "Common Charges" - Each Unit Owner's proportionate share of the General Common Expenses as determined in accordance with the common interest appurtenant to the Unit.

9. "Common Elements" - All portions of the Condominium, other than the Units. Common Elements are divided into General Common Elements which are Common Elements shared by all Unit Owners and include the drainage system, sewers and/or storm sewer pipes; the Commercial Unit's Limited Common Elements which are Common Elements that are irrevocably restricted and for the exclusive use of the Commercial Unit Owner; Individual Residential Unit's Limited Common Elements which are Common Elements that are irrevocably restricted for the exclusive use of an individual Residential Unit Owner; and General Residential Units'

Limited Common Elements which are Common Elements that are irrevocably restricted for use by all the Residential Unit Owners.

10. "Common Expenses" - (a) Expenses incurred by all Unit Owners for the purpose of paying common costs of the Condominium; and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

11. "Common Interest" - The proportionate, undivided interest each Residential Unit Owner has in the Common Elements.

12. "Community" or "Development" - As used herein refers to 77 Reade Street Condominium.

13. "Commercial Area" – The area of the Condominium consisting of the Commercial Units and Commercial Units Limited Common Elements.

14. "Condominium" –77 Reade Street Condominium which is comprised of the Common Elements, Units and Unit Owners.

15. "Declaration of Condominium" - The instrument by which the property is submitted to the provisions of the Condominium Act, and such instrument as from time to time is amended, consistent with the provisions of the Condominium Act and of the By-Laws.

16. "Escrow Account" – The attorney's account where a Purchaser's initial deposit will be held as provided for in Section XII of the Offering Plan.

17. "Escrow Agent" – The attorney or law firm overseeing the Escrow Account as provided for in Section XII of the Offering Plan.

18. "Irrevocably Restricted" or "Limited Common Elements" - A Common Element appurtenant to a particular Unit or Units, the use of which is restricted to the Owners of such Unit or Units.

19. "Officers" – The Officers of the Condominium elected or designated by the Board of Managers.

20. "Property" – The overall land area of the Condominium.

21. "Purchase Agreement" – The document to be executed by the Purchaser which will obligate the Purchaser to acquire the Unit in the Condominium and which will obligate the Seller to sell the Purchaser the Unit in the Condominium.

22. "Purchaser" – The person(s) who have entered into a Purchase Agreement to acquire a Unit in the Condominium.

23. "Residential Area" – The area of the Condominium consisting of the Residential Units of the Condominium, the General Residential Units' Limited Common Elements and Individual Residential Units Limited Common Elements.

24. "Rules and Regulations" – The Rules and Regulations contained in Article VIII of the By-Laws as the same may be amended, altered, waived or added to by the Board of Managers.

25. "Special Assessment" – A Common Expense of the Condominium that is not included in the monthly Common Charges applicable to a Unit.

26. "Sponsor" – 77 Reade, LLC a New York limited liability company with an address at 635 Broadway, Suite 214, New York, New York 10012.

27. "Units" – A Unit includes all the Units in the Condominium. They are designated as follows:

(a) "Residential Units" – The thirty (30) Residential Units designated in Schedule A of the Declaration of Condominium for residential use.

(b) "Commercial Units" – The two (2) Units designated as a Commercial Unit in Schedule A of the Declaration of Condominium to be used as Commercial Facilities as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York which includes retail stores, personal service establishments and offices.

(c) "Garage Parking Space Unit" – One (1) of the five (5) Parking Space Units designated in the Declaration of Condominium for parking space use.

(d) "Garage Storage Space Unit" – The one (1) Storage Space Unit designated in the Declaration of Condominium for storage of household items.

(e) "Non-Residential Unit" – The Commercial Units, Garage Parking Space Units and Garage Storage Space Units.

As used herein the terms "Residential, Commercial, Garage Parking Space Units and Garage Storage Space Unit" are equivalent to the term "Unit" in Article 9-B of the Real Property Law of the State of New York.

As used herein the term "Unit" shall include all the Units in the Condominium.

28. "Unit Owner" – A Unit Owner includes all the Unit Owners in the Condominium which are divided as follows:

    (a) "Residential Unit Owner" – The owner of a Residential Unit in the Condominium.

    (b) "Commercial Unit Owner" – The owner of a Commercial Unit in the Condominium.

    (c) "Garage Parking Space Unit Owner" – The owner of a Garage Parking Space Unit in the Condominium.

    (d) "Garage Storage Space Unit Owner" – The owner of the Garage Storage Space Unit in the Condominium.

29. "Unsold or Untitled Unit" - Any Unit in which title is retained by the Sponsor and any successors or assigns until such time as the same has been sold and title conveyed to a third party. It shall not include a Unit which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns.

III. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

Location, Acreage and Zoning

The Condominium is located at 77 Reade Street, New York, New York. The Condominium is located in a C6-3A zoning district within the Special Tribeca District and also within the Tribeca East Historic District. Purchasers should refer to Special Risk #23 regarding the landmark status and requirements of the landmark status applicable to the Condominium. The overall zoning lot size of the Condominium is approximately 11,714 square feet.

Topographical Features

The site consists of a partially renovated building over flat land.

Improvements - General Description

The Building is an existing Building that is in the process of being renovated as described in the Description of Property Report contained in Part II of the Offering Plan. It is anticipated that the Closing of Title to the first Unit will occur on or about December of 2009, subject to factors beyond Sponsor's control such as weather conditions, strikes, material shortages, acts of God and sales conditions. The Condominium as proposed will contain seven (7) stories with a penthouse, cellar and sub-cellar.

Commercial Unit 1B will have its own entrance. Entrance to Commercial Unit 1A will be through the lobby.

The wood flooring that will be used in the Residential Units will be 4" wide ash slats.

Purchasers of a Commercial Unit will not be permitted to install any finished floor exceeding one (1") inch above the concrete slab, unless prior approval is provided by Sponsor's architect as long as the Sponsor continues to retain at least one (1) Unit in the Condominium and, thereafter, by an architect approved by the Board of Managers of the Condominium.

The Building Plans have been filed with the Building Department of the City of New York and are available for inspection at the Sponsor's Office.

The Units, the Building containing them and all other improvements will comply with all applicable rules, regulations, laws, and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction, and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules and regulations and other governmental requirements pertaining thereto. Construction of the Condominium will comply with the Building Code of the City of New York. Before the Closing of Title to a Unit, a temporary or permanent Certificate of Occupancy will be issued for such Unit or the Building in which it is located. At the time of the first Closing of Title to a Unit, the construction of all Units in that Building will have been partially or substantially completed. Purchasers should note that neither the Sponsor nor the manufacturer provides any warranty for the windows.

Construction Data for Units, Common Elements and Limited Common Elements

The Building, the Units and Common Elements will be constructed in the manner set forth in the Building Plans filed with the City of New York, which Plans will not be changed so as to adversely affect the Unit Owners. For a detailed description of such data see the Description of Property Report in Part II of the Plan. Renovation of the

Building has commenced and Closing of Title to the first Unit is expected to take place in September of 2009, barring any unforeseen delays beyond the control of the Sponsor such as weather conditions, strikes, material shortages, acts of God and sales conditions.

Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements, including any Limited Common Elements, or which are located in other Units. Each Unit will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Building and any replacements thereof and additions thereto and an easement of necessity, and each Unit will be subject to an easement of support and necessity in favor of all other Units and the Common Elements. Each Unit will have an easement for lateral and vertical support among all adjoining Units and Common Elements. Further, each Unit Owner will have an easement for the continuance of any encroachment by their Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter as a result of the settling of the Building or repair or alteration of the Unit by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceeding, or by reason of an alteration made by the Board to the Common Elements so that any such encroachment may remain undisturbed so long as the Residential Unit stands. Each Unit will be subject to such encroachments and easements in favor of all other Units. The Board of Mangers, its agents and employees shall have a right of access to the Units and the Common Elements (irrespective of the restricted nature of such Common Element) to inspect, maintain or repair, replace or rebuild the Common Elements or to make repairs to the Unit to prevent damage to the Common Elements or any other Unit. The Condominium shall also have an easement and unlimited access to any Limited Common Elements for the purpose of making inspections, repairs or to rebuild the Building.

S. Myles Group, one of the members of the Sponsor entity, has reserved the sole and exclusive right to sell an easement for light and air owners of any buildings adjacent to the Property of the Condominium and to receive and retain all consideration received from the sale of such easement. The sale of such easement may result in the adjacent property installing a lot line window adjacent to this property.

Allocation of Common Interest

The Common Interest of the Condominium establishes the Unit Owners' percentage of ownership in the Common Elements and percentage of liability for the payment of Common Charges. Each Unit Owner has the percentage of Common Interest in the Condominium set forth on Schedule A. Such allocation has been made

based upon the approximate proportion that the floor area of the unit at the date of the declaration bears to the then aggregate floor area of all the units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements. Said method of determining the percentage of common interest in a condominium complies with and is pursuant to Section 339-i (1) (iv) of the Real Property Law of the State of New York.

Recreation Facilities

The Condominium will include an exercise room and rooftop recreation area as described in the Description of Property Report contained in Part II of the Offering Plan.

IV. LOCATION AND AREA INFORMATION

Location

The Condominium is located at 77 Reade Street, New York City, New York.

Municipal Services and Recreation

All surrounding areas are fully developed.

The Condominium will be serviced by the New York City Police Department, the nearest precinct being the 1st located at 16 Ericsson Place.

The Condominium will be serviced by the New York City Fire Department, the nearest Engine Company being Engine 7, located at 100 Duane Street.

Taxi and limousine service is readily available throughout the City.

Municipal bus service for the Condominium area is available along Chambers Street, the M22.

The Condominium is near the 1, 9 and 2, 3 subway lines at Chambers Street and near the A and C subway lines at Chambers Street.

Shopping is located throughout the area. Local hospitals include St. Vincent's Manhattan Hospital, 170 West 12th Street and NYU Downtown Hospital, 170 William Street. Local parks in the area include Washington Market Park at Chambers and Greenwich Streets, Battery Park City Esplanade at the Hudson River and Rockefeller Park at Chambers Street at the Hudson River.

Gas

Gas service will be from a tap to a gas main in the street owned and maintained by Con Edison Co. of New York. Each Unit will be separately metered for gas usage, which expense will be an individual obligation of each Unit Owner.

Electric

Electric service will be underground by connection to the electric main in the street which electric main is owned and maintained by Con Edison Co. of New York. There will be a meter for each of the Units as well as the Common Elements of the Condominium. Electric service to each Unit will be an individual expense of each Unit Owner and electricity to the General and General Residential Units' Limited Common Elements will be a shared Common Expense of all Units.

Telephone

Telephone Service is provided by Verizon and each owner will be responsible for their own phone service.

Water and Sewage

Water and sanitary and storm sewers will be supplied by New York City.

Refuse Removal

Refuse removal will be provided by the New York City Department of Sanitation.

Snow Removal

Snow removal and road maintenance for all public streets adjoining the Condominium is provided by the New York City Sanitation Department.

Educational and Religious Facilities

Schools servicing the Condominium include the following:

PS 150 Tribeca Learning Center
334 Greenwich Street
New York, NY 10013

PS 234 Independence School
292 Greenwich Street
New York, NY 10007

Stuyvesant High School
345 Chambers Street
New York, NY 10007

Buckle My Shoe Learning Center
40 Worth Street
New York, NY 10013

Manhattan Academy of Technology (PS 126)
80 Catherine Street
New York, NY 10038

Although the public schools referred to above will probably be the schools that the children of the Condominium will attend, no representation can be made as to the actual schools, nor whether the children will have school bus service provided.

There are houses or worship of most faiths in the vicinity of the property.

Zoning

The property is located in a C6-3a zoning district within the Special Tribeca District and also within the Tribeca East Historic District. Purchasers should refer to Special Risk No. 23 regarding the landmark status and requirements of the landmark status applicable to the Condominium.

All surrounding areas are fully developed, and are comprised of single and multiple dwellings, commercial and retail stores, private and public buildings and facilities. Sponsor makes no representation as to whether or not said areas will remain in their current use or if redeveloped, as to their eventual use.

Neither Sponsor nor any of its Principals have an option or right to acquire any of the adjoining areas.

V. SCHEDULE A

77 READE STREET CONDOMINIUM

Unit Information and Sales Prices for the Period December 1, 2009 through November 30, 2010

Unit No.	Floor	Total Unit Sq. Footage*	Interior Sq. Footage	Storage Area Sq. Ftge	Number of Rooms, Bedrooms (BR), Bathrooms (BTH)	Offering Price	% of Common Interest	Roof Area Sq. Footage	Estimated Monthly Common Charges	Estimated Annual Common Charges	1/1/10-12/31/10 Estimated 1st Year's R.E Taxes w/o 421a	1/1/10-12/31/10 Estimated Monthly R.E Taxes w/o 421a	1/1/11-12/31/11 Estimated 2nd Year's R.E Taxes w/o 421a	1/1/11-12/31/11 Estimated Monthly R.E Taxes w/o 421a	1/1/10-12/31/10 Estimated R.E Taxes with 421a	1/1/10-12/31/10 Estimated Monthly R.E Taxes with 421a
2A	2	1,938	1,838	100	3 BR, 3 BTH	$ 3,149,250.00	3.58	601	$ 1,665.32	$ 19,983.86	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
2B	2	1,692	1,592	100	2 BR, 2 BTH	$ 2,749,500.00	3.06	601	$ 1,423.43	$ 17,081.17	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
2C	2	953	853	100	STUDIO, 1 BTH	$ 1,310,375.00	1.72	0	$ 800.10	$ 9,601.18	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
2D	2	955	855	100	STUDIO, 1 BTH	$ 1,313,125.00	1.44	0	$ 669.85	$ 8,038.20	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
2E	2	1,623	1,523	100	2 BR, 2 BTH	$ 2,637,375.00	2.80	385	$ 1,302.49	$ 15,629.83	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
2F	2	1,597	1,497	100	2 BR, 2 BTH	$ 2,595,125.00	2.63	497	$ 1,223.41	$ 14,680.88	$ 14,171.51	$ 1,180.96	$ 18,649.60	$ 1,554.13	$ 5,600.23	$ 466.69
3A	3	1,938	1,838	100	3 BR, 3 BTH	$ 2,810,100.00	3.58	0	$ 1,665.32	$ 19,983.86	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
3B	3	1,692	1,592	100	2 BR, 2 BTH	$ 2,453,400.00	3.06	0	$ 1,423.43	$ 17,081.17	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
3C	3	953	853	100	STUDIO, 1 BTH	$ 1,381,850.00	1.72	0	$ 800.10	$ 9,601.18	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
3D	3	955	855	100	STUDIO, 1 BTH	$ 1,384,750.00	1.44	0	$ 669.85	$ 8,038.20	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
3E	3	1,623	1,523	100	2 BR, 2 BTH	$ 2,353,350.00	2.80	0	$ 1,302.49	$ 15,629.83	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
3F	3	1,597	1,497	100	2 BR, 2 BTH	$ 2,315,650.00	2.63	0	$ 1,223.41	$ 14,680.88	$ 14,171.51	$ 1,180.96	$ 18,649.60	$ 1,554.13	$ 5,600.23	$ 466.69
4A	4	1,938	1,838	100	3 BR, 3 BTH	$ 2,897,310.00	3.58	0	$ 1,665.32	$ 19,983.86	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
4B	4	1,692	1,592	100	2 BR, 2 BTH	$ 2,529,540.00	3.06	0	$ 1,423.43	$ 17,081.17	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
4C	4	953	853	100	STUDIO, 1 BTH	$ 1,424,735.00	1.72	0	$ 800.10	$ 9,601.18	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
4D	4	955	855	100	STUDIO, 1 BTH	$ 1,427,725.00	1.44	0	$ 669.85	$ 8,038.20	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
5A	5	1,938	1,838	100	3 BR, 3 BTH	$ 2,955,450.00	3.58	0	$ 1,665.32	$ 19,983.86	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
5B	5	1,692	1,592	100	2 BR, 2 BTH	$ 2,580,300.00	3.06	0	$ 1,423.43	$ 17,081.17	$ 16,488.53	$ 1,374.04	$ 21,698.77	$ 1,808.23	$ 6,515.86	$ 542.99
5C	5	953	853	100	STUDIO, 1 BTH	$ 1,453,325.00	1.72	0	$ 800.10	$ 9,601.18	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
5D	5	955	855	100	STUDIO, 1 BTH	$ 1,456,375.00	1.44	0	$ 669.85	$ 8,038.20	$ 7,759.31	$ 646.61	$ 10,211.19	$ 850.93	$ 3,066.29	$ 255.52
5E	4	1,623	1,523	100	2 BR, 2 BTH	$ 2,426,385.00	2.80	0	$ 1,302.49	$ 15,629.83	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
5F	4	1,597	1,497	100	2 BR, 2 BTH	$ 2,387,515.00	2.63	0	$ 1,223.41	$ 14,680.88	$ 14,171.51	$ 1,180.96	$ 18,649.60	$ 1,554.13	$ 5,600.23	$ 466.69
6A	6	1,938	1,838	100	3 BR, 3 BTH	$ 3,003,900.00	3.58	0	$ 1,665.32	$ 19,983.86	$ 19,290.50	$ 1,607.54	$ 25,386.14	$ 2,115.51	$ 7,623.13	$ 635.26
6E	5	1,623	1,523	100	2 BR, 2 BTH	$ 2,475,075.00	2.80	0	$ 1,302.49	$ 15,629.83	$ 15,087.54	$ 1,257.30	$ 19,855.08	$ 1,654.59	$ 5,962.22	$ 496.85
6C	6	953	853	100	STUDIO, 1 BTH	$ 1,477,150.00	1.72	0	$ 800.10	$ 9,601.18	$ 9,268.06	$ 772.34	$ 12,196.69	$ 1,016.39	$ 3,662.51	$ 305.21
DPHA	7, 8	2,419	2,169	250	3 BR, 2 1/2 BTH	$ 5,079,900.00	4.04	1116	$ 1,879.30	$ 22,551.61	$ 21,769.17	$ 1,814.10	$ 28,648.05	$ 2,387.34	$ 8,602.63	$ 716.89
DPHB	7, 8	2,639	2,389	250	3 BR, 2 1/2 BTH	$ 5,541,900.00	4.49	1687	$ 2,088.63	$ 25,063.55	$ 24,193.95	$ 2,016.16	$ 31,839.05	$ 2,653.25	$ 9,560.85	$ 796.74
DPHC	6, 7, 8	3,196	2,946	250	4 BR, 2,2- 1/2 BTH	$ 6,711,600.00	4.47	1233	$ 2,079.33	$ 24,951.91	$ 24,086.18	$ 2,007.18	$ 31,697.22	$ 2,641.44	$ 9,518.26	$ 793.19
DPHD	6, 7	1,897	1,647	250	2 BR, 2 1/2 BTH	$ 3,983,700.00	2.25	332	$ 1,046.64	$ 12,559.69	$ 12,123.92	$ 1,010.33	$ 15,954.98	$ 1,329.58	$ 4,791.07	$ 399.26
DPHE	5, 6	2,801	2,551	250	3 BR, 2 1/2 BTH	$ 6,372,275.00	4.32	474	$ 2,009.55	$ 24,114.60	$ 23,277.92	$ 1,939.83	$ 30,633.56	$ 2,552.80	$ 9,198.86	$ 766.57
		49,278	45,528			$ 82,638,010.00	83.16		$ 38,683.86	$ 464,206.00	$ 448,100.00	$ 37,341.67	$ 589,696.00	$ 49,141.33	$ 177,078.00	$ 14,756.50

V. SCHEDULE A

77 READE STREET CONDOMINIUM

Unit Information and Sales Prices for the Period December 1, 2009 through November 30, 2010

Unit No.	Floor	Total Unit Sq. Footage*	Interior Sq. Footage	Storage Area Sq. Fige	Number of Rooms, Bedrooms (BR), Bathrooms (BTH)	Offering Price	% of Common Interest	Roof Area Sq. Footage	Estimated Monthly Common Charges	Estimated Annual Common Charges	1/1/10-12/31/10 Estimated 1st Year's R.E Taxes w/o ICIP	1/1/10-12/31/10 Estimated Monthly R.E Taxes w/o ICIP	1/1/11-12/31/11 Estimated 2nd Year's R.E Taxes w/o ICIP	1/1/11-12/31/11 Estimated Monthly R.E Taxes w/o ICIP	7/1/10-6/30/11 Estimated R.E Taxes with ICIP	7/1/10-6/30/11 Estimated Monthly R.E Taxes with ICIP
G1	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G2	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G3	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G4	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
G5	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
GS	Bsmt	N/A	N/A	N/A	N/A	$ 250,000.00	0.24	0	$ 20.33	$ 244.00	$ 999.33	$ 83.28	$ 1,232.17	$ 102.68	$ 413.50	$ 34.46
1A	1, Bsmt	8,595	8,595	N/A	Commercial	$ 7,702,985.00	11.47	0	$ 1,064.70	$ 12,776.38	$ 142,906.52	$ 11,908.88	$ 176,207.50	$ 14,683.96	$ 134,093.98	$ 11,174.50
1B	1, Bsmt	4,046	4,046	N/A	Commercial	$ 2,224,130.00	3.93	0	$ 364.80	$ 4,377.61	$ 48,964.48	$ 4,080.37	$ 60,374.50	$ 5,031.21	$ 45,945.02	$ 3,828.75
		12,641	12,641			$ 11,427,115.00	16.84		$ 1,551.48	$ 18,617.99	$ 197,866.98	$ 16,488.93	$ 243,975.02	$ 20,331.25	$ 182,520.00	$ 15,210.01
Total		61,919	58,169			$ 94,065,125.00	100									

FOOTNOTES TO SCHEDULE A

1. No change in the sales prices will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the Offering where a reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated Unit purchase. See Section X of the Offering Plan as to other terms of the offering which are negotiable. See Section XVI of the Offering Plan for estimated Closing Costs and Adjustments, which costs are in addition to the sale prices set forth herein.

2. Purchasers should refer to the floor plans in Schedule G of Part II of the Plan for details of each type of Unit. The measurement of every Residential and Commercial Unit will consist of the area measured horizontally from the exterior face of the exterior walls of the Combined Building to the centerline of the partitions separating one Unit from another Unit and to the centerline of the walls separating one Unit from corridors, stairs, elevators and other mechanical spaces or any Common Elements (as herein after defined). Each Residential and Commercial Unit will consist of the area measured vertically from the top of the structural slab to the underside (of any fire protection) of the structural members above. As such the areas are not based upon measurements from interior surfaces of interior walls, and the actual living area comprising the Residential and Commercial Unit is less than the area listed in Schedule A.

   As such the areas are not based upon measurements from interior surfaces of interior walls, and the actual floor area comprising the Unit is less than the area listed in Schedule A.

3. The Common Interest of each Unit has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and overall dimensions of the particular Unit. Said method of determining the percentage of common interest in a condominium complies with and is pursuant to Section 339-i(1) (iv) of the Real Property Law of the State of New York. This percentage determines the amount each of said Unit Owners will pay for their Common Charges.

4. Common Charges have been estimated by the Sponsor and include fire and liability insurance for the Units and Common Elements and maintenance and operation of the General Common Elements and General Residential Units' Limited Common Elements. Common Charges exclude repair and decoration to the inside of a Unit, utilities for each Unit and insurance for personal belongings. See Schedule C for estimated heating and electrical costs for the Units.

5. The Sponsor is in the process of submitting an application for a Preliminary Certificate of Eligibility for 421-a real estate tax benefits for the Residential Units and an Industrial Commercial Tax Exemption (ICIP) for the Commercial Units and Sponsor does not expect the application to be acted upon for approximately 10-12 months form the date of submission. If approved the 421-a and ICIP tax benefits would not be reflected on a Unit Owner's tax bill for at least another 10-12 months from the date of approval. As a result Purchaser will most likely be required to pay real estate taxes for a period of time without the 421-a and ICIP tax benefits. Purchasers should note that if approved it has been the policy of the Department of Finance of the City of New York to make any 421-a and ICIP tax benefits retroactive and a Unit Owner would therefore be entitled to either a reimbursement for the amount overpaid or a credit against future real estate taxes. Sponsor makes no representation that this policy will continue or be applicable to this Condominium. Counsel to Sponsor has issued an opinion letter indicating that the Residential Units and Commercial Unit should be eligible to receive these benefits based on certain assumptions and conditions set forth therein. This opinion letter is reproduced in Section XXI of the Offering Plan. In addition, no warranty is made that the actual assessed valuation or the assessed valuation for the Property with Section 421 benefits will be as projected herein, that the projected tax rate will be in effect for all or any portion of the Property during the first year of Condominium operation, or that real estate taxes will be allocated among Units in proportion to the relative value of their Unit, or that the percentage of the exemption between the 421-a and Non-Residential portion of the Condominium will be as reflected in the Schedule. In no event will Sponsor, Sponsor's Counsel, or any offeror hereunder be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind their Purchase Agreement, in the event the amount of such exemption and the resulting taxes differ from those projected.

Schedule A reflects the estimated taxes for the Units with and without the 421-a tax abatement and ICIP benefits. Reference should be made to the Section entitled "Real Estate Tax Exemption Benefits" for a full discussion of the effects of Section 421-a and ICIP upon the real estate taxes payable by Unit Owners.

Based on an estimate from The Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, New York 10004, that after the renovation of the Building is completed, the property will be assessed as follows:

2008/2009	Land	Total
Actual:	$1,200,000	$2,700,000
Transitional	$799,400	$2,299,400

2009/2010	Land	Total
Actual:	$1,700,000	$4,500,000
Transitional	$980,140	$3,780,100

Using relative values as a rental building as a criterion, The Mazursky Group estimates that the Commercial Units will be assessed at 32% and the Residential Units at 67% and the Garage Parking Space Units at 1% of the total assessed valuation. The tax liability during the first year of operation is estimated at $191,871 for the Commercial Unit and $448,100 for the Residential Units and $5,996 for the Garage Parking Spaces Units. During the second year, the estimated taxes are $236,586 for the Commercial Unit and $589,696 for the Residential Units and $7,393 for the Garage Parking Space Units. The calculations are as follows:

First Year of Operation

Commercial Units								
1/1/10-6/30/10								
$3,780,100[1]	x	.32[2]	x	.125[3]	x	.5[4]	=	$ 75,602
7/1/10 – 12/31/10								
$6,920,800[5]	x	.32[2]	x	.105[6]	x	.5[4]	=	$116,269
Total:								**$191,871**
Residential Units								
1/1/10 – 6/30/10								
$3,780,100[1]	x	.67[2]	x	.125[3]	x	.5[4]	=	$158,292
7/1/10 – 12/31/10								
$6,920,800[5]	x	.67[2]	x	.125[3]	x	.5[4]	=	$289,808
Total:								**$448,100**
Garage Units								
1/1/10 – 6/30/10								
$3,780,100[1]	x	.01[2]	x	.125[3]	x	.5[4]	=	$ 2,363
7/1/10 – 12/31/10								
$6,920,800[5]	x	.01[2]	x	.105[6]	x	.5[4]	=	$ 3,633
Total:								**$ 5,966**

1 Estimate 2009/10 Taxable Assessed Value
2 Percentage of value for this type of space
3 Estimated Class 2 Tax Rate
4 Half-year
5 Estimate 2010/11 Taxable Assessed Value
6 Estimated Class 4 Tax Rate

Second Year of Operation

Commercial Unit							
1/1/10 – 6/30/10							
$3,780,1005[5]	x	.32[2]	x	.105[6]	x	.5[4]	=	$116,269
7/1/10 – 12/31/10							
$6,920,800[7]	x	.32[2]	x	.105[6]	x	.5[4]	=	$120,313
Total:								**$236,582**
Residential Units							
1/1/10 – 6/30/10							
$3,780,1005[5]	x	.67[2]	x	.125[3]	x	.5[4]	=	$289,808
7/1/10 – 12/31/10							
$6,920,800[7]	x	.67[2]	x	.125[3]	x	.5[4]	=	$299,888
Total:								**$589,696**
Garage Units							
1/1/10 – 6/30/10							
$3,780,1005[5]	x	.01[2]	x	.105[6]	x	.5[4]	=	$ 3,633
7/1/10 – 12/31/10							
$6,920,800[7]	x	.01[2]	x	.105[6]	x	.5[4]	=	$ 3,760
Total:								**$ 7,393**

6. The Sponsor is not offering and has not procured mortgage financing. As a result, the projected monthly carrying charges for financing have not been included in Schedule A. In the event a Purchaser obtains a mortgage, a Purchaser's monthly carrying charges will increase. Any Purchaser who applies for a mortgage from a lending institution should check with that institution as to the monthly mortgage costs as well as any Closing Costs that the Purchaser will be obligated to pay the lending institution.

   In the event a Purchaser of a Residential Unit obtains a mortgage, the interest payable on the mortgage will be deductible for income tax purposes provided the Residential Unit will be the Purchaser's principal residence or one (1) other residence selected pursuant to the Internal Revenue Code.

7 Estimate 2011/12 Taxable Assessed Value

VI. SCHEDULE B

77 READE STREET CONDOMINIUM

PROJECTED BUDGET FOR FIRST YEAR OF OPERATION

Beginning December 1, 2009 to November 30, 2010

Projected Income			
(1)	Common Charges-Residential Unit	464,206	
(1)	Common Charges-Commercial Unit	17,154	
	Common Charges-Basement Parking and Storage	1,464	
	Total Projected Common Charges		$482,824
Projected Expenses			
(2)	Labor and Benefits	242,494	
(3)	Gas (heating and hot water)-Residential	38,500	
(4)	Electricity	29,040	
(5)	Water charges and sewer rents	29,600	
(6)	Repairs, maintenance and supplies	24,800	
(7)	Service Contracts	15,150	
(8)	Insurance	39,500	
(9)	Management fees	32,000	
(10)	Legal and Accounting	11,750	
(11)	Other	14,990	
(12)	Contingency	5,000	
	Total Projected Expenses		$482,824

*In the event the actual first year budget differs from the actual commencement of the budget year by six (6) months or more, Sponsor will amend the Plan to include a revised budget. See explanatory footnotes. If amended budget exceeds this budget by twenty-five (25%) percent or more, the Sponsor will offer all Purchasers the right to rescind their Purchase Agreement and have their deposits returned, with interest, if any within a reasonable period of time that is not less than fifteen (15) days.

FOOTNOTES TO PROJECTED BUDGET

1. Annual Common Charges

Common Charges projected herein are based upon estimated expenses for the twelve (12) month period commencing December 1, 2009. If the actual or anticipated ate of commencement of Condominium operation is to be delayed by more than six (6) months from the budget year projected in the Offering Plan, the Plan will be amended to include a revised budget disclosing the current projections.

The common charges are allocated among the Condominium Units, as detailed on pages that follow and summarized below, in a fair and equitable manner.

2. Labor and Related Expenses

It is believed that the level of staffing complies with all applicable housing laws, labor laws, and minimum wage laws. Based on the services of a part time non-union superintendent who does not live on premises as follows.

The building staff shall consist of:

NUMBER OF UNION EMPLOYEES	NUMBER OF EMPLOYEES IN CATEGORY	CATEGORY	ANNUAL WAGE
1	1	SUPER	52,738
1	1	PORTER	40,617
2	1.4	DOOR	56,864
4	**3.4**		**150,219**

BASE, OT, BONUS:		BASE PAY	150,219
		OVERTIME PAY	2,415
		BONUSES	2,875
VACATIONS & HOLIDAYS AND PERSONAL		VACATION & SICK PAY	8,810
	2.9	AVERAGE WEEKS PER EMPLOYEE	
	1	PERSONAL DAY	412
	11	HOLIDAYS (TIME AND A HALF)	9,591

EMPLOYER FICA	FICA @ **7.650%**			13,336
UNEMPLOYMENT INSURANCE:	FEDERAL @ **1.100%**			449
	STATE @ **2.000%**			816
GOVERNMENT MANDATED BENEFITS	DISABILITY INSURANCE			350
	WORKERS COMP @ **4.00%**			6,941
		(annual rates)		
UNION MANDATED BENEFITS	HEALTH	12,876	38,628	
(3 eligible for these benefits)	PENSION	3,682	11,046	
	ANNUITY	894	2,682	52,356
SUMMARY				
	GROSS SALARY			188,922
	BENEFITS			59,647
	TOTAL			**248,569**

Staffing is based on 1 fulltime super, 8 hour daily door coverage seven days per week and 1 fulltime porter. Wage and union benefit rates are based on costs to be in effect during the budget year as per the current Local 32B32J contract expiring on April 20, 2010. It is estimated that the majority of staff time is spent on the Residential Unit. The first 95% of the super's payroll, the first 98% of porter costs, and the first 99% of doorman costs are allocated to the Residential Unit. The remainder is allocated to the three primary units based on related common interest. See Schedule below.

Total	99.55% Residential	0.41% Commercial	0.04% Basement Parking
248,569	247,456	1,018	95

3. Gas

Heat and hot water for the Residential Units, including the Common Elements, shall be provided by gas-fired hot water heaters located in the boiler room. The cost of heat and hot water for the Commercial Unit will be solely the responsibility of the Commercial Unit Owners. The entire budget is allocated to the Residential Units.

The budgeted amount, based on an estimate prepared by Laszlo Bodak, Engineer PC, assumes annual consumption of natural gas at approximately 21,900 therms at a unit cost of $1.76. Fluctuations in the natural gas market and the weather will ultimately determine actual costs. Accordingly, the budget estimate cannot be guaranteed.

Gas will be provided by Con Edison.

4. Electricity

Electric consumption includes the aggregate cost of power to the Common Elements, including lighting for the lobby, public stairways and corridors, elevator and exterior power for the elevator, voice intercom system and electric door release at the front entrance door and mechanical equipment systems covering the Common Elements.

The budgeted amount, based upon an estimate prepared by Laszlo Bodak Engineer, PC located at 45 West 36th Street New York, N.Y. 10018, assumes power consumption for the first year of Condominium operation will be 132,000 kilowatt hours @ 22 cents per kilowatt hour, inclusive of sales taxes, for a total of $29,040. The actual cost will vary based on equipment maintenance and efficiency as well as the unpredictable nature of price fluctuations. Accordingly, the budgeted cost cannot be guaranteed.

Electricity will be provided by Con Edison. The total cost will be allocated to the Residential Units.

The Commercial Unit utility costs will be metered separately. Any electrical consumption for the Commercial Unit will be billed directly from the utility company to the Commercial Unit Owner. The Commercial Unit is separately metered for gas services.

It is not possible to predict how closely the budgeted figure will reflect the actual expenses for electricity and gas to be incurred during the first year of Condominium Operation, in part because such expenses will vary with the level of consumption and the applicable rates.

Many factors affect the cost of electricity, including the cost of oil used to generate electricity, which cost has historically been highly volatile and unpredictable. In recent years, electric rates have been increasing steadily. The cost of natural gas is also likely to increase, although it is not possible to forecast with certainty the amount or timing of such increases.

5. Water and Sewer Charges

The budget, based on an estimate provided by Laszlo Bodak Engineer, P.C., contemplates annual usage of 4,900 hundred cubic feet. The current unit cost as of July 2007 is $5.22. The budget projects unit cost increases totaling 16%, or $6.05. Accordingly, the budgeted amount is $29,600.

The Commercial Units will be separately metered for water consumption and each Commercial Unit Owner will solely responsible to pay all costs associated therewith. In addition each Commercial Unit Owner will contribute to the Building wide water and sewage costs based upon their percentage of common interest in the Condominium.

The actual water cost will be impacted by future rate increases, efficiency of water fixtures, personal habits and population density within the individual residential units. Accordingly, no guarantee can be rendered concerning the budgeted amount.

6. Repairs, Maintenance and Supplies

Does not include repairs, painting, maintenance, or supplies for individual Units, all of which are the responsibility of the individual Unit Owners. The budget includes repairs to the interior of the building, the plumbing and electrical systems, painting of public areas, foundation, the heating system (including pipes and control devises regulation distribution in the building) and various supplies (such as cleaning supplies and materials, lubricants, bulbs, public fixtures, general and hardware supplies). No amount is included for items covered by construction warranties or to cover the cost of any major capital expenditure in the building. The budgeted amount is based on the Sponsor's experience in operating newly constructed buildings of comparable size and quality.

	Allocations	Total	Residential Unit	Commercial Unit	Basement Parking & Storage
Boiler and HVAC		2,000	2,000	-	-
Plumbing	Relative commercial unit common interest of 15.4% allocated to commercial unit	2,000	1,692	308	-
Doors		1,000	1,000	-	-
Electrical		1,000	1,000	-	-
Intercom & Security		1,000	1,000	-	-

Lobby & Halls		1,500	1,500	-	-
Water Conditioning		1,800	1,800	-	-
Flowers and Landscape		2,500	2,500	-	-
Supplies	95%, 5%	5,000	4,750	250	-
Equipment Repairs	Relative commercial unit common interest of 15.4% allocated to commercial unit	2,000	1,692	308	-
Apartment Repairs		2,500	2,500	-	-
Other Repairs	Relative commercial unit common interest of 15.4% allocated to commercial unit	2,500	2,115	385	
			-	-	-
Totals		**24,800**	**23,549**	**1,251**	**-**

7. Service Contracts

Elevator	3,251	Major Elevator Corp. -72 Reade Street, New York, NY 10007
HVAC	10,400	Air Depot – 4118 2nd Avenue Brooklyn, NY 11232
Exterminating	1,500	Based on similar buildings

	ALLOCATION	Totals	Residential Unit	Commercial Unit	Basement Parking & Storage
Elevator		3,251	3,251	-	-
HVAC		10,400	10,400	-	-
Exterminating	Relative commercial unit common interest of 15.4% allocated to commercial unit	1,500	1,269	231	-
Totals		15,151	14,920	231	-

As of the date of acceptance of the Offering Plan the Condominium has not entered into contracts with Major Elevator Corp. or Air Depot.

8. Insurance

Insurance projections are based on an estimate of insurance premiums provided by Hub International with offices located at 100 Sunnyside Boulevard, Woodbury, N.Y. 11797 as follows:

Property Coverages	
Building – Special Form/"All Risk"/Replacement Cost (No co-insurance)	$16,000,000 ($5,000 Ded)
Building Ordinance/Increased Cost of Construction	$5,000,000
Underground Main/Sewer Back-up	$5,000,000
Flood	$5,000,000 ($25,000 Ded)
Business Income (Common charges)	12 Months-Actual Loss Sustained
Contents/Personal Property	$20,000
Boiler & Machinery	Included
General Liability Coverages	
General Aggregate Limit	$2,000,000
Products/Completed Operations Aggregate	$1,000,000
Personal/Advertising Injury	$1,000,000
Each Occurrence	$1,000,000
Fire Damage Limit – Any one fire	$ 100,000
Employee Benefits	$1,000,000
Non-Owned & Hired Auto Liability	$1,000,000
Crime/Fidelity Insurance	
Employee Dishonesty	$250,000
Forgery/Alteration	$100,000

Projected Annual Premium – Property, Liability & Crime Coverage - $29,500

Directors & Officers Liability	
Limit	$1,000,000

Projected Annual Premium - $2,500

Umbrella Policy	
Limit	$100,000,000

Projected Annual Premium - $7,500

The Sponsor represents that it will deliver at the Condominium's expense, on or before the first Closing of Title to a Unit, a fire and liability binder of policy containing all the coverage described in this footnote and meeting the requirements of the Condominium By-Laws. This coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of the Unit Owner.

Unit Owners are advised to obtain insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements and liability coverage for occurrences within the Unit.

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

Insurance expense has been allocated to all Unit Owners based on relative common interest.

IN RECENT YEARS, PREMIUMS FOR INSURANCE HAVE BEEN ON THE INCREASE. THE RATES REFLECTED ABOVE ARE THOSE IN EFFECT AS OF THE DATE OF THE OFFERING PLAN. BECAUSE OF THE VOLATILITY OF THE INSURANCE MARKET, IT IS NOT POSSIBLE TO PREDICT WHETHER FUTURE PREMIUMS WILL CONTINUE TO INCREASE OR WILL LEVEL OFF. NO REPRESENTATION IS MADE REGARDING THE ACTUAL COST OF INSURANCE AT THE TIME OF THE COMMENCEMENT OF THE BUDGET.

9. Management Fees

The initial contract with the managing agent shall commence upon the conveyance of title by the Sponsor of the first Unit in the Condominium and shall continue until the first anniversary of such date. The fee shall be $32,000 per annum based on a quote provided by Midboro Management, Inc. with offices located at 148 West 37th Street, New York, New York 10018.

10. Legal and Accounting Fees

Legal	$5,000
Accounting and Auditing	$6,750
Total Legal and Accounting	**$11,750**

Legal fees include general business matters as well as collection efforts beyond the scope of the Board of Managers or managing agent. All Condominium Unit Owners are entitled to receive annual audited financial statement from the Condominium. Accounting also includes preparation of the annual income tax returns. Accounting estimate provided by the accounting firm of Czarnowski and Beer LLP with offices located at 554 Fifth Avenue New York, NY 10036.

Total	83.16% Residential	15.40% Commercial	1.44% Parking
11,750	9,771	1,810	169

Allocations are based on relative common interests.

11. Other Expenses

	Allocation Percentages	Total	Residential Unit	Commercial Unit	Basement Parking & Storage
Telephone-Lobby		1,500	1,500	-	-
Payroll Processing	(99.55%, .42%, .03%)	2,800	2,787	12	1
Permits & Inspections	relative common interest	2,500	2,079	385	36
Uniforms	(99.55%, .42%, .03%)	3,750	3,733	16	1
Dues & Subscriptions	relative common interest	1,200	998	185	17
Office Expenses	relative common interest	1,500	1,247	231	22
Administrative Exp	relative common interest	1,500	1,247	231	22
Bank Charges	relative common interest	240	200	37	3
Total		**14,990**	**13,792**	**1,096**	**102**

Covers telephone, payroll processing, New York City mandated fees and inspections such as boiler permits, elevator inspection fee, postage, messengers, copies, various compliance-related administrative fees, new employee uniforms and cleaning, membership dues to various real estate and condominium advocacy organizations and other miscellaneous expenses incurred in the normal course of business. Allocations for telephone-super, payroll processing and uniforms are consistent with payroll allocations discussed above in section (2).

12. Contingencies

This item is intended to provide a fund for possible expenses not included in the budget or possible increases in one or more items of operating expense above the amounts projected. These funds may be used at the discretion of the Board

of Managers for unforeseen expenses or other appropriate expenses. The purpose of the contingency fund is to provide for any unanticipated expenses or unanticipated increases in projected expenses and is not part of the reserve fund which is utilized for capital expenditures.

IN THE OPINION OF MIDBORO MANAGEMENT, INC. ("CONSULTANT"), 148 WEST 37TH STREET, 8TH FLOOR, NEW YORK, NEW YORK 10018 (SET FORTH IN "CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET," IN PART II OF THIS PLAN), THE PROJECTED RECEIPTS APPEAR REASONABLE AND ADEQUATE BASED ON PRESENT PRICES (ADJUSTED TO REFLECT CONTINUED INFLATION AND PRESENT LEVELS OF CONSUMPTION FOR COMPARABLE UNITS SIMILARLY SITUATED) TO MEET THE ESTIMATED EXPENSES FOR THEIR FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE YEAR COMMENCING DECEMBER OF 2009. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A WARRANTY THAT THE ANNUAL COMMON CHARGES OR COMMON EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM BOARD WILL BE AS SET FORTH IN SAID BUDGET.

IT IS LIKELY THAT THE ACTUAL COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

VII. SCHEDULE C

The projected energy costs for the individual Units are based on the projections provided by Laszlo Bodak Engineer, PC, 45 West 36th Street, 3rd Floor, New York, New York 10018 as per the attached letter.

Actual costs may vary depending upon the hours of use, thermostat settings and proper maintenance. These cost figures are estimates and are not intended as guarantees.

In view of the fact that these averages may include the use of energy by persons of varying need with different standards of comfort or with families of different sizes, the amount of energy used by the Purchaser may vary substantially from the average estimates herein provided. In addition, the effect of inflation, fuel shortages and other factors may raise the cost of electricity and gas substantially higher than the current or projected rate.

Although the Sponsor is under obligation to provide accurate information to Prospective Purchasers, factors beyond its control may substantially affect the cost of electricity and gas after the purchase of a Unit or in subsequent years. Sponsor represents however, that it has followed the plans and specifications provided by the manufacturer of the appliances together with the recommendation of the manufacturer and other experts to enable these items of equipment to operate at optimum efficiency at the lowest cost. Further, that it has not been induced to select the appliances etc., described herein on the basis of any financial inducement other than the cooperative advertising and price of the system made to it by the manufacturer or distributor of the system or by the supplier of energy to be used in connection therewith or by any of their agents or employees.

Laszlo Bodak Engineer, PC

45 West 36th Street, 3rd Floor
New York, NY 10018
Telephone: **(212) 643-1444**
Fax: **(212) 643-3456**
Email: engineers@laszlobodak.com

Laszlo Bodak, PE
Michael T. McGough, PE
Associates:
Robert Fricano, PE
Steven F. Graham, PE
Lonnash Somwaru
York Tom, PE

MEMORANDUM

To: Myles Group

From: Michael T. McGough, PE

Re: 77 Reade Street
Estimated Utility Costs
LBE 06170

Date: Revised August 9, 2007
August 2, 2007

cc: Paul Capese

Following are estimated utility costs for the above referenced project. These costs are based on current rates from the providing utility companies and our engineering estimates; and should be used for budget purposes only. Final costs will be based on actual usage, operation and occupancy of the building and will result in costs that may be higher or lower than those presented. Note that the costs are annual, actual utility costs vary monthly based on seasonal changes and these are based upon an occupied building. Further, due to the present status of the project, we anticipate that a revision of these costs will be required once the Architectural and Engineering documentation is further developed.

Basis of Calculations:

1. Heat and cooling load calculations were based on construction consistent with New York State Energy Code requirements.
2. Winter design temperature 13° F outside, 68° F inside.
3. Summer design temperature 89° F outside, 78° F inside.
4. Heating degree days 4910.
5. Cooling 1000 equivalent full load hours of operation.
6. Electrical costs based on current published Con Edison SC-1 rates:
   - First 250 kwh - 15.917 cents per kwh
   - Over 250 kwh - 15.528 cents per kwh
   - Adjustment factor - 0.2475 per kwh
   - Sales tax - 4.125 %
7. Gas costs based on Con Edison Residential Firm Rate, SC-1:
   - First three therms - $12.38
   - Over 3 therms - .5438 per therm
   - Gas cost factor - .815816 per therm
   - Commodity Charge - $1.022691 per therm
8. Water and sewer charges were based on $4.69 per 100 ccf.

Common Charges:

Electricity
Electric consumption includes the aggregate costs for power to the Common Elements, including lighting in the lobby, public stairways and corridors, elevator and exterior power for the elevator, voice intercom system and electric door release at the front door entry, and mechanical equipment and miscellaneous common electric power for the Building. Con Edison shall provide electricity.

The budgeted amount, based upon an estimate prepared by Laszlo Bodak Engineer, PC, assumes that public light and power consumption for the first year of Condominium operation will be 132,000 kwh for a total of $21,000/year

Each Residential Unit and Commercial Unit will be metered and billed separately for electricity and each Residential Unit Owner and Commercial Unit Owner shall pay Con Edison directly for its electricity costs, including the cost of operating the air conditioning system within each such respective Unit. Electricity consumption will be affected by such factors as the severity of the weather, the number of building occupants, actual usage and personal habits. No warranty is made that this budgeted item will be in accordance with the actual cost of electricity during the first year of condominium operation.

Gas
Heat and Hot Water
Heat and hot water for the Residential Units, including the Common Elements, shall be provided by gas-fired hot water heaters located in the boiler room of the Building. The cost of this gas consumption for such heat and hot water shall be collectively metered by one or more meters. Gas service shall be provided by Consolidated Edison Company of New York ("Con Edison") and shall be a Residential Common Expense of the Residential Units only. It is contemplated that no gas service will be provided to the Commercial Units. If, however, such gas service shall be provided to the Commercial Units, gas consumption for the Commercial Units shall be separately metered or submetered and the cost thereof shall be a Non-Residential Common Expense or the sole expense of the respective Commercial Unit Owners.

It is anticipated that the annual consumption of natural gas will be approximately 17,300 therms per year for heating and 4,600 therms per year for hot water.

Cooking/Dryer Gas
The budgeted amount includes the estimated cost of gas supplied to each Residential Unit for cooking and clothes dryer purposes. This estimate assumes an anticipated annual consumption of 4,000 therms for cooking gas and 1000 therms for clothes dryer gas.

Gas consumption will be affected by such factors as the number of building occupants, actual usage and personal habits. No warranty is made that this budgeted item will be in accordance with the actual cost of gas during the first year of condominium operation.

It is anticipated that the annual consumption of natural gas will be approximately 27,000 therms per year for a total cost of $38,500/year

For the purposes of this calculation, the total number of residential occupants was estimated at 2-3 persons per residential unit. Calculations do not include the requirement for substantial hot water and/or other gas consumption in the Commercial Units. The Commercial Units will be separately metered or submetered by Con Edison for their respective loads if required. The cost of any gas consumption for hot water and cooking gas, if any, for the Commercial Units shall be the sole responsibility of the Commercial Unit Owners and a Common Expense of the Commercial Unit Owners only. The Commercial Unit Owners shall also be responsible for the installation of separate meters or submeters for measuring such gas consumption, including the cost of such installation.

Natural gas consumption will be affected by such factors as the severity of the weather, the number of building occupants, actual usage and personal habits. No warranty is made that this budgeted item will be in accordance with the actual cost of gas during the first year of condominium operation.

Water and Sewer

All charges for water consumed in both the Residential Units and in the Common Elements, together with all related sewer rents arising there from, shall be a Residential Common Expense of all of the Residential Unit Owners and shall be paid by the Board of Managers.

The budgeted amount is projected by Laszlo Bodak Engineer, PC, based on current New York City rates of $ 4.69/100 CCF ($1.81 for water and $2.88 for sewer) and a projected annual consumption of 490,000 CCF for an approximate cost of $20,000/year. The budgeted amount covers only services to be rendered to the Residential Units and shall not be utilized for any such expenses incurred by the Commercial Units. The Commercial Units will be metered separately, and therefore the Commercial Unit Owners will be responsible for their full share of all water/sewer costs measured thereby.

Water consumption will be affected by such factors as the number of building occupants, actual usage and personal habits. No warranty is made that this budgeted item will be in accordance with the actual cost of water during the first year of condominium operation.

Commercial Units Electrical Consumption

The Commercial Units will be billed directly by Con Edison for electric consumption in their Units, as well as gas service for their Units.

Commercial Tenant #1 $19,510
Commercial Tenant #2 $11,705

The Commercial Units will be sub-metered for water and are expected to use approximately 11,000 gallons (1470 cef) of water in a twelve-month period. The water sub-meter charge is a direct charge to the Commercial Units (estimates are based on a hard goods retail establishment).

Residential Units Electrical Consumption:

Residential Unit Owners will be billed directly by Con Edison monthly for electric consumption within their Units. The foregoing projections are for lighting, appliances and air conditioning.

No representation or guaranty is made that a particular Residential Unit Owner's actual electricity costs will be as projected. Indeed, actual costs will vary from the projections due to such factors as different usage among Residential Unit Owners and rate fluctuations.

Floor	Unit	Annual Utility Costs
Ground Floor	A	$2,340
2nd Floor	A	$1,950
	B	$1,790
	C	$1,200
	D	$1,270
	E	$1,700
	F	$1,760
3rd, 4th and 5th Floors	A	$1,950
	B	$1,790
	C	$1,260
	D	$1,270
3rd and 4th Floors	E	$1,700
	F	$1,760
6th Floor	A	$1,960
	B	$1,260
	Duplex C	$3,040
	Duplex D	$1,740
	E	$1,700
	Duplex F	$2,410
Penthouse	Duplex A	$2,440
	Duplex B	$2,350

CERTILMAN BALIN ATTORNEYS

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VIII. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-I

June 13, 2008

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

Re: 77 Reade Street Condominium

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property has retained this office to review the percentage of Common Interest applied to the Units contained in Schedule A of the Offering Plan.

Our experience includes the preparation of hundreds of Condominium Offering Plans and legal representation of numerous Condominium Boards of Managers in the State of New York for over thirty (30) years.

In reviewing said Schedule A, the percentage of Common Interest for each Unit as contained therein has been determined based upon the approximate proportion that the floor area of the unit at the date of the declaration bears to the then aggregate floor area of all units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements. Said method of determining the percentage of Common Interest in a Condominium complies with and is pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York.

I hereby authorize inclusion of this opinion in the Offering Plan for this Condominium to be filed with the Department of Law.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP

By: _____
Richard Herzbach, Partner

1959390.6

IX. COMMERCIAL UNITS

The Condominium will initially contain two (2) Commercial Units subject to the rights of the Commercial Unit Owners to subdivide and/or merge the Commercial Units. Although it is Sponsor's intent to sell the Commercial Units the Sponsor or the affiliated entity reserves the right to sublet a Commercial Unit.

The Commercial Units may be used as Commercial Facilities as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York which includes retail stores, personal service establishments and offices. Purchasers should refer to Section I of the Offering Plan as to uses that are not permitted.

The Sponsor and/or Owner(s) of a Commercial Unit shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of mortgages on Units, whether before or after the recording of the Declaration of Condominium, to (a) make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary into and upon a Commercial Unit; (b) alter or improve any Limited Common Elements applicable to a Commercial Unit; provided, however, that in each instance the Commercial Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

The Owner of a Commercial Unit shall have easements for (i) the installation, maintenance, repair and replacement of signs, flues, vents, air-conditioning, heating, ventilating, water and other mechanical lines and fixtures and equipment on the exterior walls, the roof and through the General Common Elements of the Condominium, and in, through, under and over a Commercial Unit; (ii) through the General Common Elements and subject to the approval of the Board of Managers, which approval shall not be unreasonably withheld, through the General Residential Units Limited Common Elements of the Condominium for access to any part of the Condominium for the purpose of installing, repairing, maintaining and replacing any fixtures and equipment now or hereafter located in or on the Condominium servicing the applicable Commercial Unit, provided, however, that except in the case of an emergency, the right of access may be exercised only after prior notice to the Board of Managers; (iii) for access to any equipment that services a Commercial Unit and which are located in the residential portion of the Condominium or the General Residential Units' Limited Common Elements. The Commercial Units shall also be subject to easements in favor of any other Units for the installation, maintenance, repair and replacement of gas, electricity, heating, air-conditioning, ventilating and water and other mechanical lines and fixtures and equipment serving a Commercial Unit. The Owner and tenants of a Commercial Unit shall have the right, at their sole expense, to install separate heating systems for a Commercial Unit and an easement is granted in, over, under and through any part of the Condominium for the installation, maintenance, repair and replacement of the

heating systems and all necessary pipes, lines, conduits, ducts, water lines and flues in connection therewith if such right is exercised.

The Commercial Unit Owners and/or their tenants will have an easement to erect, maintain and replace one (1) or more signs on the property as permitted by law for the purpose of advertising the operation of any business conducted therein. Any such signs shall be of reasonable size and shall not be located so as to unduly disturb the aesthetics of the Building.

At the request of a Commercial Unit Owner, the Board will execute any application or other document required to be filed with any governmental agency having or asserting jurisdiction in connection with any addition, alteration, improvement, or repair of a Commercial Unit or the operation thereof. A Commercial Unit Owner shall indemnify and hold the Board and the Unit Owners harmless from any liability resulting therefrom.

The Owner of a Commercial Unit shall be responsible for payment of the Common Charges to the Condominium allocated to the applicable Commercial Unit and all real estate taxes allocated against, and interest and amortization on all mortgages affecting said Commercial Unit and the entire cost of maintaining, repairing and replacing the Limited Common Elements applicable to their Commercial Unit. No bond or other security will be posted for this obligation and the Commercial Unit Owner's ability to perform will depend upon its financial condition at the time it may be called upon. If the Commercial Unit Owner fails to pay the Common Charges and expenses, allocated against their Commercial Unit, the Board of Managers will have the same rights and remedies against it as against any other defaulting Unit Owner. In addition, the Owner(s) of a Commercial Unit(s) shall be responsible for their pro rata share of the Common Expenses of the Condominium based upon their percentage of common interest as reflected in Schedule A. Pursuant to the opinion of Sponsor's expert contained in the Certification of Adequacy of the Common Charges of the Commercial Unit contained in Part II of the Plan, the Common Charges payable by the Commercial Unit Owner are sufficient to cover the expenses fairly attributable to such Unit.

Except to the extent prohibited by law, the Sponsor, its successor, assignee or designee and a Commercial Unit Owner shall have the right, without the vote or consent of the Board of Managers to: (a) make alterations, additions or improvements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, in, to and upon a Commercial Unit; (b) change the layout of, or number of rooms in a Commercial Unit from time to time; (c) change the size and/or number by subdividing one or more Commercial Units into two or more separate Commercial Units, combining separate Commercial Units (including those resulting from such subdivision or otherwise) into one or more Commercial Units, altering the boundary walls between any Commercial Units, or otherwise; (d) if appropriate, reapportion among a Commercial Unit affected by such change in size or number pursuant to the preceding clause their percentages of

interest in the Common Elements; provided, however, that the percentage of interest in the Common Elements of any other Commercial Units shall not be changed by reason thereof unless the owners of such Commercial Units shall consent thereto and, provided further, that the Declarant, its successor, assignee or designee and the Commercial Unit Owner(s) shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Commercial Unit Owner(s) harmless from any liability arising therefrom.

Commercial Unit Owners will not be permitted to install any finished floor exceeding one (1") inch above the concrete slab, unless prior approval is provide by Sponsor's architect as long as the Sponsor continues to retain at least one (1) Unit in the Condominium and, thereafter, by an architect approved by the Board of Managers of the Condominium.

The Board of Managers will not have any right to restrict or limit the method of operation, use or appearance of any Commercial Unit which are permitted by law. No rules affecting the operation of a Commercial Unit may be adopted or modified by the Board of Managers without the consent of the Commercial Unit Owners representative on the Board of Managers. All or any part of a Commercial Unit may be leased or subleased by the Commercial Unit Owner. The Residential Unit Owners will have no interest in the rents, profits or revenues from the rental or use of the Commercial Unit.

No representation is made by the Sponsor with respect to who the tenants or occupants of any portion of the Commercial Unit may be, at any time, or as to the uses to which any portion of the Commercial Unit may be put at any time and no assurance is given that such tenants, occupants or uses will not be objectionable to Residential Unit Owners or other parties.

The Owner(s) of a Commercial Unit will be obligated to pay a share of all the Common Expenses of the Condominium Common Elements reflected in Schedule B based on their percentage of common interest in the Condominium. The Commercial Unit Owners will also be responsible for the entire cost of the maintenance and operation of the Commercial Unit's Limited Common Elements.

The Residential Unit Owners shall have an easement through the Commercial Units and Commercial Unit's Limited Common Elements for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing the General Residential Units' Limited Common Elements, Individual Residential Unit's Limited Common Elements, the Residential Units and/or the entire Building.

X. CHANGES IN PRICES OF RESIDENTIAL AND COMMERCIAL UNITS

Sponsor will not make any material change in the size nor adverse material change in the quality of the General Common Elements without the consent of all the Unit Owners and the General Residential Units' Limited Common Elements without the consent of the Residential Unit Owners. However, Sponsor reserves the right to change the model mix of the Residential Units without consent of any Residential Unit Owner as long as the percentage of Common Interest for the Residential Units is not affected, there is no Purchase Agreement in effect for said Residential Unit and as long as the Sponsor does not change the total number of Residential Units being offered for sale, nor the total number of buildings in the development, nor substantially change the size of the Residential Unit. Notwithstanding the above Sponsor reserves the right to sell two (2) or more Residential Units to a Purchaser and combine the Residential Units into one (1) Residential Unit.

Sponsor will not make any material change in a Unit's size, layout, percentage of Common Interest or in the amount or quality of Common Elements directly affecting or servicing the Unit if a Purchase Agreement has been executed and delivered to Sponsor for that Unit and the Purchaser is not in default, unless the Purchaser consents in writing to such change.

The prices for these Condominium interests may be changed from those set forth in this Offering Plan so that Purchasers may pay different prices for similar interests. No such change will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the offering where a reduction in sales prices does not constitute a general offering but is rather the result of an individually negotiated Unit purchase. All changes in prices which are an across the board increase or decrease affecting one (1) or more lines of Units or models, or is to be advertised or is a price increase for an individual Purchaser will be done by a duly filed amendment to the Offering Plan.

The Sponsor further reserves the right, but not the obligation, to negotiate with a Purchaser on an individual basis in connection with all aspects of the purchase price, including but not limited to: upgrades to the Unit or the fixtures or equipment contained therein or credits or allowances therefore; treatment of reduced and/or split down payment; financing contingency; extension of period to secure financing; payment of all or part of a Purchaser's acquisition or financing costs such as, but not limited to: origination fees and commitment fees; any and all other costs relating to the cost of acquiring title to the Unit; maintenance subsidies, rebates or other costs associated with maintaining a Unit as a credit against the purchase price or payable on a periodic basis or any other manner as is negotiated between the parties; promotional gifts on the purchase of a Unit and application of rent toward the purchase price. As a result, a Purchaser may receive different terms than a prior or subsequent Purchaser may

receive for a similar Unit. Furthermore, the Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms or, at its sole option, to expand the applicability of such negotiable terms to some or all Purchasers pursuant to Section 352-e of the General Business Law.

XI. INTERIM LEASES

The Sponsor will not enter into interim leases with Purchasers for Units prior to Closing. In no event shall Purchaser take possession of the Unit prior to the time of the delivery of the deed, nor shall Purchaser enter the Unit or have his or her contractors or agents enter the Unit to perform work prior to Closing without the written authorization of the Sponsor. Should the Purchaser violate this provision, Sponsor will have the right to remove Purchaser from the Residential Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default of the Purchase Agreement and Sponsor may retain the funds being held in escrow to a maximum of ten (10%) percent of the sales price plus the cost of extras ordered, as liquidated damages. Purchasers should refer to Paragraph 21 of the Purchase Agreement.

XII. PROCEDURE TO PURCHASE

The Sponsor hereby offers for sale the Units under construction in the Condominium for occupancy in accordance with applicable municipal zoning regulations. Occupancy of the Units or portion of a Unit by a lessee or lessees of the Unit Owner for the purposes set forth in this paragraph conform with the zoning regulations permitting construction of this Condominium.

The sales prices at which the Units are being offered for sale are shown in detail in Schedule A. The Sponsor reserves the right to lower the sales prices and to negotiate other terms on an individual basis. All changes in prices which are an across the board increase or decrease affecting one or more lines of Units or models, or are to be advertised or is a price increase for an individual Purchaser will be done by a duly filed amendment to the Offering Plan. See Section X of the Offering Plan. Any such change will not affect the common interest of the Unit; however, some Purchasers may pay less or more for the same model Unit or receive different terms.

Any person may accept Sponsor's offer to sell a Unit by entering into a Purchase Agreement with the Sponsor. The Agreement provides that the Purchaser will purchase from the Sponsor a designated Unit in the Condominium as described in the Declaration creating such Condominium. A Purchaser will be afforded a minimum of three (3) business days to review the Offering Plan and all filed amendments prior to executing a

Purchase Agreement. Any conflict between the Offering Plan and the Purchase Agreement shall be resolved in favor of the Offering Plan.

Upon signing the Purchase Agreement the Purchaser shall make a down payment of a minimum of 10% of the purchase price of a Unit plus the cost of any special work ordered by the Purchaser. Upon full payment of the balance of the purchase price and the balance of the cost of any special work ordered at the Closing, in cash or by mortgage, Purchaser will receive a bargain and sale deed with covenant against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable title to the ownership of fee ownership in the Unit and such percentage of Common Interest in the Common Elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth in Section XV of the Offering Plan. The Purchase Agreement may be modified with the consent of Purchaser and Sponsor in a manner not inconsistent with law, subject to the terms of this Offering Plan. Sponsor must either return a fully executed Purchase Agreement within twenty (20) days to the Purchaser or reject the Purchase Agreement and refund the deposit monies. In the event the Sponsor does not act within said twenty (20) day period the Purchase Agreement will be deemed accepted by the Sponsor.

The Power of Attorney attached to the Purchase Agreement must be executed by Purchaser at the Closing of Title. Failure to execute the Power of Attorney will result in a default under the Purchase Agreement.

It is anticipated that the Closing to the first Residential Unit will occur on or about December 1, 2009. In the event said date is delayed by twelve (12) months or more, unless said date is revised pursuant to an amendment, Sponsor will offer Purchasers, then in contract, a right to rescind their Purchase Agreement in an Amendment to the Offering Plan. Purchasers must advise Sponsor no later than fifteen (15) days from the date of Sponsor's notice in the event they are going to exercise their right of rescission. Time is of the essence to exercise the right of rescission.

In the event Sponsor is unable to convey title to a Unit twelve (12) months after the proposed date of delivery set forth in the Purchase Agreement a Purchaser shall have the option to cancel the Purchase Agreement and have the down payment advanced by Purchaser returned to Purchaser. Purchaser shall be obligated to notify the Sponsor in writing of its intent to exercise said option no later than thirty (30) days after the twelve (12) month period. Failure to so notify Sponsor shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Sponsor shall be unable to convey title to the Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Sponsor shall return all monies being held in escrow within thirty (30) days thereafter. See Paragraph 5 of the Purchase Agreement in Part II of the Plan.

After the Offering Plan is declared effective, the Sponsor will give each Purchaser who enters into a Purchase Agreement not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to the Residential Unit unless a Purchaser waives such thirty (30) day notice. A form for such waiver is contained as Schedule D-3 to the Offering Plan.

The Purchase Agreement may not be assigned by Purchaser without the written consent of Sponsor.

The risk of loss or damage to the Unit by fire or any other cause until the delivery of the deed or purchaser takes actual possession of the Residential Unit pursuant to written agreement is assumed by the Sponsor.

The Purchase Agreement may not contain, or be modified to contain, a provision waiving purchaser's rights or abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Any conflict between the Purchase Agreement and the Plan will be resolved in favor of the Plan. The Purchase Agreement and Plan comply with Section 71.a(3) of the New York Lien Law. Said statute provides that the initial advance of the Purchase Agreement be deposited in an escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in New York State. The escrow and trust fund provisions disclosed below complies with said statute.

The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's down payment in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at Closing regardless of the availability of financing. In the event a Purchaser does not Close Title to the Residential Unit as a result of their inability to obtain a mortgage, the down payment plus the cost of any custom work ordered, will be retained by Sponsor as liquidated damages.

A complete copy of the Purchase Agreement is contained in Part II of the Plan.

ESCROW AND TRUST FUND PROVISIONS

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

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations

concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Offering Plan or in a Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, down payments, or advances made by Purchasers prior to Closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Agreement is signed by all necessary parties, in a segregated special Escrow Account of Certilman Balin Adler and Hyman, LLP, the Escrow Agent, who address is 90 Merrick Avenue, New York 11554 and whose telephone number is (516) 296-7006. The sole signatory on this account authorized to withdraw funds is Certilman Balin Adler and Hyman, LLP. The name of the account is "Certilman Balin Adler and Hyman, LLP/77 Reade Street Escrow Account" located in Capital One, N.A., 275 Broad Hollow Road, Melville, New York 11747. This bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. If an individual makes a downpayment in excess of $100,000 for the purchase of a Unit, it is a special risk of this offer that such deposit will not be federally insured in excess of $100,000.

The Escrow Account will be interest-bearing and, unless the Purchaser defaults, interest will be credited to the Purchaser at Closing. The interest rate to be earned will be the prevailing rate for these accounts which, as of the date of the Offering Plan, is averaging less than one (1%) percent per annum. Interest will begin to accrue upon deposit of the downpayment.

Purchasers should note as a special risk that although all funds received by Sponsor for upgrades or extras to a Residential Unit will initially be placed in the Escrow Account, such funds may be released from the Escrow Account without the requirements outlined below as long as the Sponsor uses the funds for such upgrade or extra. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid to the Sponsor for upgrades or extras.

All instruments shall be made payable to or endorsed to the order of Certilman Balin Adler and Hyman, LLP, as Escrow Agent and shall be accepted subject to collection.

Within ten (10) business days after the tender of the deposit submitted with the Purchase Agreement, the Escrow Agent will notify the Purchaser that such funds have been deposited into the Escrow Account and will provide the account number. In the event the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, the Purchaser has a right to cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after the tender of the deposit or the Purchaser 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 and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

Purchasers should note that the deposit of a Purchaser's downpayment into the Escrow Account shall not be deemed acceptance by the Sponsor of the Purchase Agreement. The Purchase Agreement shall be deemed accepted by the Sponsor only when countersigned by the Sponsor.

The Escrow Agent will hold funds in escrow until otherwise directed in:

(i) a writing signed by both Sponsor and Purchaser. Sponsor and/or the Escrow Agent may require a Purchaser to execute a writing authorizing release of the funds by the Escrow Agent as a condition of Closing. Authorization of the release of funds at Closing in the Purchase Agreement will be deemed such a writing; or

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

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

The Escrow Agent will also be permitted to release the escrow funds if:

(i) the Escrow Agent is changed pursuant to the terms of the Escrow Agreement in connection with a transfer of funds to the new escrow agent. Notwithstanding, the Offering Plan must first be amended before any transfer of funds to provide the same full escrow trust fund disclosure with respect to the new escrow agent and escrow account; or

(ii) funds which were deposited prior to the acceptance of the contract are returned to the Purchaser because of rejection of the contract by the Sponsor; or

(iii) any governmental authority imposes a ban on the completion of the Units or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Sponsor's regular suppliers or from using same in the completion of the Unit making the renovation of the Condominium unlikely, in such an event the funds will be released to the Purchaser; or

(iv) Sponsor is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, acts of God or national emergencies making the completion of the

Condominium unlikely, in such an event the funds will be released to the Purchaser; or

(v) the installation of public utilities is restricted or curtailed making the completion of the Condominium unlikely, in such an event the funds will be released to the Purchaser; or

(vi) until released in accordance with the next paragraph.

If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Notice shall be deemed given five (5) days after the date of mailing to the Purchaser at the address set forth in the Purchase Agreement. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified the Escrow Agent in accordance with such provisions.

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

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

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

Under no circumstances shall Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the Plan. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to General Business Law Section 352-h.

Purchasers should note that it shall be an express condition of Closing of Title that the Purchaser sign the form contained in Part II which will enable the Escrow Agent to release the escrow funds, if not previously released as provided above.

Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the downpayment. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is contained in Part II of the Plan as Schedule K. The party applying for a determination must send all other parties a copy of the application.

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

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

The Attorney General shall act upon the application within thirty (30) days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons. If the application seeking release of funds is denied, the Escrow Agent shall continue to hold the deposit and any interest earned thereon until:

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

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

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

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

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

Sponsor must make a written demand for payment after a default at least thirty (30) days before forfeiture of the deposit may be declared.

A copy of the Escrow Agreement between the Sponsor and the Escrow Agent which incorporates the terms of the Attorney General's regulations is contained in Part II of the Plan as Schedule L. The Escrow Agent shall maintain all records concerning the escrow account for seven (7) years after release of the funds. Upon the dissolution of the law firm which was the escrow agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of the Escrow Account records by one of them or by the successor firm and shall notify the Department of Law of such transfer.

XIII. FINANCING FOR QUALIFIED PURCHASERS

THIS PLAN DOES NOT CONTAIN ANY FINANCING ARRANGEMENTS FOR PURCHASERS. PROSPECTIVE PURCHASERS WHO ARE INTERESTED IN SUCH FINANCING SHOULD CONTACT LENDING INSTITUTIONS, SUCH AS MUTUAL SAVINGS BANKS AND COMMERCIAL BANKS, MANY OF WHICH HAVE ADVERTISED THAT THEY OFFER FINANCING TO PURCHASERS OF CONDOMINIUM UNITS.

Any applications for such financing with lending institutions must be done on an individual basis by prospective Purchasers and will involve negotiations exclusively between the lending institution and the applicant. The Sponsor should not be construed hereunder as offering any such financing or representing the availability or terms of such financing.

The Purchase Agreement is not conditioned upon a Purchaser securing satisfactory mortgage financing. Obtaining a mortgage shall be the sole responsibility of each Purchaser. In no event will the Sponsor be obligated to return a Purchaser's down payment in the event a Purchaser is unable to obtain a mortgage. In addition, the Purchase Agreement will remain in full force and effect and Purchaser will be obligated to pay the balance of the purchase price at Closing regardless of the availability of financing. In the event a Purchaser does not Close Title to the Unit as a result of their inability to obtain a mortgage, the down payment plus the cost of any custom work ordered, will be retained as liquidated damages.

NO REPRESENTATION IS MADE BY THE SPONSOR AS TO WHETHER ANY PURCHASER WILL QUALIFY FOR FINANCING OR AS TO THE TERMS, COST OR AVAILABILITY OF SUCH FINANCING. THE SPONSOR SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO ANY APPLICANT IF THEIR APPLICATION FOR FINANCING IS NOT ACCEPTED.

The Closing of Title to a Unit where the Purchaser has obtained financing will take place simultaneously with the Closing of the mortgage loan and the proceeds will be applied towards the then balance of the Purchase Price.

Pursuant to existing regulation, the Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) percent of the Units (excluding Garage Parking Space and Garage Storage Space Units) being offered for sale. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close Units with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately Purchase a Unit.

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 Residential Units being offered for sale 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 Condominium where the percentage of Residential Units purchased is lower than a Lender's particular sales minimum.

Even after Units are Closed, Lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

XIV. EFFECTIVE DATE OF THE PLAN

Sponsor's offer to sell the Units is contingent upon the Plan being declared effective and no Closing to a Unit will be held until the Plan is declared effective. This Offering Plan will not become effective until bona fide Purchasers, including investors, have executed Purchase Agreements which have been accepted by Sponsor for at least fifteen (15%) percent in number of the Units, excluding the Garage Parking Space Units and Garage Storage Space Unit, offered under the Plan (15% x 32 Units = 5 Units). The Sponsor will declare the Plan effective by personal service of notice on every Purchaser or commencement of service by mail stating that the plan has been declared effective. Sponsor will, within five (5) business days of said notice, submit for filing an amendment to the Plan disclosing the Plan's effectiveness and will file an affidavit of service of the notice on all Purchasers. Sponsor will not close title to the first Unit until the amendment disclosing the effectiveness of the Condominium has been accepted for filing by the Attorney General. The Plan will not be declared effective based on Purchase Agreements:

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

(ii) based on Purchase Agreements where the Purchaser has not had at least three (3) business days to review the Offering Plan and all filed amendments; or

(iii) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a Principal of the Sponsor, the Selling Agent or the Managing Agent or is related to the Sponsor, the Selling Agent or the Managing Agent or to any Principal of the Sponsor or the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder

or a limited partner; except that such a Purchaser other than the Sponsor or a Principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

Further, prior to declaring the Plan effective, the Sponsor has the option not to close title to the Units and to abandon the Plan at any time, if less than eighty (80%) percent in number of the Units, excluding the Garage Parking Space Units and Garage Storage Space Unit, offered hereby are sold and title to any Unit has not been conveyed (80% x 32 Units = 26 Units). In the event Sponsor exercises such option, it shall forthwith return to the Purchaser all monies paid with interest, if any, within ten (10) days of the abandonment of the Plan. When Purchase Agreements for eighty (80%) percent of the Units, excluding the Garage Parking Space Units and Garage Storage Space Unit, have been entered into the Sponsor must declare the Plan effective.

Once the Plan has been declared effective, it may not be abandoned except for (i) a defect in title which cannot be cured for less than ½% of the total amount of the offering or (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than ½% of the total offering, or (iii) the taking of any material portion of the property by condemnation or eminent domain. Any stated dollar amount relied upon as basis for abandonment after effectiveness will exclude all attorneys' fees as well as any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record. In the event Sponsor abandons the Plan, it shall do so by means of a filed amendment to the Plan. All monies advanced by Purchasers will be returned to them within ten (10) days of the abandonment of the Plan. If Sponsor decides to abandon the Plan before declaring the Plan effective, Sponsor will file an amendment disclosing such abandonment and file a RS-3 Form with the Department of Law.

XV. TERMS OF SALE

After the Plan has been declared effective the Sponsor will fix a date for the Closing of Title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first Closing and setting such Purchaser's Closing Date. Notice will be sent to all Purchasers who have executed and delivered Purchase Agreements to the Sponsor and whose Purchase Agreements are then in effect by (i) personal delivery; or (ii) mailing by regular mail or registered or certified mail with or without return receipt requested, addressed to the Purchasers at the last known residence of such Purchaser or, if the Purchaser has provided written information of an alternative address for notices, addressed to the Purchaser at the alternative address. If Sponsor has no information of the last known residence address,

but has written information of the place of business or employment of such Purchaser, the mailing shall be addressed to such last business or employment address.

Such notice will be served no less than thirty (30) days before the date set for the Closing of the Units. Sponsor may permit Purchasers to waive the thirty (30) day provision by a written waiver. A form for such waiver is contained as Schedule D-3 to the Offering Plan. Said notice will also include notice of the obligation to pay the balance of the purchase price. On the Closing Date, fee title to the Unit will be conveyed to the Purchaser together with the Unit's undivided interest in the Common Elements. The Closing of Title to the first Unit is expected to commence by approximately December 1, 2009. Such Closing, however, will only take place after or simultaneously with the happening of the following events:

1. The delivery to the Unit Owner of a Bargain and Sale Deed with covenants against grantor's acts. A copy of the Deed is set forth as Schedule F in Part II of the Plan.

2. The Sponsor's repair of any damage from a casualty or other cause that occurs before the Closing of Purchaser's Unit.

3. The issuance of a temporary or permanent Certificate of Occupancy to the Unit or Building in which the Unit is located and any other necessary permits.

4. Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at the Closing free and clear of all liens, encumbrances and title exceptions other than those described in the Offering Plan and the proposed Unit Deed. Purchasers have the right to retain title insurance from any title company of their choice that is authorized to do business in the State of New York.

5. If so requested by the Purchaser, Fidelity National Title Insurance Company, 1415 Kellum Place, Garden City, New York 11530 (516) 394-5110, Attn: Suzanne Breinlinger shall agree to insure that such Purchaser has good and marketable fee title in the Unit, free and clear of all liens, encumbrances and title exceptions, except those set forth below, the Deed, and subject to the provisions of the Declaration and By-Laws and any mortgage executed by the Purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law. Purchasers have the right to obtain title insurance from any title company of their choice authorized to do business in the State of New York.

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

7. The Declaration, By-Laws, floor plans and engineers and tax authority certification required by Section 339-p of Article 9-B of the Real Property Law of the State of New York shall be recorded or filed as required by law.

8. The Unit and its undivided interest in the Common Elements shall not be subject to the lien of any mortgage at the time of Closing except any mortgage requested by the Purchaser at the time of Closing representing a purchase money mortgage or mortgages taken by the Purchaser.

9. The Sponsor will give each Purchaser who has entered into a Purchase Agreement not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to their Unit unless a Purchaser waives such thirty (30) days notice. A form of such waiver is contained as Schedule D-3 to the Plan.

10. The filing of an amendment to the Offering Plan disclosing that the Plan has been declared effective and that the terms of this Section XV will be met, that the Units to be closed have been constructed in accordance with the plans and specifications filed with the Building Department of the City of New York and that the Sponsor has complied with the requirements of this Section.

11. Purchaser shall receive any manufacturers' warranty certificates with respect to equipment and appliances installed in the Unit and Sponsor shall assign any warranties with respect to equipment and appliances installed in Common Elements to the Board of Managers.

12. The Purchaser shall execute an instrument in the form annexed to the Purchase Agreement designating the Board of Managers as his attorneys-in-fact, coupled with an interest for the sole purpose of managing, selling, mortgaging, leasing, subleasing, voting or otherwise dealing with any Units acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and designating the Sponsor as their attorney-in-fact to file an amendment to the Declaration of Condominium permitting the

certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Eleventh, Section (c) of the Declaration of Condominium.

Title to the Residential Unit will be subject to the following:

1. State of facts of the property as shown on a survey to be made prior to the Closing of Title provided such facts would not render title unmarketable and any state of facts which an accurate survey of the building would show provided such state of facts would not render title unmarketable.

2. Any sewer, water, gas, electric, drainage, telephone, cable television or utility easements granted or to be granted hereafter.

3. All of the terms, covenants and conditions of the Declaration, the By-Laws of the Condominium and the Building Plans, as they are subsequently filed or recorded, the Offering Plan and any amendment thereto.

4. All easements set forth in the By-Laws and Declaration of the Condominium as they are subsequently recorded in the Offering Plan and Purchase Agreement, including:

   (a) Easements in favor of the Owners of other Units to use the pipes, wires, conduits, cable television, and public utility lines located in the Common Elements or in the Unit itself servicing such other Units and/or the Common Elements.

   (b) Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to any Unit and to the Common Elements to inspect, maintain or repair or to make repairs to any Unit to prevent damage to the Common Elements or any other Units, to make repairs to the Common Elements, to any wires, pipes, conduits or cable television system servicing any of the Units or to make repairs to any other Unit, regardless of the nature of the Common Element.

(c) Easements in favor of those Units having restricted use to portions of the Common Elements.

(d) Easements in favor of a Commercial Unit Owner and/or its tenants to erect, maintain and replace one (1) or more signs on the property permitted by law for the purpose of advertising the operation of any business conducted therein.

(e) Easements in favor of a Commercial Unit Owner for (i) the installation, maintenance, repair and replacement of signs, flues, vents, air-conditioning, heating, ventilating, water and other mechanical lines and fixtures and equipment on the exterior walls, the roof and through the Common Elements of the Building, and in through under and over a Commercial Unit; (ii) through the Common Elements of the Building for access to the roof for the purpose of installing, repairing, maintaining and replacing any fixtures and equipment now or hereafter located on the roof, provided, however, that except in the case of an emergency, the right of access may be exercised only after prior notice to the Board of Managers. The Commercial Units shall be subject to easements in favor of any other Commercial Unit for the installation, maintenance, repair and replacement of gas, electricity, heating, air-conditioning, ventilating and water and other mechanical lines and fixtures and equipment serving a Commercial Unit. The Owner and tenants of a Commercial Unit shall have the right, at their sole expense, to install separate heating systems for a Commercial Unit and an easement is granted in, over, under and through the Building for the installation, maintenance, repair and replacement of the heating systems and all necessary pipes, lines, conduits, ducts, water lines and flues in connection therewith if such right is exercised and (iii) for access to any equipment that services a Commercial Unit and which is located in the residential portion of the Building or any of the Limited Common Elements for the exclusive use of Unit(s) or exclusive use of any portion of the Building.

(f) Easements in favor of the Residential Unit Owners for access through the Commercial Units and any other part of the Building for the purpose of access, installation, maintenance, repair and replacement of any flues, vents, gas, air-conditioning, heating, ventilation, water and other

mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing the Residential Area of the Building, the Residential Units and/or the entire Building.

(g) Easements for the continuance of encroachments on any Unit and on the Common Elements by other Units or portions of the Common Elements, now existing by reason of the construction of the Units, or hereafter occurring by reason of the settling or shifting of the Units, or by reason of the repair and/or restoration by the Board of Managers of the Units or such other Units or such Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements made by the Board of Managers, so that any such encroachments may remain as long as the Units stand.

(h) Any additional declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Residential Unit as a one (1) family residence or do not prevent use of a Commercial Unit for any use permitted by applicable law.

The Sponsor has been advised by its counsel that in counsel's opinion, none of the exceptions to title herein above set forth are contrary to the terms of the Purchase Agreement nor will they interfere with the quiet use or enjoyment of the Purchaser's Unit.

XVI. CLOSING COSTS AND ADJUSTMENTS

The estimated Closing Costs and expenses to be borne by each Purchaser are as follows:

1. Fee title insurance is available from Fidelity National Title ("Fidelity") as a title company authorized to do business in the State of New York, at the estimated rates of $5.81 per thousand for the first $50,000 of fee title insurance, approximately $4.74 for each additional $1,000 of insurance up to $100,000 and approximately $3.80 per thousand for each additional $1,000 up to $500,000 plus six (6%) percent.

2. Mortgage title insurance at the estimated rates of $4.84 per thousand for the first $50,000 of mortgage title insurance, approximately $3.95 for each additional $1,000 of mortgage title insurance up to $100,000 and approximately $3.17 per thousand for each additional $1,000 up to $500,000 plus six (6%) percent.

In the event a Purchaser obtains both mortgage and fee title insurance at Closing, the Mortgage Policy shall be issued at a reduced rate known as the Simultaneous Mortgage Rate. The fee title insurance policy will be based on the full fee rate and the simultaneous Mortgage Policy is based on thirty (30%) percent of the applicable mortgage rate up to the amount of the Mortgage Policy. Any excess is based on the full mortgage rates.

Each Purchaser has the right to obtain title insurance from a title insurance company other than Fidelity. Sponsor, makes no representation or warranty as to cost, terms or availability of such other title insurance. Sponsor is required to convey marketable title and cure defects regardless of the title company utilized by Purchaser.

3. Fees for the recording of the deed, power of attorney and any affidavit required in connection with the mortgage tax credit available under RPL §339-ee which are approximately $115, $85 and $50 for each document.

4. In the event the Purchaser shall obtain a purchase money first mortgage, Purchaser shall pay recording fees for the mortgage of approximately $100. For first mortgages in an amount less than $500,000, Purchaser shall pay mortgage tax of 2.05% of the amount of the mortgage less $25 and for first mortgages in an amount in excess of $500,000. Purchaser shall pay mortgage tax of 2.175% of the amount of the mortgage less $25. In addition, the Purchaser will be required to pay the lending institution's attorney's fees, any mortgage origination fees, bank credit an appraisal fees and other expenses that the lending institution may charge incident to the making of the permanent loan. If applicable, a portion of the mortgage recording tax set forth above will be computed in accordance with Section 339-ee subsection 2, of the New York Condominium Act, and shall be paid to the Sponsor in reimbursement of mortgage recording taxes which the Sponsor may have previously paid in connection with existing mortgage on the Condominium. There will be no mortgage closing costs pursuant to this paragraph 4 on Units which are not covered by mortgages.

5. New York State Transfer Tax of $2.00 per $500 of the purchase price and New York City Real Property Transfer Taxes of one (1%) percent of the Purchase Price where the consideration is less than $500,000 and 1.4259% where the consideration is $500,000 or greater. These taxes are

normally an expense of the Sponsor; however, by contractual arrangement they will be paid by Purchaser. As a result, when a Purchaser assumes the obligation to pay these taxes, the amount of such taxes will be included in the consideration subject to tax. The steps to compute the tax are:

(a) Multiply the purchase price by the State Tax Rate to compute a tentative tax.

(b) Multiply the purchase price by the City Tax Rate to compute a tentative tax.

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

(d) Multiply the total of "c" above by the State Rate.

(e) Multiply the total of "c" above by the City Rate.

EXAMPLE: Purchase Price = $1,427,725

(1) $1,427,725 x .004 = $5,711
(2) $1,427,725 x .014259 = $20,358
(3) $1,427,725+ $5,711+ $20,358 = $1,453,794
(4) $1,453,794 x .004 = $5,815 = amount due for State Transfer Tax
(5) $1,453,794 x .014259 = $20,730 = amount due for New York City Real Property Transfer Tax.

6. Working capital of $1,000 to be paid to the Condominium. While Sponsor is in control of the Board of Managers, the working capital fund will not be used to reduce the Common Charges of the Condominium. If any portion of the working capital fund is used during this period to pay for items in the budget set forth, such amounts will be repaid to such fund out of Common Charges collected.

7. Any Units that are being offered for $1,000,000 or more are also subject to the provisions of Section 1402-a of the Tax Law of the State of New York (Mansion Tax) which requires a New York State Tax of 1% of the Purchase Price. Pursuant to the provisions of the statute the obligation to pay the tax is the Purchasers.

8. Each Purchaser shall pay Sponsor three-tenths (3/10) of one (1%) percent of the sales price of their respective Unit to Sponsor for obtaining tax exemption benefits pursuant to Section 421-a of the New York State Real Property Tax Law and ICIP tax benefits for the Commercial Units.

9. Each Purchaser shall pay $1,500 to Sponsor's counsel, representing a fee for services in connection with preparing the Residential Unit Deed, the Residential Unit Owner's Power of Attorney and for coordinating and attending the Closing. Such fee shall be payable at or prior to the Closing by Purchaser's unendorsed, personal check made payable directly to the order of Sponsor's attorney.

10. Any mortgage tax credit received pursuant to Section 339-ee of the Real Property Law will inure to the benefit of Sponsor.

11. A pro-rata portion of the estimated first year condominium insurance based on the percentage of common interest of the Residential Unit being purchased.

As an example, a Purchaser of a Residential Unit in which the purchase price is $1,427,725 and who procures a first mortgage in the amount of $1,142,180 will pay the following approximated Closing Costs:

Fee Title Insurance:	$ 6,074
Mortgage Insurance:	$ 1,260
Deed Recording Fee:	$ 115
Power of Attorney Recording Fee:	$ 85
Mortgage Recording Fees:	$ 100
§339-ee Affidavit Recording Fee:	$ 50
New York State Transfer Tax:	$ 5,815
New York City Transfer Tax:	$20,730
Mortgage Tax:	$23,390
Mansion Tax	$14,277
Condominium Working Capital:	$ 1,000
421-a expense:	$ 4,283
Pro-Rata Insurance:	$ 553
Sponsor Attorney Fees for Preparation of Deed, Power of Attorney and other Closing Documents:	$ 1,500
TOTAL	$79,232

In addition, if a Closing takes place, at the request of Purchaser, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney a travel fee in the sum of $450.

In addition, in the event the Sponsor's Attorney is required to prepare the New York City "ACRIS" transfer documents Purchaser shall be required to pay Sponsor's attorney an additional fee of $250. In the event the title company prepares the ACRIS, Purchaser shall pay the applicable fee of the title company.

In the event a Closing is adjourned with Sponsor's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of $500.

In the event the Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against said Unit for the six (6) month period following the first Closing. Said amount is to be paid by Purchaser. Alternatively, the Sponsor may place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six (6) month period and may collect at each Closing the estimated amount of taxes attributable to such Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and either the Sponsor or the Board of Managers will be entitled to reimbursement from Unit owners to the extent of the actual assessment.

Purchaser shall also pay, or reimburse to Sponsor, if Sponsor has already made payment, the following charges: (a) inspections and (b) appraisals.

If through no fault of Sponsor, Purchaser fails for any reason to close title after the date originally scheduled in Sponsor's Notice of Closing or such later date (if applicable) to which Sponsor in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of midnight of the day preceding (i) the date originally scheduled for Closing or (ii) Sponsor's adjourned Closing Date (as the case may be). In addition, Purchaser shall pay to Sponsor at or prior to the actual Closing an amount equal to .0438% per day (which equals an annual rate of 16%) of the purchase price for the Unit for each day beyond such originally scheduled or Sponsor adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Sponsor's carrying costs and other charges.

The fee title policy premiums and the recording charges set forth above are estimates based on the rates in effect as of the date of this Offering Plan. If said premiums, charges or rates are subsequently revised by the title company, the State, or Municipality, each Purchaser shall be required to pay the title policy premiums, recording charges and Closing Costs in effect as of the date of the Closing of Title to their Unit.

The Sponsor anticipates that the only items which will be apportioned at the Closing of Title to the Units will be real estate taxes and sewer charges, if any, and Common Charges, if they have been declared by the Board of Managers. The adjustments will be made as of 11:59 P.M. on the day preceding the Closing Date. In the event there are any other items which are to be apportioned at closing, said items will be adjusted at the Closing. The Sponsor will advise the Purchaser of the Closing Date by giving him written notice at least fifteen (15) days prior to the Closing Date.

XVII. RIGHTS AND OBLIGATIONS OF THE SPONSOR

No bond or other security has been furnished to secure performance of the following obligations. All obligations pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners. During the time the principals of the Sponsor control the Board, it is within their sole power to enforce the obligations of the Sponsor pertaining to the Common Elements. The following shall pertain to the Sponsor:

1. Sponsor will endeavor in good faith to market and sell the Units in the Condominium. Notwithstanding, Sponsor retains the unconditional right to rent rather than sell the Units. Because Sponsor is retaining the unconditional right to rent rather than sell Units, this Plan may result in the creation of a condominium in which a majority of the Residential Units are not owned by owner-occupants or investors unrelated to the Sponsor. Due to the fact Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen (15%) percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. The Construction Loan disclosed in Paragraph 8 of this Section XVII does not have any limitations or requirements that provide when Sponsor may rent rather than sell under specified market conditions except that it requires all rentals to be approved by the Lender.

2. The Sponsor has no obligation to defend any suits nor to indemnify the Board of Managers or Unit Owners arising out of any act or occurrence occurring prior to the recording of the Declaration of Condominium except claims arising out of the acts, omissions or representations of the Sponsor.

3. All representations under the Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan which are to be performed subsequent to the Closing Date will survive delivery of the deed.

4. Until Title to a Unit is passed to a Purchaser, the Sponsor will pay such Common Charges, Special Assessments and real estate taxes, as are assessed by the Board of Managers of the Condominium, and the City of New York on the Units to which Title has not passed. Once title is passed to a Purchaser the Purchaser shall be solely responsible for all Common Charges, Special Assessments, real estate taxes and all other costs applicable to the Unit, as are assessed by the Board of Managers of the Condominium and the City of New York. No bond or other security has been posted to secure such obligations. Sponsor will fund its financial obligations to the Condominium from the income derived from the sale of the Units, a construction loan from United Commercial Bank and Sponsor's assets. Sponsor currently has the resources necessary to meet its obligations under the Offering Plan.

5. The Sponsor is obligated to repair any damage from a casualty or other cause that occurs before the Closing of a Purchaser's Unit.

6. Sponsor will initially procure fire and casualty insurance for the Condominium on the terms set forth in the budget. Each Purchaser will be required to pay a pro-rata portion of the first year Condominium insurance based on each Unit's percentage of common interest. In addition, in the event there are insufficient funds in the Condominium to pay for such insurance, Sponsor may lend the Condominium such funds and Sponsor will be repaid out of subsequent Common Charges collected. No Board or Unit Owner approval is required to make such loan.

7. In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more Units or twenty (20%) percent or more of the total number of Residential Units in the Condominium, whichever is less, the Principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

8. Sponsor has received a construction loan from Midfirst Bank, with an address at 60 East 42nd Street, Suite 5220, New York, New York and Deutsche Genessenschafts-Hypothekenbank AG, with and address at 375 Park Avenue, Suite 2603, New York, New York 10152 which will enable Sponsor to construct the Condominium. The Sponsor will be obligated to pay off and otherwise comply with the terms of any mortgage on the entire Condominium. After the recording of the Declaration and before the Closing of Title to the first Unit, any mortgage that encumbers the property will be satisfied, released, subdivided or extended and consolidated with

the individual permanent mortgage which will be placed on the Units of those Purchasers obtaining a purchase money mortgage. In addition, before the Closing of Title to the first Unit, all liens and mortgages affecting the Condominium shall be paid and satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by partial release duly recorded. The Construction Loan release provision provides that each Unit will be released from the lien of the Construction Loan at each Closing upon the payment to the Construction Lender of a release price. The Construction Loan does not materially have any limitations or requirements that provide when Sponsor may rent rather than sell except that it requires all rentals to be approved by the Construction Lender.

9. The Sponsor will diligently, expeditiously and at its own cost, complete construction of the Condominium substantially in accordance with the plans and specifications described herein and will diligently perform all of its obligations set forth in this Offering Plan and will deliver to the Board of Managers a copy of the "as built" plans filed with the recording of the Declaration or any amendment thereto and in addition will provide the Board with a full set of building plans filed with the City of New York together with any "field changes" made during the course of construction. Although the Sponsor intends to use the materials, fixtures, appliances and equipment described herein and in the building plans, the Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of equal or better quality or design for any of those set forth. Sponsor reserves the right to change the size, number and location of the improvements or Common Elements, provided such changes do not materially change or adversely affect the percentage of Common Interest of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and Purchasers consent in writing to such a change. Sponsor further reserves the right to determine the ultimate Unit type mix to be constructed at the Building; determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, mailboxes; and make any other changes required by the City of New York.

10. The Sponsor will obtain a permanent or temporary Certificate of Occupancy and any other certificate or permit required by law for the Building or Unit before the Closing of Title to a Residential Unit and will, at its own cost, perform any work and supply any materials necessary to obtain the Certificates or permits. In the event a permanent certificate is not issued as of the Date of Closing of a Residential Unit, Sponsor anticipates obtaining the permanent certificate within two (2) years of the Closing of the Unit. Sponsor will obtain the permanent Certificate of

Occupancy prior to the expiration of any temporary certificate of occupancy, unless the temporary certificate of occupancy is extended.

In the event a Permanent Certificate of Occupancy for the Building or an individual Unit has not been issued as of the Date of Closing for said Residential Unit, the Sponsor will continue to hold all deposits and funds in the special escrow account required pursuant to Section 352-e (2-b) and 352-h as described in Section XII of the Offering Plan unless Sponsor's engineer or architect certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy. Any sum of money exceeding the amount certified by the Sponsor's engineer or architect will be released to the Sponsor. Upon the issuance of the Permanent Certificate of Occupancy, such escrow deposit will be released to Sponsor without the consent of any other party. Alternatively, Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount certified by Sponsor's engineer or architect. In such event, it will disclose such fact by duly filed amendment to the Plan.

It has been customary for Units in newly constructed and gut rehab Condominiums to Close Title after a Temporary Certificate of Occupancy (TCO) has been issued. Sponsor will send Closing notices for Units covered by TCOs and Purchasers will be required to Close Title with a TCO, rather than a Permanent Certificate of Occupancy (CO) in place. TCOs are issued for six (6) months at a time and may be extended for up to two (2) years after which they must be succeeded by a CO.

The New York City Department of Buildings (DOB) advises Purchasers of houses and apartments, who Close Title with only a TCO in place to consult with their attorneys or engineers to assure that sufficient funds are escrowed or otherwise secured for Sponsor to obtain a permanent or final CO.

11. At the Closing of Title, the Sponsor will deliver the certificates and warranties delivered to it and transferable to Purchaser. Sponsor's liability pursuant to any manufacturers' warranties covering heating, appliances, electricity, plumbing and roofing are limited solely to the extent that such warranties are delivered to Sponsor, transferable to the Purchaser or to the Condominium Board of Managers and then only as against such manufacturer.

12. The acceptance of a deed by a Purchaser will be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under

the Plan except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan), and in General Business Law Section 352-e to survive delivery of the deed. The Purchaser of a Unit will inspect such Unit prior to the Closing Date and will execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan, provided that if Purchaser finds that Sponsor's improvements have not been completed as described in the Plan then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Unit by Sponsor as provided in the Purchase Agreement. Sponsor will have no obligation to complete any work which is not specifically designated by the Purchaser on the inspection statement. A Purchaser will receive prior notice that a Unit is available for inspection pursuant to this Paragraph, as more particularly set forth in the Purchase Agreement in Part II of the Plan. A Purchaser who fails to inspect such Unit will be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan. Notwithstanding the foregoing, Purchaser will retain the right to pursue any remedy available under their individual Limited Warranty. After Closing of Title to each Unit the Purchaser thereof must comply with the procedures established by the Managing Agent or the Board of Managers regarding such Purchaser's move into the Unit. This may include "move in" fees which will be refunded to the Purchaser unless the Purchaser or the Purchaser's agents cause damage to the Building during the move in. In such an event the move in fees will be used to repair said damage. In the event the move in fees are less than any damage caused, the Purchaser will be responsible for the additional amount. In the event the move in fees are greater than the damage caused, the Purchaser will be refunded the excess amount.

13. In view of the fact the Condominium will consist of a Building containing more than five (5) stories the Housing Merchant Implied Warranty Law contained in Article 36-B of the General Business Law is not applicable. Notwithstanding said fact, the Sponsor will correct any defects in the construction of the Residential Unit or in the installation or operation of any mechanical equipment therein due to materials or improper workmanship substantially at variance with the plans and specifications, as may have been changed by Sponsor from time to time provided that it is notified of such defects in writing by certified mail within one (1) year from the date of Closing of Title to the Residential Unit in which the alleged defect exists ("Limited Warranty"). If a defect occurs in an item which is covered by this warranty, the Sponsor or Sponsor's contractors will (a) repair or (b)

replace the defective item. The choice between repair or replacement is strictly the Sponsors.

Purchaser should note that:

(a) No steps taken by Sponsor or Sponsor's contractors to correct a defect shall act to extend the warranty period.

(b) Sponsor accepts no responsibility for any warranty obligation for incidental or consequential damage caused by any defect.

(c) The Limited Warranty is extended to Purchaser and is not extended to any subsequent purchaser, tenant, or mortgage lender who takes possession of a Residential Unit.

(d) The Limited Warranty shall be void if Purchaser, tenant or occupant, misuses, abuses or otherwise interferes with or changes Sponsor's original construction or installations, or if Purchaser, tenant or occupant hires any outside contractor to do any work during the warranty period.

(e) Sponsor is not responsible for any work or material ordered directly by Purchasers from Sponsor's contractors or suppliers, or other outside suppliers and contractors.

Regarding the Common Elements of the Condominium the Sponsor will correct any defects in the construction of the Common Elements, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or material substantially at variance with this Offering Plan as may be changed by Sponsor from time to time provided and on condition that Sponsor is notified of or becomes aware of such defect(s) within twelve (12) months from the Date of the Closing of the first Residential Unit. In no event will Sponsor be liable for consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations under the Plan will be to repair or, at Sponsor's option, replace (or cause to be repaired or replaced) any defective item of construction (whether arising as a result of defects in material or 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 in this paragraph. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications.

In no event will Sponsor be responsible for any condition in the Residential Unit or the Common Elements as follows: (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) defects of an insubstantial nature, such as, without limitation, partial or total loss of any trees, shrubs, bushes or other landscape improvements that may abut the Building, nail pops, protruding dry wall fastenings, ridging on gypsum board, lumber shrinkage, door or window sticking, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel or porcelain surfaces; bathroom finish grouting; adjustment of doors; walls not square; electrical plates not straight; discoloration or shrinkage; slight separation between base and floors; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Building; (iv) deviations in the level of ceilings, and imperfections in ceiling finishes; (v) imperfections in painting finishes; (vi) deviations in the level of a floor or failure of finished floors and walls to be straight or on plane or at less than 90° from each other; (vii) alignment of bathroom finishes and variation in grouting thickness; (viii) air infiltration and water infiltration from windows in accordance with customary practice and professional standards; (ix) noise from normal plumbing and the HVAC system; (x) normal floor noises and creaking; (xi) carpet or floor discoloring or stretching; (xii) scratches and imperfections or variations in width, length, thickness, finish or color range of wood floor strips or other flooring or floor finishes, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood; (xiii) repair of minor surface chips, scratches, mars, breaks, dents, cracks or other minor defects in: exterior stone; windows, window glass, frames and hardware; insulation attached to the curtain wall; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets; kitchen cabinets, back splashes and countertops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances; woodwork, millwork and doors; mirrors and after the Residential Unit Closing, paint touch-ups, repair of dented appliances, or replacement of light bulbs; (xiv) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or variations in veining of any natural stone surfaces; (xv) leaching or color variation in color mortar and colored brick, and dimensional variations in brick joints, and mortar droppings on bricks; (xvi) ponding and/or controlled drainage on the roof surface; (xvii) cracks in pressure-treated lumber used or intended for use outside the Building; (xviii) cracks or discoloration in concrete and/or

paving; (xix) discoloration to hardware and plumbing finishes; (xx) stains, runs, lumps, shags or imperfections in weave in fabric panels; (xxi) scratched, dirty or cracked lenses in light fixtures; or (xxii) terrace tiles not laid flat, or color variation in tiles or mortar, or stained tiles; (xxiii) subsequent to the Residential Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts, or (xxiv) salting or color variation in exterior colored mortar and deep colored brick; (xxv) remove mold from the Building or any Unit therein, or (xxvi) or normal water penetration in frameless shower doors, (xxvii) or warrant or insure that any items stored in any storage area will be free from moisture, mold or insect infestation. Sponsor will be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair will be made by filling the stone or formica or refinishing the porcelain, but Sponsor will not be obligated to replace such stone, formica or porcelain surfaces. THE ITEMS AND CONDITIONS DESCRIBED IN THIS PARAGRAPH ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING OR RESIDENTIAL UNIT. PURCHASERS WHO PURCHASE A RESIDENTIAL UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR RESIDENTIAL UNIT, THE COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING OR RESIDENTIAL UNIT. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD THEREOF. IF PURCHASERS OR ANY BOARD DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

Sponsor is required to comply with all Federal, State and local laws and ordinances regarding the construction and renovation of the Building.

The Sponsor has no obligation to make any repair to the Common Elements except as expressly set forth in the Offering Plan.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of (i) any insubstantial variations from the Plans and Specifications or the description of any portion of the Building or a Residential Unit set forth in the Plan or (ii) variations from the Plans and Specifications or the description of any portion of the Building or a Residential Unit set forth in the Plan which are neither in violation of

applicable building codes, nor require the approval of any governmental authority having jurisdiction, provided such variations are of substantially similar or better quality than as set forth in the Plans and Specifications or description in this Plan as solely determined by Sponsor's architect. Any such variation affecting the Property which is material will be disclosed in a duly filed amendment to the Plan.

All personal property located within the Residential Unit on the date the Purchase Agreement is executed or that is located within the Common Elements on the date the Declaration is filed, that is owned by the Sponsor or anyone else, will be included in the conveyance to Purchaser of their Residential Unit unless specifically excepted in the Plan or Purchase Agreement.

The Limited Warranty does not apply to a Commercial Units. A Commercial Unit is being sold in its "AS-IS" condition.

14. The Sponsor will deliver to the Purchaser and/or the Board of Managers upon the recording of the Declaration all manufacturers' and sub-contractors' heating, electrical, plumbing, roofing and appliance warranties and bonds relating to the Purchaser's Unit or the Common Elements respectively, if any, to the extent made by such manufacturers and subcontractors and to the extent such warranties and bonds are assignable.

15. The Sponsor will pay all contractors, subcontractors and material men and all others involved in the construction of the Condominium for work performed and fixtures, material and equipment supplied or installed in the construction of the Condominium and will cause all mechanics' liens arising out of the construction of the Condominium or the furnishing or installation of fixtures or equipment, to be discharged or bonded promptly after the liens are filed.

The Sponsor will pay all expenses incurred prior to the establishment of the Condominium and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred or in connection with the sale of all of the Units held or owned by the Sponsor and will pay all selling expenses including, but not limited to, advertising and printing costs, architect fees, and costs of filing this Offering Plan and amendments thereto.

16. No bond or other security has been posted to secure Sponsor's obligations.

17. The Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing its construction and sale or rental of Units and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Sponsor also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the Common Elements. Sponsor will be obligated to pay for the cost of any utilities it uses as a result of its use of the easements, licenses, rights and privileges of a right-of-way. Finally, the Sponsor reserves the right to continue to use the Common Elements and any facilities, sales offices, model units and signs located on the Common Elements, in its efforts to market or lease the Units in the Condominium. Sponsor will be obligated to repair any damage to the Common Elements and Units caused as a result of its use of the easements, licenses, rights and privileges of a right-of-way to complete the construction of the Condominium.

18. Pursuant to Section 352-e (9) of the General Business Law, copies of all documents mentioned in this Offering Plan, including without limitation the following, are and will be kept on file at the office of Sponsor set forth on the cover page of this Offering Plan for six (6) years from the date the Declaration is recorded for examination by any person who has purchased a condominium interest offered by this Plan or otherwise has participated in this offering: This Offering Plan; the proposed Declaration and By-Laws of the Condominium; public liability, fire and casualty policy, and Schedules submitted to the Department of Law in conjunction with this Plan. A copy of the form of Unit Owner's Purchase Agreement is submitted with this Offering Plan as Schedule D in Part II of the Offering Plan.

19. In accordance with Section 339-p of the Real Property Law, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the floor plans filed with the recording of the declaration are an accurate copy of portions of the plans of the buildings as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.

XVIII. CONTROL BY THE SPONSOR

The Sponsor, as the owner of unsold Residential Units, will be entitled to designate a majority of the Members of the Residential Unit Members of the Board of Managers until all of the Residential Units have closed. The initial Board of Managers will consist of two (2) Sponsor appointed Members. A meeting will be held to elect new Board Members unrelated to Sponsor within thirty (30) days of the expiration of the control period. As a result the Sponsor will have voting control of the Board of Managers during this period. As a result of the fact Sponsor may retain a majority of the Members of the Residential Unit Members of the Board of Managers until all of the Residential Units have closed; Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Offering Plan. Purchasers should further note that the By-Laws do not contain any provision that provides that after the Sponsor relinquishes control of the Board a majority of the Members of the Board of Managers must be owner-occupants who are unrelated to the Sponsor or its principals.

The Sponsor will also, during this indeterminate period, have control of maintenance, facilities and services to be provided and will determine the Common Expenses to be paid by all Unit Owners, including the Sponsor and the enforcement of the Sponsor's obligations through the Board of Managers.

The first Board of Managers of the Condominium will consist of S. Myles Group and Harshad Lakhani, who are principals of the Sponsor. The Sponsor shall retain the right to substitute other persons in the place of the above-named individuals until the resignation of the first Board as set forth below. The first Board of Managers will call for the first annual meeting of the Unit Owners to elect and designate a new Board within one (1) year of the Closing of the first Unit. Said Board will consist of six (6) Members. Five (5) Members shall constitute the Residential Members of the Board of Managers and one (1) Member shall constitute the Commercial Member of the Board of Managers. Until such time as the Sponsor relinquishes control of the Board of Managers as provided herein, the Residential Members of the Board of Managers shall consist of four (4) Members designated by the Sponsor and one (1) Member elected by the Residential Unit Owners. The Commercial Member representative to the Board of Managers shall be designated by the Sponsor as long as the Sponsor retains ownership of at least one (1) of the Commercial Units. In the event the Sponsor sells all the Commercial Units the one (1) Commercial Unit Member to the Board of Managers shall be elected by the then Commercial Unit Owners. In the event the Commercial Unit Owners cannot decide on the one (1) Commercial Unit Member, the then Members of the Board shall vote and elect the Commercial Unit Member or Members being proposed. The Commercial Unit Owners' Member of the Board of Managers shall serve until such time as the Member resigns or is replaced by the Commercial Unit Owners at an annual meeting.

Sponsor will continue to hold annual meetings during the period it controls the Board of Managers. At such time as all of the Residential Units are closed, Sponsor must relinquish control of the Residential Members of the Board of Managers. Upon the election and designation of the new Board, the Members of the first Board will resign. Residential Members of the Board of Managers shall not be compensated for their services. Residential Members of the Board of Managers may be removed for cause by an affirmative vote of a majority of the Residential Unit Owners. Officers of the Condominium may be removed with or without cause, at anytime, by the affirmative vote of a majority of the whole Board of Managers. While the Sponsor is in control of the Board of Managers any contract with a Managing Agent will include a clause that said contract can be terminated upon ninety (90) days written notice of any party.

For a period ending not more than five (5) years after the Closing of Title to the first Residential Unit or whenever the unsold Units, excluding the Garage Parking Space Units, constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner, the Board of Managers may not, without the Sponsor's prior written consent, (i) make any additions, alterations or improvements to the Common Elements or to any Unit costing cumulatively more than $25,000, the foregoing not to include necessary repairs and maintenance work; or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the reserve for contingencies provided in Schedule B; or (iii) hire any employee in addition to the employees referred to in the Plan; or (iv) enter into any contracts not in existence on the date of the first Closing of Title to a Unit; or (v) borrow money on behalf of the Condominium; or (vi) reduce the services or maintenance set forth in Schedule B; (vii) charge any special assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the Condominium; or (viii) increase the Common Charges of the Condominium more than ten (10%) from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates evidencing the need for an increase greater than ten (10%) percent, or (ix) utilize condominium funds or assess the Sponsor for the purpose of commencing a lawsuit against the Sponsor or any of its principals.

As noted above, the Sponsor has the right to retain control over certain expenditures and fiscal actions of the Board of Managers. Notwithstanding said fact, Sponsor may not exercise veto power over expenses described in Schedule B (the proposed first year budget), or over expenses required:

(i) to comply with applicable laws or regulations; or

(ii) to remedy any notice of violation; or

(iii) to remedy any work order by an insurer.

The above provisions provide that during said period, significant financial decisions of the Board of Managers will be decided by the Sponsor. Examples of such decisions are, in part, the ability to borrow money, as provided in The Condominium Act (Article 9-B of the Real Property Law, §339-jj), for a capital improvement all Residential Unit Owners are in favor of, or the ability to enter into a contract with a lawyer and fund legal fees if the Sponsor fails to comply with provisions in the offering.

The detailed provisions for the management of the Condominium are set forth in the By-Laws attached. The By-Laws contain provisions, among others, dealing with the election of the Board of Managers, and Condominium officers, powers of the Board of Managers, voting rights of Unit Owners, assessment of Common Charges, foreclosure of liens for non-payment of Common Charges, management of the Condominium and the use of the Units. The By-Laws provide that the Condominium shall be governed by the Board of Managers, but that the Board of Managers shall have the right to designate Committees or a Managing Agent to carry out such function.

XIX. BOARD OF MANAGERS

The form of the By-Laws and the Declaration of Condominium referred to in the Plan appear in Part II as Schedules I and J.

The following is a summary of certain provisions of the By-Laws and Declaration.

Board of Managers

The affairs of the Condominium shall be governed by a Board of Managers (the "Board"). Until the first annual meeting, the first Board shall consist of two (2) Members designated by the Sponsor. Thereafter the Board of Managers shall consist of a total of six (6) Members who shall be elected or designated for staggered terms. Five (5) of the Members of the Board of Managers shall be elected by the Residential Unit Owners and one (1) Member shall be appointed by the Commercial Unit Owners. See Section XVIII of the Offering Plan as to Sponsor's right to designate four (4) of the five (5) Residential Members of the Board of Managers until all of the Residential Units have closed. Purchasers should further note that the By-Laws do not contain any provision that provides that after the Sponsor relinquishes control of the Board a majority of the Members of the Board of Managers must be owner-occupants who are unrelated to the Sponsor or its principals.

Every Residential Unit Owner shall be entitled to cast one vote on each ballot for each Residential Unit owned. The Residential Unit Owners shall only be entitled to vote for the Residential Board Members. All Residential Unit Members of the Board of Managers, other than designees or nominees of the Sponsor, shall be Residential Unit

Owners. The Member of the Board of Managers representing the Commercial Units does not need to be a Unit Owner. At the first annual meeting two (2) of the Residential Unit Owner Members of the Board of Managers shall be elected for a three (3) year term, two (2) Residential Unit Owner Members of the Board of Managers shall be elected for a two (2) year term and one (1) Residential Unit Owner Member of the Board of Managers shall be elected for a one (1) year term. At the expiration of the initial term of office of each respective Member, the Member's successor shall be elected to serve a term of three (3) years. Elections are to be held annually. See Section XVIII of the Offering Plan for details concerning Sponsor control of the Board of Managers.

The Commercial Unit Owners Member appointed to the Board of Managers shall serve until such time as the Member resigns or is replaced by the Commercial Unit Owners at an annual meeting.

The first annual meeting of the Board of Managers of the Condominium will take place within one (1) year of the Closing of the first Residential Unit in the Condominium. Thereafter, annual meetings shall be held on the anniversary date of each succeeding year, unless such date is changed by the Board of Managers.

In addition to the Residential Members of the Board designated by the Sponsor, Sponsor may vote as Sponsor so determines for any other Residential Members of the Board, so long as the Residential Members of the Board Sponsor votes for are Residential Unit Owners and are not on Sponsor's slate of Residential Members of the Board, Sponsor's payroll or as long as they did not receive other financial backing from the Sponsor other than a Sponsor held mortgage, if applicable. See Section XVIII of the Offering Plan as to Sponsor's right to designate a majority of the Residential Members of the Board until all of the Residential Units have closed. Purchasers should further note that the By-Laws do not contain any provision that provides that after the Sponsor relinquishes control of the Board a majority of the Residential Members of the Board must be owner occupants who are unrelated to the Sponsor or its principals.

In the event Sponsor is entitled to designate four (4) of the five (5) Residential Unit Owners' Members to the Board of Managers at the first annual meeting, two (2) Sponsor Members shall be appointed for a one (1) year term, and two (2) Sponsor Members shall be appointed for a two (2) year term. Sponsor Members shall thereafter be appointed to the same length of term until such time as Sponsor is required to relinquish the seat or Sponsor voluntarily resigns. At such time as a Sponsor Member of the Residential Unit Owners is required to relinquish or resigns a position on the Board either (a) a special meeting of the Residential Unit Owners shall be held to elect a Residential Unit Owner to fulfill the balance of the term or (b) the remaining Residential Members of the Board of Managers shall appoint a Residential Unit Owner to fulfill the balance of the applicable term. At the expiration of the applicable term an election shall be held to elect a Residential Unit Owner to the Board for a full three (3) year term.

At such time as a Residential Member of the Board that Sponsor is entitled to appoint resigns or is required to relinquish a position on the Board either (a) a special meeting of the Residential Unit Owners shall be held to elect a Residential Unit Owner to fulfill the balance of the term or (b) the remaining Members of the Board of Managers shall appoint a Residential Unit Owner to fulfill the balance of the term. At the expiration of the term an election shall be held to elect a Residential Unit Owner to the Board for a full three (3) year term. See Section XIX of the Offering Plan for details concerning Sponsor control of the Board of Managers.

The Commercial Member representative to the Board of Managers shall be designated by the Sponsor, as long as the Sponsor retains ownership of at least one (1) of the Commercial Units. In the event the Sponsor sells all the Commercial Units the one (1) Commercial Unit Member to the Board of Managers shall be elected by the then Commercial Unit Owners. In the event the Commercial Unit Owners cannot decide on the one (1) Commercial Unit Member, the then Members of the Board shall vote and elect the Commercial Unit Member or Members being proposed.

It shall be the duty of the President to call a special meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Unit Owners. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed to each Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request unless a later date is agreed to in writing by the Unit Owners of the Condominium or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Owners of the Condominium are present in person or by proxy. See Article II, Section 10 of the By-Laws of the Condominium.

Removal of Members of the Board of Managers

Members elected by the Residential Unit Owners may be removed for cause by an affirmative vote of a majority of the Residential Unit Owners. In the event a Residential Member of the Board Sponsor is entitled to appoint is removed for cause only the Sponsor can designate a replacement. No Residential Member of the Board of Managers, other than a Member of the first Board of Managers or Sponsor's designees or nominees, shall continue to serve on the Board if, during their term of office, the Member shall cease to be a Residential Unit Owner. The Commercial Unit Member of the Board of Managers may only be removed for cause or otherwise by the then Commercial Unit Owners. In the event the Commercial Unit Member is removed for

cause, the then Commercial Unit Owners shall have the sole right to elect or designate a replacement.

Powers and Duties of Board of Managers

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws, directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a Special Assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro-rata according to their respective common interest.

2. To determine and impose late charges, penalties and fees which the Board of Managers may increase or decrease in its good faith discretion.

3. To collect, use, and expend the assessments collected to maintain, care for and preserve the General Common Elements, the General Residential Units' Limited Common Elements, and Individual Residential Unit's Limited Common Elements for which the Condominium is responsible to repair, replace and maintain and any other Common Expenses of the Condominium.

4. To make repairs, restore or alter any Unit or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

5. To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the maintenance, care, and preservation of the property, including any inspection or repairs necessitated by mold. No prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the

Condominium. Any repairs required as the result of negligence of a Unit Owner will be at the expense of the Unit Owner.

6. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts.

7. To insure and keep insured the Common Elements and Units in accordance with Article VII of these By-Laws.

8. To collect delinquent Common Charges by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the property for violations of the Declaration, By-Laws or the Rules and Regulations of the Condominium.

9. The Residential Members of the Board of Managers shall be empowered to make reasonable Rules and Regulations applicable to the Residential Units and the Residential Unit Owners and to amend the same from time to time, and such Rules and Regulations and amendments shall be binding upon the Residential Unit Owners when the Residential Members of the Board have approved them in writing. A copy of such Rules and Regulations and all amendments thereto shall be delivered to each Residential Unit. The Board of Managers shall not be able to pass or adopt any Rule or Regulation affecting a Unit without the written consent of the Commercial Unit Member of the Board of Managers.

10. The entire Board of Managers shall be empowered to make reasonable Rules and Regulations applicable to all Units and all Unit Owners and to amend the same from time to time, and such Rules and Regulations and amendments shall be binding upon all the Unit Owners when the Board has approved them in writing. A copy of such Rules and Regulations and all amendments shall be delivered to each Unit Owner. In no event however, may any Rule or Regulation prevent a Commercial Unit Owner from engaging in the practice or operation of their business unless such practice is a violation of the law or applicable zoning. Purchasers should refer to Section I of the Offering Plan as to uses that are not permitted. Further, the Board of Managers may not pass any Rule or Regulation which interferes with or affects the operation of a Commercial Unit or a Commercial Unit Limited Common Element, without the Commercial Unit Owner's consent, unless it affects the General Common Elements, General Residential Units' Limited Common Elements or the structural integrity of the Building and/or is a violation of any municipal or state code or statute.

11. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters herein above set forth.

12. To bring and defend actions by or against one or more Unit Owner and pertinent to the operation of the Condominium and to levy special assessments to pay for the cost of such litigation.

13. To acquire a Unit in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Unit so acquired and to vote as a Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers.

14. To make additions, alterations, or improvements to the General Common Elements and the General Residential Units' Limited Common Elements. Any addition, alteration or improvement to the General Residential Units' Limited Common Elements shall be paid for solely by the Residential Unit Owners based upon their Residential Unit's square footage as reflected in Schedule A of the Declaration in relation to the total square footage of all the Residential Units as reflected in Schedule A of the Declaration.

15. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the General Residential Units' Limited Common Elements and General Common Elements, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owners of said Unit.

16. To act as an agent for one (1) or more Unit Owners to file a single complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax assessments of their Unit pursuant to Section 339-y(4) of the New York Real Property Law. In such event, the Board could retain counsel on behalf of such Unit Owners and charge each Unit Owner for whom it is acting a pro-rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Unit. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Unit Owners for which it will perform such service.

17. To grant utility or other easements over or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Unit Owners who have the right to use such Common Elements to the exclusion of any other Unit Owners, the consent of all such affected Unit Owners shall be required in writing before such easement shall be granted).

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least two (2) managers or Unit Owners one of whom shall be a manager, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

Liability and Indemnification of Board of Managers, Officers and Unit Owners

No Member of the Board of Managers or Officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as a Member of the Board or Officer, provided that this provision does not eliminate or limit the liability of a Member of the Board or Officer if a judgment or other final adjudication adverse to the Member establishes (a) that the Member's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that the Member personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Condominium, through the Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member of the Board or Officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that he, his testator or intestate, was a Member of the Board or Officer or the joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member of the Board or

Officer if a judgment establishes that the Member's 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 the Member or Officer personally gained in fact a financial profit or the advantage to which he or she was not legally entitled.

The Unit Owners shall indemnify and hold harmless each of the Members and Officers of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Members of the Board of Managers and Officers of the Condominium shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Unit Owners). It is understood and permissible for the original Board of Managers, who may be members of or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the Member of the Board of Managers shall be limited to such proportion of the total liability thereunder as the Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by a Member or on behalf of the Condominium shall provide that the Members of the Board of Managers, or the managing agent, or the Member, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners).

Each Unit Owner's liability pursuant to this Section shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Officers

The officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one (1) or more assistant secretaries and assistant treasurers and such other officers as in their judgment may be necessary. Officers do not need to be Unit Owners. Two (2) or more offices may be held by the same person, except for the President whom can only hold the office of the President.

The President shall be the chief executive officer of the Condominium, shall preside at all meetings, shall have general and active management of the business of the Condominium and shall see that all orders and resolutions of the Board are carried into effect.

The Vice President shall take the place of the President and perform the duties of the President whenever the President is unable to do so.

The Secretary shall record all votes and the minutes of all proceedings in a book.

The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

The Treasurer shall disburse the funds of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Residential Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Repairs, Alterations and Improvements to Common Elements

Except as hereinafter provided, all maintenance, painting, repairs and replacement of the General Common Elements and General Residential Units' Limited Common Elements including but not limited to exterior walls, roof and roof members of the Building, as well as painting, repair and/or maintenance of the exterior surfaces, roof, windows and doors which open from the Building, as well as all maintenance, repairs and replacements of foyers and stairways of the Building, and of any pipes, wires, conduits and utility lines, or any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and utility lines as are located in the General Common Elements or General Residential Units' Limited Common Elements but serve two (2) or more Units shall be contracted for by the Board of Managers and the cost thereof shall be a General Common Expense except if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of a Unit Owner or the prior alteration of the Unit by a Unit Owner, in which event the cost thereof shall be assessed individually and paid by the applicable Unit Owner.

All maintenance (including electrical repairs and plumbing stoppages and repairs in the Residential Units and Commercial Units, cleaning of interior of windows and painting and decorating of the interior of the Residential Units and Commercial Units), repairs and replacements to the Residential Units and Commercial Units including doors which open from a Residential Unit and Commercial Units on which painting is performed by the Board of Managers, and repairs to pipes, wires and conduits located

in and servicing an individual Residential Unit or Commercial Unit, other than as set forth above shall be made by the respective Residential or Commercial Unit Owner at their own expense. This would include but not be limited to all painting and decorating to the interior of the Residential and Commercial Units, individual appliances, individual heating and cooling for the Residential and Commercial Units and the interior side of all entrance doors.

All maintenance and repair to the interior portion of the window area and doors which open from a Unit are the responsibility of the Unit Owner. All maintenance, repair and any replacement to the external portion of the window area, the actual window and external portion of the doors which open from a Unit will be the responsibility of the Condominium, unless the maintenance, repair or replacement of the external portion of the window, the actual window and external portion of the doors which open from a Unit are caused as a direct result of the negligence or act of a Unit Owner. In such an event it shall be the Condominium's responsibility to repair or replace the external portion of the window, the window or the external portion of the doors which open from a Unit and the cost of such repair or replacement shall be charged to the Unit Owner as an additional Common Charge.

All exterior glass windows or walls initially installed by the Sponsor that are either opaque in appearance or that are sealed and enclosed on the interior with construction material may not be altered or changed by a Unit Owner for any reason.

All structural repairs and replacements to any balcony or terrace that is a Limited Common Element of an individual Residential Unit will be the responsibility of the Condominium and a Common Expense of the Condominium. All general maintenance and repairs of a balcony, terrace or courtyard that is a Limited Common Element of an individual Residential Unit, including cleaning, snow removal and all repairs not structural in nature, shall be the responsibility of the Residential Unit Owner whose balcony, terrace or courtyard is appurtenant to their Residential Unit and is a Limited Common Element of their Residential Unit.

All repairs, maintenance and any replacement of any heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Residential Unit shall be the responsibility of the Residential Unit Owner for such equipment services, etc.

The balconies, terraces and courtyards are not permitted to be used for storage and are not permitted to be enclosed. No barbequing is permitted in any courtyard or any terrace on the 2nd floor. Barbequing will be permitted on the penthouse terraces as long as it is not a violation of any New York City or other municipal, State or agency

code or health, safety or fire requirement. All drains located on a balcony or terrace must be kept open at all times.

All repairs and maintenance to Garage Parking Space Units shall be the responsibility of the Condominium and a Common Expense of the Condominium.

All repairs and maintenance to the Garage Storage Space Unit shall be the responsibility of the Garage Storage Space Unit Owner.

All repairs and replacement of windows, and any snow removal from the General Common Elements and General Residential Units' Limited Common Elements shall be contracted for by the Board of Managers and the cost thereof shall be a Common Expense of the Condominium payable by all Unit Owner's based on their percentage of Common Interest except that the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Unit Owner or prior alteration of a Unit shall be assessed to and paid by the applicable Unit Owner.

The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the General Common Elements and General Residential Units' Limited Common Elements and the cost thereof shall be a Common Expense of the Condominium except that the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Unit Owner or prior alteration of a Unit shall be assessed to and paid by the applicable Unit Owner.

All maintenance, repairs and replacements to the Commercial Unit and Commercial Unit Limited Common Elements, whether structural or non-structural, ordinary or extraordinary, will be made by the Commercial Unit Owner at its/their sole expense.

The Board of Managers and their agents, employees and contractors shall have the right of access to any Unit for the purpose of making any repairs or replacements to any Common Elements no matter how classified contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Unit or any other Common Element no matter how classified, or which would violate the provisions of any mortgage covering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Units but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

All repairs, painting or maintenance, whether made by the Unit Owner or the Board of Managers, to the doors, windows, or the exterior surface of the Building or to any generally visible portion of the General Common Elements or General Residential Units' Limited Common Elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless varied by the Board of Managers.

In the event that a Unit Owner fails to maintain, repair or replace its Unit or any Limited Common Element for the Residential or Commercial Unit Owner's exclusive use, which maintenance, repair or replacement is necessary to protect any of the General Common Elements, General Residential Units' Limited Common Elements, any other portions of the Building or any other Unit, the Board of Managers shall have the right to make the necessary maintenance, repair or replacement (after the failure of said Residential or Commercial Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge said Residential or Commercial Unit Owner for the cost of all such repairs and/or maintenance and/or replacement. In the event that the Board of Managers charges a Residential or Commercial Unit Owner for repairs, maintenance and/or replacement to their Residential or Commercial Unit or for repairs to any Common Elements restricted in use to such Residential or Commercial Unit Owner, and the Residential Unit or Commercial Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Residential or Commercial Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of the Building as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of the Building and the Board of Managers or the Insurance Trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceeds of insurance policies shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective common interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on the Unit, in the order of the priority of such liens.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Building, including all of the Units and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Unit which shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

Reports to Unit Owners

All Unit Owners will receive within four (4) months of the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement prepared by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owners, and a notice of the holding of the annual Unit Owners meeting. All Unit Owners shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month. During such time as the Sponsor retains a majority of the Board of Managers, the Board shall provide a certified annual statement at the cost of the Condominium.

Amendments

The Declaration may be amended upon a vote of at least 66-2/3% of the Unit Owners in number held at a duly called meeting of the Unit Owners, provided however, that:

(i) No amendment shall change any Condominium parcel, nor a Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any Unit, unless all of the record owner(s) in number and common interest thereof and the first mortgagees, if any, of each of these same Units agree to such revocation by recorded instrument.

(ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees or the Sponsor.

(iii) No amendment to the Declaration shall affect the Limited Common Elements appurtenant to a specific Unit without the written consent of the specific Unit Owner affected thereby.

(iv) No amendment to the Declaration shall affect the General Residential Units' Limited Common Elements without the written consent of at least sixty-six and two-thirds (66-2/3%) percent in number of the Residential Unit Owners.

(v) No amendment to the Declaration which solely affects a Commercial Unit may be adopted without the written consent of the Commercial Unit Owner.

The By-Laws may be amended at any duly called Unit Owners meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by at least 66-2/3% of the Unit Owners in number and common interest and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Unit Owners' interest and the interests of holders of a mortgage encumbering a Unit or Units. In addition the following shall apply to amendments to the By-Laws:

(i) No amendment to the By-Laws which solely affects the Residential Units or General Residential Units' Limited Common Elements may be adopted without a vote of at least 66-2/3% of the Residential Unit Owners.

(ii) No amendment to the By-Laws which solely affects the Commercial Units may be adopted without the written consent of the Commercial Unit Owner.

(iii) No amendment to the By-Laws shall be passed which shall impair or prejudice the rights and priorities of mortgages or the Sponsor.

Units Acquired by the Board of Managers

All Units which are acquired by the Board of Managers, or its designee as a result of foreclosure of a lien for non-payment of Common Charges, shall be held by the Board on behalf of all Unit Owners. The percentage of Common Interest acquired by the Board shall remain as originally designated in Schedule A of the Offering Plan and the Declaration of Condominium and the Board shall be responsible for paying all

Common Charges appurtenant to said Unit. The Board shall be entitled to cast all votes that are appurtenant to said Units at any Unit Owners meeting for all purposes except for the election of Members to the Board of Managers.

Termination of Condominium

This property shall not be withdrawn from the provisions of Article 9-B of the Real Property Law unless at least 80% of the Unit Owners in number and in common interest and the first mortgagees, if any, of these same Units agree to the withdrawal of this property from the provisions of such Article. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless 80% of Unit Owners other than Sponsor so vote.

Covenant Against Partition of Common Elements

The Common Elements are not subject to partition nor are they severable from the Units except in accordance with the Real Property Law.

XX. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS

Sale or Lease of Units

Units can be sold or leased by a Unit Owner, provided that the Unit Owner is not in arrears on the payment of Common Charges (except where the payment of such unpaid Common Charges is paid by the Grantee or provided for out of the proceeds of the sale) and provided that such sale or lease is first offered to the Condominium under the same terms and conditions as a prospective Purchaser or lessee has offered to purchase or lease the Unit. All Unit Owners shall notify the Board of Managers upon the sale, assignment or transfer of a Unit as well as any transfer of a Unit by will or intestate.

The Board of Managers is obligated to notify the Unit Owner of whether the Board will exercise the right of first refusal, not later than ten (10) days after the later of the receipt of the notice by the Unit Owner or such further information that may have been requested by the Board. If the Board elects to exercise the right of first refusal and purchase the Unit, the Board must exercise its right within forty-five (45) days after the giving of notice of its election to exercise its right. In the event the Board elects to exercise its rights of first refusal and purchase a Unit, the funds to purchase the Unit are to be obtained through a special assessment of the Unit Owners, borrowing the money or through excess funds available in the Condominium's operating account. Any borrowed funds will become a Common Charge obligation of the Condominium. All Common Charges associated with any acquired Units by the Condominium will, likewise, become a Common Charge obligation of the other Unit Owners. During the

period a Unit is owned by the Condominium, it may be rented, used by the Condominium for a resident superintendent or for any other permissible use under the applicable zoning laws. Any Unit owned by the Condominium may be sold or leased. All proceeds of any sale or lease will become income to the Condominium to be used towards Common Expenses or other Condominium purposes. The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law if it rents or sells a Unit acquired through its right of first refusal. See the By-Laws in Part II of the Plan as to the procedure to follow in case of a sale or lease. The restrictions regarding the sale or lease of a Unit shall not pertain to the Sponsor.

Any Residential Unit Owner who wishes to enter into a lease for their Residential Unit shall be required to provide the Board of Managers with a copy of the proposed lease prior to its execution. Any lease entered into must contain a provision that the Lessee is subject to the Declaration, By-Laws and Rules and Regulations of the Condominium, the provisions of Article XI, Section 2 of the Condominium By-Laws and the Deed to the Residential Unit. Failure to comply with the above shall be deemed an automatic violation of the By-Laws of the Condominium. Rental of a Residential Unit in the Condominium is not currently subject to any local or state regulation.

A Unit Owner is free to make a gift of the Unit Owner's Unit to anyone during the Unit Owner's lifetime or to devise the Unit by will, or to have it pass by intestacy without any restriction. The restrictions regarding the sale or lease of a Unit shall not pertain to the Sponsor.

The terms on leases of Residential Units are not current subject to any state of local laws.

Each Unit Owner, on the closing of title to his or her Residential Unit shall be required to execute a Power of Attorney in the form contained in Part II of this Plan as Schedule E, constituting the fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Residential Units acquired by the Board of Managers or their designee, on behalf of all Residential Unit Owners, and otherwise acting in accordance with the Condominium's Declaration and By-Laws designating the Sponsor as Purchaser's attorney-in-fact to file an amendment to the Declaration of Condominium permitting the certification by a registered architect or professional engineer certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the Building and fully and fairly depict the layout, location, designation and approximate dimensions of the Residential Units as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Eleventh, Section (c) of the Declaration of Condominium.

No Residential Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements.

Real Property Law Section 339-kk

Purchasers should note that Section 339-kk of the Real Property Law of the State of New York provides that any non-occupying owner who rents any Residential Unit in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Residential Unit within sixty (60) days of the expiration of any grace period after they are due is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium association. Section 339-kk does not apply to a Commercial Unit. A complete copy of Section 339-kk of the Real Property Law is contained in Part II of the Plan as Schedule N.

Restrictions on Occupancy and Use

There is no restriction upon ownership of a Residential Unit. Occupancy of a Residential Unit Owner, however, may only be for residential purposes in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

The Commercial Units may be used as Commercial Facilities as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York which includes retail stores, personal service establishments and offices. Purchasers should refer to Section I of the Offering Plan as to uses that are not permitted.

Garage Parking Space Units may be used only for the purpose of parking automobiles and other permitted vehicles. In no event shall Garage Parking Space Units be converted into additional residential living space.

The Garage Storage Space Unit may only be utilized for general storage.

The By-Laws of the Condominium contain the following use restrictions regarding the Residential Units: No immoral, improper, offensive or unlawful use shall be made of the Condominium nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Residential Unit Owners, their families, employees, guests and any permitted pets shall not use or permit the use of the Residential Units and Common Elements in any manner that would be illegal, disturbing or a nuisance to other Residential Unit Owners. No resident shall put any advertisement, poster, or signs, including for-sale signs of any kind in or on a Residential Unit or the Common Elements without the consent of the Board of Managers. It is prohibited to use any of the Common Elements for storage except as may be provided in the Condominium. No Residential Unit Owner shall paint

the exterior surfaces of the windows, walls or doors opening out of their Residential Unit. All Residential Unit Owners must maintain their thermostat at a minimum of 60 degrees Fahrenheit to avoid pipes from freezing. Any Residential Unit Owner failing to adhere to this provision shall be responsible for any and all damage to the Condominium or any other Unit as a result thereof. Any improvements beyond the interior walls of a Residential Unit will require the approval of the Board of Managers.

All vendors, contractors, sub-contractors and other personal transporting any equipment, appliances, furniture, plants or other fixtures to a Residential Unit must utilize the elevator at times designated for such purpose by the Board of Managers. All Residential Unit Owners, tenants or other residents of the Building moving in or out or transporting any equipment, appliances, furniture or plants or other fixtures must utilize the elevator at times designated for such purpose by the Board of Managers. See Schedule J, Article VIII for complete details.

It will be the sole responsibility of all Unit Owners to install window guards at their sole cost and expense. The contractor for installation of any window guards shall be subject to the approval of the Board of Managers. Pursuant to Local Law 33 and the New York City Health Code any Residential Unit having a child who is ten (10) years old or less is required to install window guards.

Restrictions on Pets

Residential Unit Owners will be limited to two (2) domestic pets per Residential Unit. The foregoing notwithstanding no breed or mix of dog, including American Pit Bulls, Terrier or Rottweiler, deemed to be dangerous to the safety of the residents of the Condominium shall be permitted to be kept or harbored in the Condominium or any Residential Unit. A Commercial Unit Owner shall not be permitted to have any animals for any purpose. No exceptions will be permitted unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium. The Board of Managers may require the permanent removal of any animal kept in a Unit that is not in compliance with the above as well as any animal causing or creating a nuisance or unreasonable disturbance or noise upon ten (10) days written notice from the Board of Managers.

In no event shall any pet be permitted in any of the public corridors or lobbies of the Condominium unless carried or on leash and in compliance with the local and municipal rules and regulations regarding pets. All Unit Owners shall be responsible for picking up and disposing of their pets' waste and for any damage caused by their pets to any Common Elements of the Condominium. Furthermore, all Unit Owners shall hold both the Condominium and the Board of Managers harmless from any and all liability, damages and/or injury which may occur as a result of the Unit Owner harboring an animal in the Condominium.

Mortgage of Units by Unit Owners

A Unit Owner may mortgage the Unit Owner's Unit at any time after the Unit Owner acquires title to the Unit in whatever amount and under whatever terms the Unit Owner can obtain provided the Unit Owner first notifies the Board of Managers. Any Unit Owner may, upon the resale of their Unit, grant a purchase money mortgage to a purchaser of their Unit. A Unit Owner may mortgage their Unit only if all arrears for Common Charges, if any, are provided for at the closing of the mortgage.

Common Charges Assessment and Collection

The Board of Managers will prepare and furnish its budget to the Unit Owners and their mortgagees annually. Based upon such budget and any modification thereof approved by the Board of Managers, all the Unit Owners will be charged for the cost of the Common Expenses (Common Charges) for operation of the Condominium in accordance with their Percentage of Common Interest in the Common Elements. Such charge for the cost of the operation of the General Common Elements may also be calculated based upon sub-metering, contract allocations and usage (both projected and actual) for the General Common Elements so long as such allocations are reasonable under the circumstances and are based on special or exclusive use or availability or exclusive control of particular units or common areas by particular unit owners.

The charges assessed by the Board of Managers ("Common Charges"), in addition to the cost of repairing and maintaining the Common Elements, assessments and other normal operational costs, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium. In addition Common Charges may have to be increased as a result of Unit Owners not paying their Common Charges.

In addition to the Common Charges, the Commercial Unit Owner will also be responsible for the entire cost of the maintenance and operation of the Commercial Unit's Limited Common Elements.

The estimate of Condominium expenditures in Schedules A and B were made by the Sponsor and passed upon by Midboro Management, Inc., 148 West 37th Street, 8th Floor, New York, New York, a consultant. Although the Sponsor is of the opinion that such estimates are accurate and reasonable, they are not intended and cannot be construed as an assurance of the actual expenses and are merely based upon information available at this time. Actual costs may be lesser or greater than as set forth herein.

It is presently anticipated that the Common Charges are to be used primarily to pay for fire and other casualty insurance on the Building and the Common Elements, public liability and property damage insurance, legal and accounting expenses, supplies and a maintenance reserve. The Common Charges do not include maintenance, repairs or decoration of interior of the Units or portions thereof, payments required pursuant to the terms of Unit Owners' mortgages or real estate taxes covering the individual Units.

The Common Charges which may be collected monthly by the Board of Managers and other costs of maintenance of the Units are set forth on Schedule A. See Schedule C for estimated heating and other utility costs for the Residential Units. However, additional services which the Residential Unit Owners may desire or other factors can increase these charges.

The initial Board of Managers may commence the collection of Common Charges upon the Closing of Title to the first Unit or at any subsequent date as in its sole discretion it may determine. Prior to the collection of Common Charges, Sponsor shall be obligated to provide all the services disclosed in the first year budget at its sole expense. The Board's collection of Common Charges will be in an amount necessary to carry out the duties of the Board of Managers as is set forth in this Offering Plan and such Common Charges shall be paid by the Unit Owners and the Sponsor as Owner of the unsold Units in accordance with the Common Interest set forth herein. The Common Charges will initially be placed in an account in the name of the Board of Managers in a bank authorized to do business in the State of New York.

Where a Unit is damaged by casualty and the proceeds of insurance are not sufficient to cover the repair of the damage, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Units will be a Common Charge to all Owners. In order to protect the Unit Owner against the possibility of such Common Charges, the Board of Managers determines the amount of blanket casualty insurance covering all Units (the cost of such insurance is part of the Common Charges) and reviews the amount of such coverage annually.

The Sponsor shall be liable for the Common Charges, special assessments, real estate taxes and individual utility costs of all Units to which title has not been transferred to a Purchaser commencing when Common Charges are first collected by the Board of Managers. Once title has passed to a Purchaser, the Purchaser shall be solely responsible for all costs associated with the Unit including but not limited to Common Charges, any special assessments, real estate taxes and all individual utility costs.

Liens for the Non-Payment of Common Charges

Under Section 339-z of the Real Property Law of the State of New York, the Board of Managers shall have a lien against each Unit for its unpaid Common Charges and legal interest thereon prior to all other liens except liens for the payment of taxes and all sums unpaid on a first mortgage of record. The lien shall continue in force even after resale of a Unit except that the Board shall, in accordance with the Declaration, release the lien and right to collect unpaid Common Charges against any purchaser of a Unit where such purchase arises out of a foreclosure of a first institutional mortgage when the Board of Managers has been made a party to the foreclosure action.

The Board of Managers may foreclose the lien in the same manner as a mortgage on real property or bring a separate action to collect the unpaid Common Charges and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Unit Owner for the payment of Common Charges thereafter assessed against the Unit Owner's Unit shall terminate upon a sale, transfer or conveyance of such Unit in accordance with the provisions of the Condominium Declaration and By-Laws. Further, any Unit Owner may convey their Unit to the Board of Managers or its nominee, on behalf of all other Unit Owners, without any compensation and in accordance with the Declaration and By-Laws, and in such event the Unit Owner shall be exempt from any Common Charges thereafter assessed, but not relieved of their obligation to pay the Unit Owner's mortgage. However a Unit Owner may not be exempt from liability for the Unit Owner's Common Charges by waiver of the use or enjoyment of any of the Common Elements or by abandonment of the Unit Owner's Unit.

Upon a resale, the Purchaser of a Unit shall be liable for the payment of unpaid Common Charges assessed against such Unit prior to the acquisition of such Unit by the Purchaser, except that a first mortgagee who acquires title to a Unit or a Purchaser at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the acquisition of title to such Unit by the first mortgagee or purchaser at a foreclosure sale. In such event and in the event of a foreclosure by the Board of Managers of its lien on any Unit for unpaid Common Charges where the proceeds of the foreclosure sale are not sufficient for the payment of such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense.

During the period of time the Sponsor retains a majority of the seats of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Units in which Sponsor is more than 30 days in arrears of Common Charges.

Repairs, Alterations and Improvements to the Residential Units

Repairs to General Common Elements and General Residential Units' Limited Common Elements shall be the responsibility of the Board of Managers and the cost of such repairs shall be a Common Expense as previously described. All structural repairs, maintenance and replacement to a terrace or balcony that is an Individual Residential Unit's Limited Common Element shall be the responsibility of the Condominium unless caused as a result of the negligence of the Residential Unit Owner. In such an event it shall be the Condominium's responsibility to repair or replace and the cost of such repair or replacement shall be charged to the Residential Unit Owner as an additional Common Charge. All minor repairs and maintenance to a terrace or balcony shall be the responsibility of the Residential Unit Owner. The balconies and terraces are not permitted to be used for storage and are not permitted to be enclosed. No barbequing is permitted on any balcony or terrace. All drains located on a balcony or terrace must be kept open at all times. Residential Unit Owners will not be permitted to store any combustible material or other items in the Garage Storage Space Unit that may be illegal or cause the Condominium insurance to be increased. Neither the Condominium nor any Residential Unit Owner will be permitted to make any structural changes or enclose any balcony or terrace except as may be required to repair, maintain or replace a balcony or terrace. See Section XIX of the Offering Plan for repairs, alterations and improvements to Common Elements.

No Residential Unit Owner shall make any addition, alteration or improvement (of either a temporary or permanent nature) of a structural nature in or to the Residential Unit Owner's Residential Unit, or any Residential Unit Limited Common Element, without the prior written approval of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed addition, alteration or improvement. No Residential Unit Owner will make any addition, alteration or improvement of a structural nature in or to any Residential Unit or any Residential Unit Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its Members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary from the

City of New York or any other governmental agency. In the event the Board of Managers chooses to have the proposed addition, alteration or improvement reviewed by an independent architect or engineer, the Residential Unit Owner shall pay the charges of such architect or engineer. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from their alterations, additions or improvements to their Residential Unit.

It is recommended that any Residential Unit Owner contemplating any form of renovation in their Residential Unit either have been issued a permanent Certificate of Occupancy or obtain an assurance from a professional that the proposed renovations will not interfere with any work or sign-offs necessary to procure a permanent Certificate of Occupancy.

Any application to any department of the City of New York or any other governmental authority for a permit to make an addition, alteration or improvement in or to any Residential Unit shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or material man on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The above provisions regarding changes to a Residential Unit shall not apply to Residential Units owned by the Sponsor or its designee until such Residential Units shall have been initially conveyed to a bona fide purchaser by the Sponsor or such designee.

All maintenance (including electrical repairs and plumbing stoppages in the Residential Units, interior painting and decorating of the Residential Units), repairs and replacements to the interior of the Residential Units including repairs to the heating/air conditioning system servicing said Residential Unit whether inside or outside the Residential Unit, pipes, wires and conduits servicing a single Residential Unit and servicing the same Residential Unit other than as set forth in the Condominium By-Laws shall be made by the respective Residential Unit Owner at the Residential Unit Owner's sole expense. All maintenance and repair to the interior portion of the window area and doors which open from a Residential Unit are the responsibility of the Residential Unit Owner. All maintenance, repair and replacement to the external portion of the window area, the actual window and external portion of the doors which open from a Residential Unit will be the responsibility of the Condominium, unless the maintenance, repair or replacement of the external portion of the window, the actual window and external portion of the doors which open from a Residential Unit are caused as a direct result of the negligence or act of a Residential Unit Owner. In such an event it shall be the Condominium's responsibility to repair or replace the external portion of the window, the window or the external portion of the doors which open from a Residential Unit and the cost of such repair or replacement shall be charged to the Residential Unit Owner as an additional Common Charge.

In the event that the Residential Unit Owner fails to make any repair or creates any condition which affects the Building, the General Common Elements, the General Residential Units' Limited Common Elements, the Individual Residential Unit's Limited Common Elements or any other Residential Unit, the Board of Managers, may, upon notice given in accordance with the provisions of the By-Laws, make such repair or correct such condition and charge the Residential Unit for the cost of such service.

In the event it becomes necessary for the Board of Managers to bring any lawsuit or other proceeding to enforce its right to make such repair or correct such condition or to collect any sum due on account thereof, the Board of Managers shall also be entitled to collect reasonable attorney's fees in connection with such suit or proceeding.

Commercial Unit

A Commercial Unit Owner shall be permitted to make a structural addition, alteration or improvement (of either a temporary or permanent nature) in or to a Commercial Unit, or any Limited Common Element for its exclusive use, without the prior written approval of the Board of Managers. However, a Commercial Unit Owner must notify the Board of Managers at least forty-five (45) days prior to any such structural addition, alteration or improvement and no Commercial Unit Owner shall make any structural addition, alteration or improvement in or to the Commercial Unit or any Limited Common Element for its exclusive use without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its Members and Officers, and all Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from the City of New York, Landmarks Preservation Commission or any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Unit Owner shall pay the charges of such architect or engineer. A Commercial Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to any department of the City of New York or any other governmental authority for a permit to make a structural addition, alteration or improvement in or to any Commercial Unit or Limited Common Element for its exclusive use shall be completed by the Commercial Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of

Managers or any of them to any contractor, subcontractor or materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

At the request of a Commercial Unit Owner, the Board will execute any application or other document required to be filed with any governmental agency including the Landmarks Preservation Commission having or asserting jurisdiction in connection with any addition, alteration, improvement, or repair of the Commercial Unit or the operation thereof. The respective Commercial Unit Owner shall indemnify and hold the Board and the Unit Owners harmless from any liability resulting therefrom.

The Board of Managers will not have any right to restrict or limit the method of operation, use or appearance of any Commercial Unit which are permitted by law. No rules affecting the operation of the Commercial Unit maybe adopted or modified by the Board of Managers without the consent of the Commercial Unit Owner.

The Residential Unit Owners shall have an easement through the Commercial Unit for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing the Residential portion of the Building, the Residential Units and/or the entire Building.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Building, including all of the Units and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, any air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

In addition to the insurance set forth herein, the Purchaser may desire to insure their personal effects and the interior of the Unit itself for fire and liability. Such insurance, if taken by the Purchaser, will be payable by the Purchaser directly.

The proceeds of all policies of physical damage insurance carried by the Board shall be payable to the Board of Managers in the event of a loss amounting to $40,000 or less, and the loss involves only the Residential and Non-Residential Units. The proceeds of all policies of physical damage insurance carried by the Board shall be payable to the Insurance Trustee if the loss shall amount to more than $40,000 to be applied for the purpose of repairing, restoring or rebuilding the building unless otherwise determined by the Unit Owners, as hereinafter set forth.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by the Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies.

The amount of fire insurance to be maintained on the building upon the transfer of title to the first Unit and until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be in the amount as reflected in the footnotes to Schedule B, the budget for the first year of operation of the Condominium. The Board of Managers shall review the amount of fire insurance annually.

A New York Bank or Trust Company shall be the Insurance Trustee unless or until replaced by a bank or trust company in the State of New York, designated by the Board of Managers. In the event that the Insurance Trustee shall resign or not qualify, the new Insurance Trustee shall also be a bank or trust company in the State of New York designated by the Board of Managers. The Insurance Trustee shall hold all proceeds of insurance policies in accordance with Section 254.4 of the Real Property Law.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a General Common Expense. The Board of Managers shall also obtain and maintain, to the extent obtainable: (1) fidelity insurance covering all employees of the Condominium who handle Condominium funds; (2) Worker's Compensation insurance; and (3) in order to limit the liability of Unit Owners for personal injury and tort, public liability insurance covering each Member of the Board of Managers and each Unit Owner, in such limits as the Board of Managers may deem proper. The Board of Managers shall review such limits once each year.

The public liability insurance policy to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be a minimum of $1,000,000 per occurrence covering all claims for bodily injury and for property damage arising out of any one (1) occurrence in the Common Elements.

The Board of Managers shall have the right to require the Owners of the Commercial Unit to carry at their own expense such additional insurance covering each Member of the Board of Managers, the managing agent and every Unit Owner as may be reasonably required with due regard to be given to the use and occupancy of the Commercial Unit from time to time. In the event of a dispute with respect thereto, the matter shall be submitted to the American Arbitration Association for arbitration and the cost thereof will be shared by both parties equally.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance.

THE CONDOMINIUM INSURANCE COVERAGE DOES NOT COVER FIRE AND LIABILITY INSURANCE FOR THE PURCHASER'S PERSONAL EFFECTS AND INTERIOR OF THE UNIT. PURCHASERS ARE ADVISED TO SECURE SUCH COVERAGE.

The insurance the Sponsor will initially procure for the Condominium will contain officers and directors liability or fidelity bond insurance.

The Board will arrange for repair of the Units in the event of casualty loss. In the event the insurance proceeds are not sufficient to cover the cost of repairs to the Units, the balance of the cost of such repairs will be assessed against all Unit Owners. For further provisions regarding repair or reconstruction of Units, after fire or casualty and condemnation provisions see Article VII and XII of the By-Laws. In the event of a casualty loss, the Unit Owners will continue to pay the Common Charges on his or her Unit.

Although there is no requirement for annual appraisals to ascertain whether the insurance coverage is adequate, such appraisals are required prior to renewal of any fire policy. See Schedule B for the estimated insurance costs of the Condominium.

Access by Board of Managers

The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under the Declaration and By-Laws.

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

Ownership of a Unit in the Condominium subjects the Unit Owner to compliance with the provisions of the Declaration and By-Laws as well as the Rules and Regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The Rules and Regulations set forth in the By-Laws and Declaration can be found in Part II of the Plan in Schedule I, Article Seventeenth and Schedule J, Article VIII. The Board of Managers can institute legal actions to enforce compliance with the provisions of the Declaration and By-Laws as well as the rules and regulations established therewith.

The provisions of the By-Laws which requires Members of the Residential Unit Owners' representatives to the Board of Managers to be Residential Unit Owners will not apply to the first Board of Managers or any Sponsor designees to the Board of Managers.

Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements or located in other Units and servicing the Unit Owner's Unit. Further, each Unit Owner will have an easement for the continuance of any encroachment by their Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter as a result of the settling of the Units or repair or alteration of the Unit by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceedings, or by reason of an alteration made by the Board to the Common Elements so that any such encroachment may remain undisturbed so long as the Unit stands. Further, each Unit Owner will have, in common with all other Unit Owners and each Unit will be subject to, an easement for the use of the General Common Elements and any facilities located therein, including, but not limited to, such easement as will be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Unit Owner's Unit and an easement to connect to existing utilities including, but not limited to, utilities for gas, electricity, steam and ventilation. Each Unit will be subject to such encroachments and easements in favor of all other Units.

The Board of Managers, its agents and employees shall have a right of access to the Units and to the Common Elements (irrespective of the restricted nature of such Common Element) to inspect, maintain or repair the Common Elements or any pipe, wire, or conduit therein or to make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

Each Residential Unit Owner will have an easement in common with all other Residential Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the General Residential Units' Limited Common Elements or located in two (2) ore more Residential Units. Each Residential Unit Owner will have, in common with all other Residential Unit Owners and each Residential Unit will be subject to, an easement for the use of the General Residential Units' Limited Common Elements and any facilities located therein, including but not limited to, such easement as will be necessary to operate, maintain, repair, rebuild, restore and replace, as necessary, such Residential Unit Owner's Unit and an easement to connect to existing utilities including, but not limited to, utilities for gas, electricity, steam and ventilation.

Each Unit will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Building and any replacements thereof and additions thereto and an easement of necessity, and each Unit will be subject to an easement of support and necessity in favor of all other Units and the Common Elements. Each Unit will have an easement for lateral and vertical support among all adjoining Units and Common Elements.

The Unit Owners and their tenants shall have an easement for the exclusive use of appurtenant Limited Common Elements and shall also have easements to install, maintain, repair and replace signs, flues, vents, air conditioning, heating, ventilating, water and other mechanical lines and fixtures and equipment in the basement, the roof and on the exterior walls of their Units.

Residential Units shall have an easement through a Commercial Unit for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing the Residential Unit, the Residential Area of the Building and/or the entire Building.

Subject to the approval of the Board of Managers, which approval shall not be unreasonably withheld, a Commercial Unit Owner shall have an easement through the General Residential Units' Limited Common Elements for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing a Commercial Unit and/or the entire Building.

Allocation of Common Interest

The common interest of the Condominium establishes the Unit Owners percentage of ownership in the Common Elements of the Condominium and percentage of liability for the payment of General Common Charges. Each Unit Owner has the percentage of common interest in the Condominium set forth on Schedule A. Such allocation has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. Said method of determining the percentage of Common Interest in a Condominium complies with and is pursuant to the provisions of Section 339-i(1)(iv) of the Real Property Law of the State of New York.

The percentage of the undivided interest in the Common Elements shall not be changed except with the consent of all Unit Owners affected expressed in a duly recorded amendment to the Declaration.

Copies of both the Declaration and By-Laws are contained in Part II of the Offering Plan.

XXI. REAL ESTATE TAXES

In accordance with the New York State Condominium Act, real estate taxes applicable to each Unit will be separately assessed. The estimated monthly costs and charges to be incurred by the owner of each Unit in the first year in which the property will be fully subject to real estate taxes together with estimated Common Charges on each Unit and other carrying costs are set forth on Schedule A.

The Sponsor is in the process of submitting an application for a Preliminary Certificate of Eligibility for tax exemption under Section 421-a of the New York State Real Property Tax Law and an Industrial Commercial Tax Exemption (ICIP) with the New York City Department of Finance ("Department of Finance"). Sponsor does not expect the applications to be acted upon for approximately 10-12 months from the date of submission. The 421-a tax abatement, which is administered by the Department of Housing Preservation and Development of the City of New York ("HPD"), provides for a partial tax exemption program applicable to multiple dwellings constructed in New York City under certain limiting conditions under the 421-a program. A final exemption will be applied for by the Sponsor after a permanent Certificate of Occupancy is obtained for all the Units. The ICIP is administered by the Department of Finance of the City of New York ("Department of Finance"), and provides for a twelve (12) year partial tax exemption program applicable to the Commercial Units. The Sponsor will use its best efforts to obtain the Section 421-a and ICIP tax benefits and will file all necessary

papers to secure final approval. Although Sponsor anticipates obtaining the Section 421-a and ICIP benefits, Sponsor makes no guarantee that the Section 421-a or ICIP tax benefits will be granted or if granted when the abatement will commence. As a result Purchasers may be required to pay real estate taxes for a period of time without the 421-a or ICIP tax benefits. Schedule A of the Offering Plan reflects the estimated real estate taxes for each Unit both with and without the Section 421-a and ICIP tax benefits. If approved the 421-a tax benefits would not be reflected on a Unit Owner's tax bill for approximately 10-12 months from the date of approval. No warranty is made that the actual assessed valuation or the assessed valuation for the Property with Section 421 or ICIP benefits will be as projected herein, that the projected tax rate will be in effect for all or any portion of the Property during the first year of Condominium operation, or that real estate taxes will be allocated among Units in proportion to the relative value of their Unit, or that the percentage of the exemption between the 421-a and Commercial portion of the Condominium will be as reflected in the Schedule. In no event will Sponsor, Sponsor's Counsel, or any offeror hereunder be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind their Purchase Agreement, in the event the amount of such exemption and the resulting taxes differ from those projected.

Purchasers should note that if approved it has been the policy of the Department of Finance of the City of New York to make any 421-a and ICIP tax benefits retroactive and a Unit Owner may therefore be entitled to either a reimbursement for the amount overpaid or a credit against future real estate taxes. Sponsor makes no representation that this policy will continue or be applicable to this Condominium.

The section 421-a tax exemption program provides that while the taxes on the Property may not be less than those assessed in prior years, real estate taxes on newly constructed buildings are exempted 100% for ten (10) years (plus the period of construction), 80% for the next year, 60% for the next year, 40% for the next year, and 20% for the last year of a fifteen (15) year period. At the end of the fifteen (15) year period, the Units will be subject to regular real estate taxes in accordance with the rates then if effect in the City of New York.

Pursuant to the ICIP program, a twelve year "commercial" exemption is available to commercial properties in designated "special area". 100% of all the physical assessment increases above the base land assessment will be exempt for the first 16 years and will decline by 20 percent for the remaining four (4) years.

Based on an estimate from the Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, New York 10004, that after the renovation of the Building is completed, the property will be assessed as follows:

2008/2009	Land	Total
Actual:	$400,000	$900,000
Transitional	$400,000	$900,000

2009/2010	Land	Total
Actual:	$400,000	$900,000
Transitional	$400,000	$900,000

Using relative values as a rental building as a criterion, The Mazursky Group estimates that the Retail Unit will be assessed at 47% and the Residential Units at 53% of the total assessed valuation. The tax liability during the first year of operation is estimated at $37,922 for the Retail Unit and $42,762 for the Residential Units. During the second year, the estimated taxes are $52,876 for the Retail Unit and $59,626 for the Residential Units. The calculations are as follows:

First Year of Operation

Commercial Units								
1/1/10-6/30/10								
$3,780,100[1]	x	.32[2]	x	.125[3]	x	.5[4]	=	$ 75,602
7/1/10 – 12/31/10								
$6,920,800[5]	x	.32[2]	x	.105[6]	x	.5[4]	=	$116,269
Total:								**$191,871**
Residential Units								
1/1/10 – 6/30/10								
$3,780,100[1]	x	.67[2]	x	.125[3]	x	.5[4]	=	$158,292
7/1/10 – 12/31/10								
$6,920,800[5]	x	.67[2]	x	.125[3]	x	.5[4]	=	$289,808
Total:								**$448,100**
Garage Units								
1/1/10 – 6/30/10								
$3,780,100[1]	x	.01[2]	x	.125[3]	x	.5[4]	=	$ 2,363
7/1/10 – 12/31/10								
$6,920,800[5]	x	.01[2]	x	.105[6]	x	.5[4]	=	$ 3,633
Total:								**$ 5,966**

Second Year of Operation

Commercial Unit							
1/1/10 – 6/30/10							
$3,780,1005[5]	x	.32[2]	x	.105[6]	x	.5[4]	= $116,269
7/1/10 – 12/31/10							
$6,920,800[7]	x	.32[2]	x	.105[6]	x	.5[4]	= $120,313
Total:							**$236,582**
Residential Units							
1/1/10 – 6/30/10							
$3,780,100[5]	x	.67[2]	x	.125[3]	x	.5[4]	= $289,808
7/1/10 – 12/31/10							
$6,920,800[7]	x	.67[2]	x	.125[3]	x	.5[4]	= $299,888
Total:							**$589,696**
Garage Units							
1/1/10 – 6/30/10							
$3,780,1005[5]	x	.01[2]	x	.105[6]	x	.5[4]	= $ 3,633
7/1/10 – 12/31/10							
$6,920,800[7]	x	.01[2]	x	.105[6]	x	.5[4]	= $ 3,760
Total:							**$ 7,393**

As noted, Sponsor is seeking 421-a real estate tax exemption benefits for the Residential and Garage Parking Space Units. The law governing 421-a exclusion zones and the use of negotiable certificates may dramatically change on December 28, 2007. Based upon Sponsor's representation that the start of construction will meet the legal deadlines of the revised 421-a law, if granted, the 421-a benefits will provide a varied exemption of increases in assessed value over the 2006/07 base tax year. There may be up to a 100% exemption of building value during the construction period (not to exceed three years) and the first and second years of operation. In the third and fourth years the exemption decreases to 80%, in the fifth and sixth years it is reduced to 60% and it is then reduced to 40% in the seventh and eight years. In the ninth and tenth years the exemption is further reduced to 20%, after which, the property will be fully taxed.

In the first year of operation beginning January 1, 2010, The Mazursky Group has estimated the tax with 421-a exemption benefits at $177,078 for the Residential Units and $2,481 for the Garage Parking Space Units. The calculations are as follows:

Residential Units
1/1/10 – 12/31/10
$1,438,200 x .985 x .125 = $177,078

Garage Units
1/1/10 – 12/31/10
$1,438 x .015 x .115 = $2,481

As noted, Sponsor is seeking 421-a real estate tax exemption benefits for the Residential and Garage Parking Space Units. The law governing 421-a exclusion zones and the use of negotiable certificates may dramatically change on December 28, 2007. Based upon Sponsor's representation that the start of construction will meet the legal deadlines of the revised 421-a law, if granted, the 421-a benefits will provide a varied exemption of increases in assessed value over the 2006/2007 base tax year. There may be up to 100% exemption of building value during the construction period (not to exceed three years) and the first and second years of operation. In the third and fourth years the exemption decreases to 80%, in the fifth and sixth years it is reduced to 60% and it is then reduced to 40% in the seventh and eight years. In the ninth and tenth years the exemption is further reduced to 20%, after which, the property will be fully taxed.

In the first year of operation beginning January 1, 2010, The Mazursky Group has estimated the tax with 421-a exemption benefits at $177,078 for the Residential Units and $2,481 for the Garage Parking Space Units. The calculations are as follows:

Residential Units
1/10/10-12/31/10
$1,438 x.985 x .125 = $177,078

Garage Units
1/10/10-12/31/10
$1.438 x .015 x .115 = $2,481

1 Estimate 2009/10 Taxable Assessed Value
2 Percentage of value for this type of space
3 Estimated Class 2 Tax Rate
4 Half-year
5 Estimate 2010/11 Taxable Assessed Value
6 Estimated Class 4 Tax Rate
7 Estimate 2011/12 Taxable Assessed Value

The Sponsor is also seeking ICIP exemption benefits for the Commercial Units. If the ICIP exemption is granted, the Units will receive a 12 year real estate tax exemption. It will consist of a full exemption for the first eight years on increases in the assessed value solely attributable to the improvements made and will decline by 20 percent per year for the remaining four years. If granted, the benefits will not take effect until July 1, 2010. The Mazursky Group has estimated the tax for the Commercial Units, with ICIP exemption benefits, at $180,039. The calculations are as follows:

Commercial Units
7/01/10 – 6/30/11
($6,920,800 x .32) - $500,000 x .105 = $180,039

Schedule A reflects the estimated Real Estate Taxes reflecting the estimated taxes both with and without any 421-a and ICIP tax benefits.

Each Unit will be given a separate block and lot designation.

The estimate of real estate taxes for each Unit for the first year of Condominium operation further assumes that the amount of real estate taxes payable with respect to each Unit will be calculated by dividing the total tax liability among the Residential Units in proportion the percentage of common interest. There is no assurance that the City of New York will allocate taxes between Units in this manner. If they do not, Owners of Units with the same Offering Price will pay different amounts of real estate taxes.

Although in the Sponsor's opinion this method of calculating the real estate taxes applicable to each Unit is reasonable, there can be no assurance that final exemption will be granted or that this method of calculation of real estate taxes applicable to each Unit will be the final method used by the New York City taxing authorities in establishing the real estate tax assessment for each Unit. If for any reason a different method of calculation is used or a different assessment is placed upon any of the Units by such authorities, real estate taxes may increase or decrease, depending upon the final decision of such taxing authorities.

Since the New York State Condominium Act provides that real estate taxes will be separately assessed against each individual Unit Owner, the result of the tax exemption program will be to give each individual Unit Owner the full benefit of the tax exemption program.

The effect of Section 421-a tax exemption program can be illustrated by the following example. Based on an overall assessed valuation of the Building upon completion of approximately $2,700,000 as per the opinion of The Mazursky Group, 42 Broadway, Suite 1744, New York, New York a consultant specializing in real estate taxes, the real estate taxes payable on the Residential Units for the first year, without

the benefit of the tax exemption program, would amount to approximately $448,100 based upon a tax rate of $12.5 per $100 of assessed valuation. Under the tax exemption program, the taxes would amount to approximately $177,078 during each of the first two (2) years of the program and $215,730 during the 3rd and 4th years and $323,595 for the 8th and 9th years when twenty (20%) percent abatement was available assuming the current tax rate remains constant. Prospective Purchasers are cautioned that the foregoing example is offered solely to illustrate how the Section 421-a tax exemption program functions. The above example assumes the equalization assessment and tax rate will be constant during said period. In the event the equalization assessment and tax rate increases during said period the taxes will increase accordingly.

In the event the Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the Units in the Condominium for the six (6) month period following the first Closing. Thereafter, at each closing during said period, each Purchaser will reimburse the Sponsor for the pro-rata amount paid on behalf of said Residential Unit. In the event the actual assessment is greater than the amount adjusted, Purchaser agrees to reimburse Sponsor after the Closing to the extent of the actual assessment. In the event the actual assessment is less than the amount adjusted, Sponsor agrees to reimburse the Purchaser after the Closing to the extent of the actual assessment.

Alternatively, the Sponsor may place in escrow, in the name of Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six (6) month period and may collect at each Closing the estimated amount of taxes attributable to such Unit for the balance of the six (6) month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment.

Unit Owners will not be responsible for or subject to any lien arising from the non-payment of real estate taxes on any other Unit.

There are no tax certiorari proceedings currently pending for the property. The By-Laws empower the Board of Managers to bring such proceedings on behalf of the Unit Owners.

The Sponsor anticipates that the real estate tax rate will vary in future years rather than remain constant. The estimates of projected real estate taxes in this Offering Plan have been prepared by the Sponsor and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to the Sponsor at this time. In no event will the Sponsor or Sponsor's Counsel

be liable to any Purchaser under this Plan, nor will any Purchaser have the right to rescind their Purchase Agreement, in the event the amount of the taxes differ from those projected.

XXII. INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by its counsel, Certilman Balin Adler & Hyman, LLP that each Residential Unit Owner will be entitled under present law to a deduction for Federal, New York State and New York City income tax purposes for the real estate taxes paid by each Residential Unit Owner covering their Residential Unit and, provided the Residential Unit is used as the Residential Unit Owners primary residence or one (I) other residence that the Residential Unit Owner selects pursuant to Section 163(h) of the Internal Revenue code of 1986, for the interest paid by the Residential Unit Owner on any mortgage covering the Residential Unit Owner's Residential Unit. See the Opinion of Counsel in Section XXIII of the Offering Plan. Similarly, the Sponsor has been advised by counsel that certain Residential Unit Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their respective Residential Units. The deductions do not apply to the Commercial Units.

The Sponsor has been advised by its counsel that the Condominium will be taxed on any excess of income over expenses from unrelated sources. Examples of unrelated source income include interest earned on reserve and other invested funds, income from concessions and income from dues or fees received from persons other than the Residential Unit Owners. If the Condominium is required to pay taxes, the amount thereof will be levied as an additional Common Charge.

Sponsor has also been advised that pursuant to Section 528 of the Internal Revenue Code, certain Condominiums, substantially all of whose Residential Units are used for residences, are afforded the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Residential Unit Owners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium Properties, which properties, as defined in Section 528 of said Code, include property held by the Condominium, property commonly held by the Unit Owners of the Condominium, or property within the Condominium held by the Unit Owners of the Condominium. This Condominium has been structured so that it will meet the requirements of Section 528 of the Internal Revenue Code and as a result the Condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Internal Revenue Code. Purchasers should refer to the Opinion of Counsel in Section XXIII of the Offering Plan.

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XXIII. OPINION OF COUNSEL

RICHARD HERZBACH
PARTNER
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June 13, 2008

77 Reade , LLC
635 Broadway
Suite 214
New York, New York 10012

Re: **77 Reade Street Condominium**

Gentlepeople:

We note that the Offering Plan for the above-captioned Condominium states that it is believed that the monthly payments of interest on any mortgage which becomes a lien on a condominium Residential Unit and real estate taxes payable by a Residential Unit Owner, which are assessed against the Residential Unit by any governmental taxing authority, are a proper deduction in connection with Federal, New York State and New York City Income Taxes payable by the owner of such Condominium Residential Unit.

We have given this matter careful study, and it is our opinion that, pursuant to the provisions of the Internal Revenue Code of 1986 (the "Code") (See Revenue Ruling 64-31, C.B.1964-300) and the corresponding provision of the New York State Law (See Section 615 of the Tax Law), such interest payments and the aforesaid real estate payments are proper deductions by the owner of a Condominium Residential Unit, in connection with their Federal, New York State and City income taxes. Similarly, we are of the opinion that each Condominium Residential Unit Owner whose Residential Unit is either their principal residence or the one other residence selected pursuant to Section 163 (h) (5) (A) (i) (II) of the Code will be entitled, under Section 216 (a) (2) of the Code and Section 615 (a) of the State Law, to deduct interest paid or accrued by the Residential Unit Owner on any mortgage which becomes a lien on a Condominium Residential Unit. The Residential Unit may be so selected if the Residential Unit Owner either uses it as a residence within the meaning of Code Section 280A (d) (1) (i.e., uses it for personal purposes for a number of days which exceed the greater of fourteen (14) days, or ten (10%) percent of the number of days during the year for which the Residential Unit is rented at a fair rental), or neither rents nor uses the Residential Unit at any time during the year. In addition, certain Residential Unit Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their Residential Unit.

In adding a new Section 528 to the Code, the Tax Reform act of 1976 affords certain Condominiums, substantially all of whose Residential Units are used for residences, the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty (60%) percent or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Residential Unit Owners and ninety (90%) percent or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium properties, which properties, as defined in 528 of the Code, include property held by the Condominium, or property within the Condominium. Based upon our examination of the Offering Plan and subject to the Condominium, actually satisfying the minimum percentage income and expenditure criteria set forth above, it is our opinion that the Condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Code.

Such an election will exempt from Federal, New York State and New York City Income Taxation all amounts received by the Condominium from the Residential Unit Owners as membership dues, fees or assessments. The Condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the Residential Unit Owners. In the event the Condominium fails to qualify for and elect Section 528 taxation status in any year, it may, to the extent it has any income from unrelated sources or from accumulated revenues received by virtue of dues, fees and assessments received from Residential Unit Owners not expended in any taxable year, be subject to Federal, New York State and New York City Income Taxation (see Rev. Ruling 74-99, 1974-1 C.B. 131).

We have considered the relevant cases and rulings on the tax status of the Condominium including Revenue Rulings 74-17, 74-99, 75-370 and 75-371. These rulings, under certain circumstances, permit assessments for capital replacements and new or replacement equipment to be excluded from the Condominium's income and be treated for tax purposes as additional capital contributions. In such case each Unit Owner's assessment for such purposes would add to their tax basis. Although the Condominium described in the Plan may be deemed a taxable entity under such Rulings, assuming that all expenses are designated and accounted for, and that certain other special purpose assessments are properly treated as trust funds, the Condominium should not realize any significant amount of taxable income, other that with respect to incidental investment income, such as interest earned on reserve funds deposited in bank accounts.

We have examined the exceptions to title set forth in Section XV of the Offering Plan, and we are of the opinion that none of such exceptions of title are contrary to the terms of the Purchase Agreement nor do they interfere with the quiet use or enjoyment of the Purchaser's Unit as set forth in the Offering Plan.

We have examined the Declaration and By-Laws pertaining to the proposed Condominium. It is our opinion that the Declaration and By-Laws, when recorded, will validly create a Condominium in accordance with Article 9-B of the Real Property Law of the State of New York.

In addition, we note that the percentage of common interest for each Residential Unit as contained in Schedule A has been determined based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Residential Unit, the availability of Common Elements for exclusive or shared use, and overall dimensions of the particular Residential Unit. In our opinion, this is a proper method of determining the percentage of common interest in a Condominium and complies with Section 339-i(1)(iv) of the Real Property Law.

In our opinion, the Condominium will be eligible for tax exempt status, if it so elects, and Residential Unit Owners will be entitled to the above-mentioned income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the given facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium, any selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statues, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the Condominium to cease to meet the requirements of Section 528 of the Code or the New York State tax law as amended or New York City tax law and Residential Unit Owners not to be entitled to income tax deductions.

The above tax deductions do not apply to the Commercial Units.

Tax Exemption Benefits

In addition, we have reviewed the Offering Plan (the "Plan") and relevant documents to opine whether under present laws and regulations the Residential Units in the Condominium will be eligible upon their completion for the partial real estate tax exemption under Section 421-a of the Real Property Tax Law of the State of New York ("Section 421-a") and the Rules and Regulations promulgated thereunder by the New York City Department of Housing Preservation and Development ("HPD").

Based solely on our review of the Plan and a letter provided by The Mazursky Group, 42 Broadway, Suite 1744, New York, New York, a consulting firm that specializes in Section 421-a tax exemptions, Section 421-a and the Rules and Regulations referred to above, as well as the validity and correctness of the assumptions hereinafter set forth, it is our opinion that, subject to changes in Section 421-a or the regulations or rulings issued thereunder, or any judication interpretations thereof, upon which we have based this opinion, the completed Residential Units will be eligible for partial real estate tax exemption under Section 421-a.

This opinion is conditioned upon the filing and approval of a Preliminary and Final Application to be submitted to HPD prior to initial occupancy and the submission of the temporary or permanent Certificate of Occupancy issued by the Department of Buildings of the City of New York.

Under Section 421-a, the Residential Units shall be exempt from taxation for local purposes; other than assessments for local improvements and except for the portions of the new building, if any, which are non-residential and which exceed twelve (12%) percent of the aggregate residential space; for a period not to exceed fifteen (15) years. The real estate taxes on the Residential Units (but not of the previous land and improvements) would be partially exempted during the ten (10) year declining period, as set forth below.

Year	Percentage Exemption on Improvements
1	100%
2	100%
3	80%
4	80%
5	60%
6	60%
7	40%
8	40%
9	20%
10	20%

In addition, we have reviewed the Offering Plan (the "Plan") and relevant documents to opine whether under present laws and regulations the Commercial Unit in the Condominium will be eligible upon their completion for the partial real estate tax exemption pursuant to the Industrial Commercial Incentive Program (ICIP) of the City of New York administered by the Department of Finance of the City of New York ("Department of Finance").

Based solely on our review of the Plan and a letter (copy attached) provided by, The Mazursky Group, 42 Broadway, Suite 1744, New York, New York, a consulting firm that specializes in ICIP tax exemptions, as well as the validity and correctness of the assumptions hereinafter set forth, it is our opinion that, subject to changes in the ICIP Program, or the regulations or rulings issued thereunder, or any judication interpretations thereof, upon which we have based this opinion, the completed Commercial Units will be eligible for partial real estate tax exemption under the ICIP Program.

Under the ICIP Program the Commercial Units will be entitled to a twenty-five year "commercial" exemption of 100% of all the physical assessment increases above the base land assessment for the first 8 years. One hundred percent of all equalization assessment increases above the base land assessment will be exempt for the first 8 years. The taxable assessment on the commercial portion of the condominium will not change for the first 8 years. The exemption benefits are enjoyed over the 25 years as follows:

Year	Percent of Assessed Valuation, Above the 2004/05 Base Assessment
First through Eighth	100%
Ninth	80%
Tenth	60%
Eleventh	40%
Twelfth	20%

Our opinion regarding the partial tax exemption under Section 421-a and ICIP is based upon information and representations provided by the Sponsor and The Mazursky Group, and the facts, assumptions and interpretations referred to above. No warranties or representations are given by this firm that a Final Certificate of Eligibility will be issued by HPD or the Department of Finance or that HPD, the Department of Finance or the Tax Commission of the City of New York will allow the Section 421-a or ICIP benefits or that the laws, regulations or interpretations thereon on which this opinion is based will not change. Further, no warranties or representations are given by this firm as to when the benefit of the 421-a or ICIP tax abatement will commence if a Final Certificate of Eligibility is issued by HPD and/or the Department of Finance. This firm will not be liable if the Property is not eligible for partial real estate tax exemption under Section 421-a or the ICIP benefits as a result of changes in the information or oral representations made by the Sponsor and The Mazursky Group, or because of any changes in applicable law, regulations, interpretations or decisional law. In addition, we have not passed upon the accuracy of any figures or estimates contained in the Offering

CERTILMAN BALIN

Plan and do not warrant the amount of tax savings if the Residential Units or Commercial Unit receive partial tax exemption pursuant to Section 421-a and ICIP.

It is our understanding that this letter will be made a part of the Offering Plan of the Condominium and we consent to its inclusion therein.

Very truly yours,

CERTILMAN BALIN ADLER & HYMAN, LLP

By: _____
Richard Herzbach, Partner

Real Estate Tax Estimate

for

77 Reade Street

New York, New York

Prepared for:
77 Reade LLC
c/o Imagine Design Group
636 Broadway, Suite 214
New York, N.Y. 10012

July 9, 2007

The Mazursky Group, Inc.
42 Broadway, Suite 1744, New York, NY 10004 (212) 344-2788
386 Park Avenue So., Suite 600, New York, NY 10016 (212) 696-2005

The Mazursky Group, inc.
Real Estate Tax Consultants and Appraisers

July 9, 2007

77 Reade LLC
c/o Imagine Design Group
636 Broadway, Suite 214
New York, N.Y. 10012

Re: 77 Reade Street
New York, New York

I, JEROME MAZURSKY, CERTIFY:

THAT I am a real estate appraiser and have many years of experience in the assessment of real estate for tax purposes both as an Assessor in the Borough of Manhattan and as the Department of Finance's Assistant Commissioner of the Real Property Assessment Division;

THAT I have been retained by the sponsor, to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation of the above-captioned property after completion of its renovation/construction;

THAT in estimating the assessed valuation of the property, I am aware of the renovation/construction costs, rental values and offering prices of the units;

THAT I have consulted with personnel in the Property Division of the Department of Finance regarding the current practice in assessing newly renovated/constructed condominiums. Specifically, discussions centered around appropriate land and building factors and income projections for properties similar to the subject in type and location.

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I have discovered the following:

1) The subject property is located at 77 Reade Street (a.k.a. 91-93-95 Chambers Street) in the Tribeca section of the borough of Manhattan. It is comprised of a 1-story retail building (K1) constructed in 1953 (Lot 9) and a 5-story loft building (L8) constructed circa 1920 (Lot 11). According to city records, the buildings contain 23,950 square feet of gross building area. The sponsor has filed plans to gut-renovate the existing buildings, extend, add floors and convert the property into a condominium that will contain thirty residential units, three commercial units, five garage parking units and one garage storage unit.

The site has 80' frontage on the northerly side of Chambers Street and extends 151.14' in depth to the southerly side of Reade Street. It is irregularly shaped and contains 11,714 square feet of ground area. The property is currently identified on the city's tax records as Block 149 Lots 9 and 11.

2) After completion of construction, which is scheduled for January 2010, the building will contain the following approximate square foot areas and uses:

Floors	Existing Area	New Area	USE
Sub-Cellar	4,180	8,186	Fitness Center, Storage, Utilities, Mechanical Rooms, Super's Office
Cellar	4,180	8,186	5-Garage Parking Units, 1-Garage Storage Unit, Lower-Levels of 3-Commercial Units, Boiler Room
Ground	3,899	6,364	3- Commercial Units, Residential Lobby
2	2,816	6,472	2-Studios, 3-2BR, 1-3BR Apartments
3	2,816	6,472	2-Studios, 3-2BR, 1-3BR Apartments
4 (split)		5,844	2-Studios, 3-2BR, 1-3BR Apartments
5 (existing 4th)	2,816	6,472	2-Studios, 2-2BR, 1-3BR Apartments
6 (existing 5th)	2,816	6,272	1-Studio, 1-3BR Apartments
PH	1,947	4,758	1-2BR, 3-3BR, 1-4BR Duplex Apartment
PH Mezzanine		2,404	Upper-Levels of PH Duplex Apartments

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3) The property is currently assessed in Tax Class 4. After completion of the renovation/construction and the establishment of a condominium, the commercial and garage units will continue to be assessed in Tax Class 4, whereas the residential units will be assessed in Tax Class 2 under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums.)

Tax Class 4 includes commercial and most properties which have uses other than residential. Tax Class 2 is comprised of residential rental, cooperatives or condominiums with 11 or more units. The City's assessment ratio policy for properties in Tax Classes 2 and 4 is to assess at 45% of market value based upon value as an income-producing property. Increases to value are unlimited, but except for increases due to physical changes, are required to be phased-in over a five-year period. The taxable value is the lower of the actual or transitional values.

The Class 4 tax rate for 2007/08 is $10.059 per $100. The Class 2 rate is $11.928 per $100. I estimate the tax rates for 2009/10, 2010/11 and 2011/12 at $10.50 per $100 for Class 4 and $12.50 per $100 for Class 2.

4) The recent history of assessed valuation of 77 Reade Street is as follows:

2006/07	Land	Total
Actual:	$ 699,300	$ 1,737,000
Transitional:	$ 738,180	$ 1,438,200

2007/08	Land	Total
Actual:	$ 699,300	$ 2,056,500
Transitional:	$ 718,740	$ 1,619,100

5) It is my judgment that during and after the renovation/construction is completed, the property will be assessed as follows:

2008/09	Land	Total
Actual:	$ 1,200,000	$ 2,700,000
Transitional;	$ 799,400	$ 2,299,400

2009/10	Land	Total
Actual:	$ 1,700,000	$ 4,500,000
Transitional:	$ 980,140	$ 3,780,100

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5) cont'd.

2010/11	Land	Total
Actual:	$ 2,000,000	$ 7,700,000
Transitional:	$ 1,220,800	$ 6,920,800

2011/12	Land	Total
Actual:	$ 2,000,000	$ 7,700,000
Transitional:	$ 1,461,500	$ 7,161,500

6) Using relative values as a rental building as the criterion, I have estimated that the commercial units will be assessed at 32%, the residential units at 67 % and the garage units at 1% of the total assessed valuation. The tax liability during the first year of operation is estimated at $ 191,871 for the commercial units, $448,100 for the residential units and $5,996 for the garage units. During the second year, the estimated taxes are $236,582 for the commercial units, $589,696 for the residential units and $7,393 for the garage units. The calculations are as follows:

First Year of Operation

Commercial Units

1/1/10 - 6/30/10

$ 3,780,100[1] x .32[2] x .125[3] x .5[4] = $ 75,602

7/1/10 - 12/31/10

$ 6,920,800[5] x .32[2] x .105[6] x .5[4] = 116,269

Total: $ 191,871

Residential Units

1/1/10 - 6/30/10

$ 3,780,100[1] x .67[2] x .125[3] x .5[4] = $ 158,292

7/1/10 - 12/31/10

$ 6,920,800[5] x .67[2] x .125[3] x .5[4] = 289,808

Total: $448,100

Garage Units

1/1/10 - 6/30/10

$ 3,780,100[1] x .01[2] x .125[3] x .5[4] = $ 2,363

7/1/10 - 12/31/10

$ 6,920,800[5] x .01[2] x .105[6] x .5[4] = 3,633

Total: $ 5,996

1. Estimate 2009/10 Taxable Assessed Value
2. Percentage of value for this type of space
3. Estimated Class 2 Tax Rate
4. Half-year
5. Estimate 2010/11 Taxable Assessed Value
6. Estimated Class 4 Tax Rate

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7) cont'd.

In the first year of operation beginning January 1, 2010, I have estimated the tax with 421-a exemption benefits at $177,078 for the residential units and $2,481 for the garage units. The calculations are as follows:

Residential Units
1/1/10 - 12/31/10
$ 1,438,200[8] x .985[9] x .125[3] = $ 177,078

Garage Units
1/1/10 - 12/31/10
$ 1,438,200[8] x .015[9] x .115[10] = $ 2,481

8) The sponsor is seeking ICIP exemption benefits for the commercial units. If the ICIP exemption is granted, the units will receive a 12-year real estate tax exemption. It will consist of a full exemption for the first eight years on increases in the assessed value solely attributable to the improvements made and will decline by 20 percent per year for the remaining four years. If granted, the benefits will not take effect until July 1, 2010. I have estimated the tax for the commercial units, with ICIP exemption benefits, at $180,039. The calculations are as follows:

Commercial Units
7/01/10 - 6/30/11
($ 6,920,800[5] x .32[2]) - $500,000[11] x .105[6] = **$ 180,039**

9) The co-op/condominium real estate tax abatement law, that over the past few years has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners was extended by the State Legislature to June 30, 2008. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co- op and condominium unit owners. If the abatement is extended by the legislature and granted to this condominium, the law may allow up to a 17.5% abatement of the real estate tax bill of a unit owner who will own fewer than four units on the city's taxable status date of January 5, 2010. Excluded from receiving the abatement benefits are co-ops and condominiums that receive J-51 or 421A tax exemption benefits.

8. 2006/07 Base Year Taxable Assessed Value used to calculate the "mini-tax."
9. Percentage of the base year AV attributable to this space
10. Average of Class 2 and 4 Tax Rates
11. Estimated ICIP Tax Exemption

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10) This estimate of the assessed valuation has been prepared for inclusion in the Offering Plan, and I consent to its use for this purpose.

Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on our interpretation of the administrative code and the applicable rules and regulations of the City of New York. Although I believe my opinions are well-founded, they are not intended, and should not be construed as warranties as to future assessed valuations of the property under discussion.

In no event will this firm, the Sponsor, the Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that estimated above, or if the administrative code and the applicable rules and regulations of the City of New York are changed in the future, or if the facts as represented prove to be untrue.

Jerome Mazursky

Jerome Mazursky, MAI, CAE

The Mazursky Group, Inc.
42 Broadway, Suite 1744, New York, NY 10004 (212) 344-2788
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XXIV. RESERVE FUND

The Condominium budget includes a Contingency line item fund to be used for unanticipated expenses in the amount as provided for in the budget. The Contingency line item does not include a reserve for capital replacements or repairs, for which no provision is made under the budget. In view of the fact the Condominium will be newly constructed it is not anticipated that there should be any major capital repairs or replacements during the first five (5) years of operation of the Condominium. As a result, the Contingency line item should be sufficient to pay for any necessary repairs or replacements to the Common Areas within the first five (5) years of operation.

No representation is made that the Contingency line item will be adequate for future expenses including repairs or replacements of Common Elements during the first five (5) years of the Condominium. If additional funds are required over and above said funds, it may be necessary to increase the Common Charges payable by the Unit Owners, collect a Special Assessment from each Unit Owner or borrow money.

During the period Sponsor is in control of the Board of Managers, the Contingency line item will not be used to reduce the estimated Common Charges.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of the Contingency line item.

XXV. WORKING CAPITAL FUND

At Closing the Sponsor will collect one thousand ($1,000) dollars from each Purchaser to be paid to the Condominium as initial working capital. While Sponsor is in control of the Board of Managers of the Condominium the working capital funds will not be used to reduce the Common Charges. The working capital fund may be utilized to reimburse Sponsor for prepaid expenses of the Condominium. The only budgetary item that might require a substantial credit to the Sponsor would be the insurance disclosed in Schedule B. If any portion of the working capital funds are used during this period to pay for prepaid expenses, such amounts will be repaid to such fund out of future Common Charges collected. At such time as the Sponsor relinquishes control of the Board of Managers the working capital fund will be turned over to the Board and will equal $1,000 multiplied by the number of Residential and Commercial Units closed at such date.

Neither the Department of Law nor any other Governmental Agency has passed upon the adequacy of such funds.

XXVI. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Sponsor will enter into an agreement (the "Agreement") with Midboro Management, Inc., 148 West 37th Street, 8th Floor, New York, New York (hereinafter the "Managing Agent") to manage the Condominium at the annual fee as provided for in the budget for the first year of operation of the Condominium payable in monthly installments plus customary fees for minor services. The initial term of the Agreement shall be for three (3) years. The Agreement may be terminated by either party at the end of any calendar month on no less than sixty (60) days notice in writing from one party to the other. During any month to month continuation of the Agreement, the Managing Agent may increase the annual fee as of the first day of a month occurring after not less than sixty (60) days notice of such increase.

1. The services of the Managing Agent shall include but not be limited to the following:

   (a) Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Building who, in each instance, shall be the Condominium's (hereinafter Owner's) and not the Agent's employees, and cause to be discharged all persons unnecessary or undesirable. The Agent shall not be liable to the Owner for any act or omission, tortuous or otherwise on the part of the Owner's employees except if caused by Agent's gross negligence.

   (b) Cause the Building to be maintained in such condition as may be deemed reasonably advisable by the Owner, including interior and exterior cleaning, and cause repairs and alterations of the Building to be made, including, but not limited to, electrical, plumbing, steam fitting, carpentry, masonry, elevator, decorating and such other incidental alterations, subject only to the limitations contained in the Agreement. Ordinary repairs or alteration involving an expenditure of over $2,000 for any one item shall be made only with prior approval of the Owner, except for emergency repairs, i.e., those immediately necessary for the preservation or safety of the Building or for the safety of Unit Owners, tenants, other occupants or other persons or required to avoid suspension of any necessary service in the Building.

   (c) Recommend and, with the approval of the Owner, cause all such acts and things to be done in or about the Building as shall be necessary or desirable to comply with any and all orders or violations affecting the Building.

(d) Enter into contracts for electricity, gas, steam, air-conditioning, water treatment, elevator, telephone, window cleaning, vermin extermination and other services or such of them as shall be advisable for the building, but any such contract (other than with a public utility) having a term longer than one (1) year or requiring annual payments in excess of $2,000 must be authorized by the Owner.

(e) Purchase all supplies which shall be necessary to properly maintain and operate the Building, make such contracts and purchases in either the Owner's or the Agent's name, as the Agent shall elect, and credit to the Owner any discounts or commissions obtained for purchases or otherwise (except any insurance and other commissions payable to the Agent under the terms of this Agreement).

(f) Review the Owners insurance coverage. If requested by the Owner, cause to be effected and/or maintained, in such amounts and through such carriers as the Owner shall designate or approve, fire, rent, plate glass, water damage, liability, worker's compensation, employer's liability, disability and any other insurance the Owner may elect to carry.

(g) Review all bills received for services, work and supplies and other expenditures incurred by or on behalf of Owner in connection with maintaining and operating the Building, pay or cause to be paid from the funds of Owner all such bills and other expenses charged to or assessed against the Owner or the Building as and when the same shall become due and payable, if Owner's funds are available for timely payment.

(h) If requested by the Owner in writing, list and offer for sale, or lease, at agreed upon additional compensation, through its own organization and, if it shall be advisable, through other brokers, space reserved, acquired or reacquired by the owner in the Building, and use its best efforts to effect sales or leases thereof, and to renew leases and space reserved, acquired or reacquired by the Owner in the Building.

(i) Accept applications and references from all prospective purchasers and process "Right of First Refusal" letters or "Waiver of Right of First Refusal" letters, as directed by the Owner.

(j) Supervise, with the assistance of the superintendent, the moving in and out of unit owners and tenants and, as far as possible, arrange the dates thereof so that there shall be a minimum of disturbance to the operation of the Building and inconvenience to other unit owners and tenants.

(k) Bill, or cause to be billed, and collect common charges (rents) and other charges and assessments payable to the Owner by all unit owners, tenants and licensees and use its best efforts to collect such common charges, assessments and other charges.

(l) When and if directed by the Owner, retain counsel to serve notices upon unit owners and tenants to quit and surrender space occupied by them. Also, when directed by the Owner, and on Owner's behalf and at Owner's expense, retain counsel to sue for common charges, assessments and other charges which may at any time be or become due to the Owner from any unit owner or tenant in respect of space in the Building, institute summary proceedings to recover possession thereof and, with the consent of the Owner, employ and pay special counsel, if necessary, for any purposes, but no suit or summary proceeding shall be instituted unless the Owner's authorization thereof is first obtained.

(m) Attend to all reasonable complaints received from unit owners and tenants.

(n) Cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and all other tax and other forms relating to employment of Building employees and maintenance and operation of the Building required by any federal, state or municipal authority.

(o) Render or cause to be rendered detailed monthly statements to the Owner, of receipts and disbursements, investments and income therefrom, for the preceding calendar month and year to date made on behalf of and for the account of the Owner. Each monthly statement shall be supported by copies of bills, if requested.

2. Indemnification.

The Owner will carry liability insurance (with limits acceptable to the Agent in its reasonable judgment, but in no event less than $1,000,000 for each accident or occurrence), worker's compensation and employer's liability insurance, will include the Agent as a party insured under the liability policy and will, prior to the commencement of each such policy, deliver a copy of such liability policy to the Agent or a certificate evidencing the same. The Owner and unit owners shall not look to the Agent for Indemnity for any loss or damage to the Building or any unit therein and the Owner shall obtain waivers of subrogation against the Agent under Owner's liability policies. The Owner agrees to reimburse the Agent upon demand for any monies which the agent is required to pay out for any reason whatsoever in connection with the foregoing provisions of this paragraph. It is expressly understood and agreed that the provisions of this paragraph shall survive the termination of the Agreement, but this shall not be construed to mean that the Owner's liability does not survive as to other provisions of this Agreement.

Owner shall indemnify, defend and hold Agent and its Unit Owners, directors, officers, members and employees harmless from and against any and all losses, costs, damages, claims, suits, actions, damages, fines, penalties and/or expenses, including without limitation reasonable attorneys fees and disbursements (collectively, "Claims"), arising out of: (i) injury to property or person in, about or in connection with the Building or elsewhere when agent is carrying out the provisions of this Agreement, or pursuant to the directions of Owner from any cause whatsoever; or (ii) any act performed by Agent under the Agreement or pursuant to the directions of Owner; or (iii) any act or omission of Owner in breach of this Agreement, including, but not limited, to those arising from the failure of Owner to deliver or cause to be delivered to Agent, all books and records in the possession of prior agents of Owner necessary for Agent to carry out its duties under this Agreement. The foregoing indemnity of Agent or any of its employees or agent's willful misconduct or gross negligence or as a result of Agent acting outside the scope of Agent's duties under this Agreement. Notice of any Claim and/or action or proceeding instituted against agent shall be promptly given to Owner. Owner will have the duty to defend and indemnify Agent pursuant tot his provision, but the management of the case, any settlement of any claim and the selection of counsel to defend Agent is to be governed by Owner and the Owners insurers.

3. Binding Effect: No Assignment.

The Agreement may not be changed orally, shall bind and apply to any successor or either party and may not be assigned by either party hereto.

XXVII. IDENTITY OF PARTIES

Sponsor and Selling Agent

The Sponsor is 77 Reade, LLC, a New York Limited Liability Company with an address at 635 Broadway, Suite 214, New York, New York 10012. The company was formed on May 19, 2006. The Sponsor entity has not been a Sponsor of any other condominium, cooperative or home owners association. The principals of the Sponsor are as follows:

Harshad Lakhani with an address at [redacted] is an owner in Lakhani & Jordan Engineers. Current professional engineering projects include: Medger Evers College Research Lab, Albert Einstein College Research Lab, and he has worked on various State University Campus's through the State University Construction Fund. He was a principal of the Sponsor of 92 Chambers Street Condominium, 92 Chambers Street, New York, New York. All of the Units in said Condominium have been sold. He has not been a principal of any other condominium, cooperative or home owners association and does not own individually or as a principal ten (10%) percent or more of the unsold units in any condominium, cooperative or home owners association.

S. Myles Group with the same address as the Sponsor is the owner of Andanna, N.A. Inc., specializing in private label apparel. Mr. Group purchased, renovated and sold several cooperative apartments in the 90's and has also renovated and sold or retained numerous buildings in Manhattan. He was also a principal of the Sponsor of 92 Chambers Street Condominium, 92 Chambers Street, New York, New York. All of the Units in said Condominium have been sold. He has not been a principal of any other condominium, cooperative or home owners association and does not own individually or as a principal ten (10%) percent or more of the unsold units in any condominium, cooperative or home owners association.

Attorneys

Certilman Balin Adler & Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554, counsel of the Sponsor, have been selected by the Sponsor to initially represent the Condominium in connection with all legal matters incident to the operation and management of the Condominium. No legal fee will be charged for such representation except for work actually performed after the formation of the

Condominium. The Condominium can, at any time, choose to select different attorneys to represent it.

All legal matters in connection with the establishment of the Condominium, the tax opinion of counsel contained herein and the preparation of this Offering Plan have been passed upon for the Sponsor by Certilman Balin Adler & Hyman, LLP. The individual partner in said firm responsible for said work is Richard Herzbach, Esq.

Certilman Balin Adler and Hyman, LLP will represent the Sponsor in connection with the individual Residential Unit Closings and will also act as the Escrow Agent as described in Section XII of the Offering Plan.

Neither firm has any financial interest in the Property, the Sponsor, the Condominium or any other party involved in this transaction, except for its fee for services rendered in connection with the Condominium.

Managing Agent

Midboro Management, Inc., 148 West 37th Street, 8th Floor, New York, New York 10018, will be engaged as the Managing Agent pursuant to the terms described in Section XXV. Midboro Management, Inc., was established in 1963 and has served the residential real estate community managing cooperatives, condominiums and rentals. Said company currently manages buildings located at: 1107 5th Avenue, 161 Hudson Street, 335 Greenwich Street and 41 Central Park West. The Managing Agent does not have any financial interest in the Property except for its management fees for managing the Condominium.

Insurance

The estimated insurance rates have been passed upon by Hub International, 100 Sunnyside Boulevard, Woodbury, New York 11797.

Architect

The architect who prepared the report in Part II and who executed the Certification in Part II is BKSK Architects LLP, 28 West 25th Street, New York, New York. The architect has no financial interest in the Property, the Sponsor, the Condominium or any other party involved in this transaction, except for its fee for services rendered in connection with the Condominium. The architect has had prior experience in the preparation of plans and specifications for other condominiums in the Metropolitan area.

XXVIII. REPORTS TO RESIDENTIAL UNIT OWNERS

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

(i) a financial statement of the Condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the Sponsor retains a majority of the Members of the Board of Managers and such statement shall be provided no later than four (4) months after the close of the fiscal year;

(ii) prior notice of the annual Residential Unit Owners' meeting; and

(iii) a copy of the proposed annual budget of the Condominium within thirty (30) days of the date set for adoption by the Board of Managers. While Sponsor is in control of the Board of Managers such budget will be certified in accordance with the regulations of the Department of Law.

XXIX. DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all Schedules submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at Sponsor's office for six years from the date of first Closing. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the Closing of the first Unit.

XXX. GENERAL

Pending Litigation

As of the date of this Offering Plan, there is no litigation or administrative proceedings pending against the Condominium or the Sponsor or any other party which would affect their ability to perform their obligations relating to this offering, or which would in any way affect this offering.

Prior Offerings

This property has not been the subject of any prior public offerings. No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the Units being offered for sale in the Plan and no deposits or advances of funds have

been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Units, prior to submission of the Plan to the Department of Law. The property forming the Condominium is vacant land and therefore, there are no residential or commercial tenants occupying the premises.

Non-Discrimination

In accordance with the provisions of the laws of the State of New York, the Sponsor represents that it will not discriminate against any person because of his or her race, creed, sex, sexual orientation, color, disability, marital status, national origin or ancestry in the sale of Residential Units under this Plan.

Amendment of Plan

The Plan may be amended at any time and from time to time provided that, if the amendment is a material and substantial modification of the Plan which adversely affects Purchasers, then anyone who has theretofore executed a Purchase Agreement shall be given not less than thirty (30) days after a copy of the duly filed amendment is mailed or otherwise delivered to them by written notice to the Sponsor to cancel the Purchase Agreement and to obtain a refund, in full, of the down payment made therewith with interest, if any. No person has been authorized to make any representation which is not expressly contained herein. This Plan may not be changed or modified orally.

XXXI. SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

Sponsor adopts the Description of Property set forth in Part II of the Plan. Sponsor has no knowledge of any material defects or need for major repairs except as set forth in the Description of Property Report set forth in Part II of the Plan.

77 READE, LLC
Sponsor

Date of Offering Plan: June 25, 2008
East Meadow, New York

OFFERING STATEMENT

77 READE STREET CONDOMINIUM

77 Reade Street
New York, New York

PART II

RESIDENTIAL PURCHASE AGREEMENT

Residential Unit No. _____ **Date** _____

Garage Parking Space Unit No. _____

Garage Storage Space _____

Anticipated Closing Date: _____

Seller: 77 Reade, LLC

Address: 636 Broadway, Suite 214, New York, New York 10012

Purchaser(s): _____

Home Address: _____

Residential Telephone Number: _____

Business Telephone Number(s): _____

Social Security Number(s): _____

Purchaser's Attorney: _____

Attorney's Address: _____

Attorney's Phone/Fax Numbers: Phone:_____ Fax _____

Seller and Purchaser agree as follows:

1) **PURCHASE PRICE:**

Residential Unit	$_____
Garage Parking Space	$_____
Garage Storage Space	$_____
Builder upgrades & options ("Extras")	$_____
	TOTAL $_____

PAYABLE AS FOLLOWS:

On the signing of this Purchase Agreement, 10% of the Purchase Price plus Extras, the receipt whereof is hereby acknowledged (the "Downpayment") $_____

Purchaser's certified or bank cashier's check (drawn on a New York Bank payable directly to the order of Seller or Seller 's designee on the Closing of Title $_____

TOTAL $_____

Any payment made by check is accepted subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashier's check payable directly to the payee on the dishonored check within seventy-two (72) hours after demand for replacement therefore.

Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the down payment hereunder is dishonored, Seller shall have the right to cancel this Purchase Agreement. Seller's election to cancel shall not be deemed a waiver by Seller of its right to pursue other remedies.

THE PAYMENT DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT ON ACCOUNT OF THE PURCHASE PRICE MUST BE MADE BY PURCHASER'S PERSONAL CERTIFIED CHECK OR OFFICIAL TELLERS CHECK ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY'S ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF THEIR OBLIGATIONS HEREUNDER.

2) **DESCRIPTION OF UNIT** - Seller agrees, at its own cost and expense, to erect and complete, and Purchaser shall buy from Seller, the condominium unit(s) known as Residential Unit No. ____ (the "Residential Unit"), Garage Parking Space Unit No. ____ (the "Garage Parking Space Unit") and Garage Storage Space Unit No. ___ ("Garage Storage Space Unit") *(cross out if inapplicable),* together with a combined _____ percent undivided interest in the common elements of the condominium (the "Common Elements") known as 77 Reade Condominium (the "Condominium"), located on 77 Reade Street, New York, New York 10007, and as described in the Declaration of Condominium to be recorded in the Register's Office of the City of New York, County of New York, to be built by Seller on property comprising the Condominium Map (the "Property") filed or to be filed in the Register's Office of the City of New York, County of New York. The Residential Unit, Garage Parking Space Unit and Garage Storage Space Unit as applicable, shall hereinafter be collectively referred to as the "Unit". The Unit shall be constructed in accordance with the requirements as to materials and workmanship of the Building Department of the City of New York, which, when completed, will be in substantial accordance with the plans as filed or to be filed with the Building Department of the City of New York.

The Unit may vary from any models displayed to Purchaser, and Purchaser should not rely on any model depiction of the units in the Condominium. All dimensions are approximate and may vary from the floor plans of the Condominium.

The Unit shall not include any of the following if displayed in any unit or model unit: decorative fixtures, furniture, furnishings, paint, wallpaper, carpeting, shelves, wall and window treatments, built-ins, burglar alarm systems, site lighting, special landscaping installed at any model units, central vacuum systems, patios, decks, highhat lighting, additional fixtures and switches added for decorative purposes, pull down staircases and skylights and other optional fixtures or features exhibited in any model units and/or any sales office excepting those specifically set forth as may be attached to this Purchase Agreement, or above. Purchaser acknowledges that the above features, as contained in any model unit and/or sales office are for display purposes only and are not included in this sale unless specifically provided for in this Purchase Agreement.

3) **OFFERING PLAN** - Seller has exhibited and delivered to the Purchaser, and Purchaser acknowledges having received, read and understood, the Offering Plan for condominium ownership of the Property and all amendments thereto filed to date, all of which are incorporated by reference and made a part of this Purchase Agreement, with the same force and effect as if fully set forth in this Purchase Agreement. Purchaser agrees to be bound by the Offering Plan, including all amendments thereto now or hereafter filed by Seller (collectively the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. However, in the event any amendment materially and adversely affects Purchaser, Purchaser shall be given the right to rescind this Purchase Agreement. Any conflict between the Plan and this Purchase Agreement shall be resolved according to the terms of the Plan. Purchaser acknowledges having received and read the Plan at least three (3) business days prior to signing this Purchase Agreement and having had full opportunity to examine all papers and documents and investigate all matters set forth in the Plan.

Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Plan, establish the Condominium and conform to all applicable laws and regulations. This Paragraph shall survive Closing and delivery of the deed.

4) **MORTGAGE FINANCING** - This Purchase Agreement is not conditioned upon Purchaser obtaining mortgage financing. In the event Purchaser is unable to obtain a mortgage, this Purchase Agreement shall remain in effect and Purchaser shall have an ongoing obligation to consummate the transaction. If a Purchaser does not consummate the transaction and close title to the Unit as a result of Purchaser's inability to obtain a mortgage, Purchaser will be in default under this Purchase Agreement and Seller may retain all monies as provided for in Paragraph 21 herein.

5) **CLOSING DATE; ADJOURNMENTS; CONSTRUCTION DELAYS BY SELLER** The act of transferring ownership of the Unit in return for payment in full of the Purchase Price and all other sums due from Purchaser under this Purchase Agreement is known as the "Closing". The Anticipated Closing Date indicated on the first page of the Purchase Agreement is an approximate date and Seller cannot make any guarantees that such date will be the actual Closing Date. Seller shall have the right to adjourn or advance such Closing Date as provided herein. The Closing shall take place at such time and place and on such date as Seller shall designate by prior written notice ("Notice for Closing") delivered in accordance with Paragraph 29 herein, which shall be given no less than thirty (30) days before the date set for Closing. Purchaser may waive the thirty (30) day notice period by execution and delivery of a waiver in the form set forth as Schedule D-3 to the Purchase Agreement in the Plan.

Should Seller be unable to convey title to Purchaser in accordance with the Notice for Closing, Seller shall have the right, from time to time, to adjourn the date and time for Closing on written notice to Purchaser. In such event, Seller shall, by a new Notice for Closing, fix a new date and time for Closing, which shall be no less than ten (10) days before the new scheduled date and time for Closing.

If the Closing takes place at the request of Purchaser at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of $450. The Closing may not take place in any other location without Seller's prior written consent.

In the event the Closing is adjourned with Seller's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Seller's attorney an adjournment fee in the sum of $500.

If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within twelve (12) months after the Anticipated Closing Date set forth on the first page of this Purchase Agreement, either Seller or Purchaser may cancel this Purchase Agreement by forwarding written notice of cancellation to the other no later than ten (10) days after expiration of such twelve (12) month period whereupon Seller shall refund to Purchaser, subject to the escrow provisions as disclosed in Section XII of the Plan, all payments, other than Funds used towards upgrades, options or extras, made by Purchaser to Seller on account of the Purchase Price and neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. Purchaser shall be obligated to notify Seller in writing of its intent to exercise said option no later than ten (10) days after the twelve (12) month period. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Seller shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the

Purchase Agreement shall be deemed null and void and Seller shall return all monies being held in escrow within thirty (30) days thereafter.

6) **ADDITIONAL MONEY TO BE PAID BY PURCHASER AT CLOSING** - In addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement, Purchaser shall at Closing pay, or reimburse to Seller if Seller has already made payment, or pay to any Lender, all applicable charges for:

(a) Any Lender's charges for inspections, appraisals, title examination and policy insuring the Lender's interest, Lender's attorneys' fees for preparation of all loan documents, all commitment fees, points, origination fees and other fees and charges (however characterized) imposed or exacted by the Lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;
(b) any mortgage recording taxes on Purchaser's mortgage;
(c) governmental charges which may be assessed on account of any mortgage loan;
(d) mortgage insurance, if required, on Purchaser's mortgage;
(e) New York State real estate transfer tax on the deed;
(f) New York City real estate transfer tax on the deed;
(g) Mansion Tax pursuant to Section 1402-a of the Tax Law of the State of New York, if applicable;
(h) all recording and filing charges payable on account of the transfer of title and recording of all documents in connection therewith including without limitation any mortgage, the deed, power of attorney, affidavit required pursuant to Section 339-ee of the New York State Real Property Law and any blanket mortgage release documents;
(i) a sum equal to the partial mortgage tax credit to which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller;
(j) an initial non-reimbursable capital contribution of $1,000 to the Condominium;
(k) 3/10^{ths} of 1% of the sales price to Sponsor for obtaining the Section 421-a tax abatement;
(l) a pro-rata portion of the Condominium's estimated first year insurance, based on the Unit's percentage of Common Interest; and
(m) $1,500 to Seller's attorney for the preparation of the closing documents.

Purchaser shall also apportion with Seller as of the end of the day prior to Closing, and pay to Seller at Closing, the apportioned amount due for taxes, condominium Common Charges, sewer use, water use, fuel oil (if any) and any other utility costs. Purchaser shall also pay the deposits required by the Lender to establish the estimated or escrow fund for future payments of taxes, condominium Common Charges, sewer use and insurance premiums (if applicable). In addition, in the event Seller's attorney prepares the New York City "ACRIS" transfer documents, Purchaser shall be required to pay Seller's attorney an additional fee of $250. In the event the title

company prepares the ACRIS, Purchaser shall pay the applicable fee of the title company. If through no fault of Seller, Purchaser fails for any reason to close title on the date originally scheduled in Seller's Notice for Closing, or such later date (if applicable) to which Seller in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of the end of the day preceding (i) the date originally scheduled for Closing or (ii) Seller's adjourned closing date (as the case may be).

Purchaser shall pay to Seller at or prior to the date of the actual adjourned Closing, an amount equal to .0438% per diem (which equals an annual rate of 16%) of the Purchase Price for the Unit for each day beyond such originally scheduled or Seller adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Seller's carrying costs and other charges, which amount Purchaser acknowledges to be reasonable and proper.

Any errors or omissions in computing apportionments or any other sums payable under this Paragraph which are communicated to the other party within six (6) months after Closing shall be corrected and payment made to the proper party promptly after such communication. This Paragraph shall survive Closing and delivery of the deed.

7) **CONSTRUCTION LOAN MORTGAGE** - This Purchase Agreement is subject and subordinate without the necessity of Purchaser signing or delivering any documents or papers, to the lien of any existing or future construction loan mortgage and all payments or expenses already made or incurred or which may hereafter be made or incurred in connection with such construction loan mortgage. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the construction loan schedule of payments or accelerated thereunder by virtue of the construction lender's right to make advances before they become due in accordance with the schedule of payments. The Unit and its/their appurtenant percentage of Common Interest in the Common Elements (as such term is defined in the Plan), shall be released from the lien of such construction loan mortgage upon Closing, except where such mortgage is converted to Purchaser's individual mortgage on the Unit. In such case, the Unit shall remain subject to the lien of such construction loan mortgage and Purchaser shall reimburse to Seller at Closing, in addition to all other sums to be reimbursed by Purchaser to Seller under this Purchase Agreement, an amount equal to the mortgage tax paid by Seller on such construction loan mortgage. In all other cases, any mortgage tax credit available under Real Property Law Section 339-ee shall inure exclusively to the benefit of Seller.

8) **DEED AND ENCUMBRANCES UPON OWNERSHIP** - The deed to be given by Seller to Purchaser at Closing shall be a Bargain and Sale with Covenant against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in sub-paragraphs (a) through (f) below which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York

State and City transfer tax which is the obligation of Purchaser) so as to convey to Purchaser fee simple title to the Unit, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Purchaser shall accept such title and deed description of the Unit subject to the liens, encumbrances and other matters set forth in this Purchase Agreement, as Fidelity National Title Insurance Company ("Fidelity Title"), a title company authorized to do business in the State of New York, is willing to approve and insure without additional premium. Purchaser may obtain title insurance from any title insurance company or abstract company, or Purchaser may decline to obtain any title insurance at all, however Seller recommends that Purchaser utilize Fidelity National Title Insurance Company, 1415 Kellum Place, Garden City, New York 11530, (516) 394-5110, Attn: Suzanne Breinlinger.

Purchaser shall be responsible for payment to the title company of the entire premium for Purchaser's title insurance, and shall also pay the applicable New York State and City transfer tax and mansion tax, if applicable.

The sale and transfer of ownership of the Unit to Purchaser shall, even though not stated in the deed, be subject to:

(a) Ordinances, rules, regulations, requirements and approvals of applicable governmental authorities, provided not violated by the Unit to be constructed.

(b) Rights for installation, use and/or maintenance of easements and rights of way for utilities, sewer, cable television, drainage, scenic purposes, screening and planting which have already been granted or may be granted after this Purchase Agreement is signed or after Closing, provided they do not prevent use of the Unit for their intended purposes.

(c) Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Unit for their intended purposes.

(d) Unpaid taxes and liens, provided the title insurance company shall insure against collection of same out of the Unit.

(e) The filed Condominium Map and all matters reflected thereon.

(f) The Declaration and By-Laws of the Condominium and any amendments or supplements thereto.

Purchaser shall deliver to Seller's attorney at least ten (10) days prior to Closing, a written notice setting forth each objection to title, if any (other than those specifically set forth herein subject to which the Property are being sold), and a copy of Purchaser's

title report. Seller shall have the right to a reasonable adjournment of Closing, not to exceed sixty (60) days, for the purpose of curing any title defect; however, no such action taken by Seller shall be deemed an admission by Seller that such defect is one that would entitle Purchaser to cancel this Purchase Agreement.

9) **PERSONAL PROPERTY INCLUDED IN SALE** - All articles of personal property, fixtures and equipment for the Unit which are included in this sale will be delivered free and clear of all liens and encumbrances, except as stated in Paragraph 8 herein, if applicable.

10) **POWER OF ATTORNEY** - At closing, Purchaser shall execute, acknowledge and deliver to Seller in recordable form, a power of attorney in the form set forth as Schedule E to the Plan (the "Power of Attorney"), in favor of the Board of Managers of the Condominium relative to leasing and purchasing of units in the Condominium under certain circumstances and to foreclose upon units in the Condominium for which the payment of Common Charges is delinquent, and in favor of Seller relative to amending the Condominium documents to the extent provided for in the Plan.

11) **ENCUMBRANCES/LIENS EXISTING AT CLOSING** - The existence of anything affecting the sale at Closing, including unpaid taxes or liens of any kind, shall not constitute an objection to title provided Fidelity Title, or another title or abstract company selected by Purchaser, is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Unit upon Seller's doing whatever acts as may be required by said company and/or the depositing of money. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Unit, not provided for in this Purchase Agreement, out of the monies to be paid by the Purchaser at the time of Closing.

12) **EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER** - Any work or items ordered from Seller by Purchaser which are not included in the plans or standard model of the Unit shall, except as may otherwise be provided in this Purchase Agreement or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such work or items shall not entitle Purchaser to cancel this Purchase Agreement even if Purchaser has already paid for such work or items. Purchaser's only right, in the event of Seller's failure to perform such extra work or supply and install such extra items, is to receive a refund or credit at Closing equal to the total payments made to Seller for such extra work or extra items. All extras must be ordered prior to commencement of construction and must not delay construction. In the event Purchaser orders upgraded or optional items or finishes other than the standard provided by Seller, Seller or Seller's contractors shall not be responsible or liable for any defects in quality of materials or workmanship in installation. Failure to make any payments due in accordance with the payment schedule of Seller, Seller's contractors or sub-contractors, as applicable, shall constitute a breach in accordance with Paragraph 21 herein. As noted as a Special Risk in the Plan, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid for Extras. Seller shall have no responsibility for any

work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Seller's contractors or suppliers shall not be deemed to have been ordered directly from Seller.

13) **OPTIONS AND COLOR SELECTIONS** - Any choices given by Seller to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or model site, within ten (10) days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Seller of Purchaser's choice within such ten (10) day time period, then Seller may make the choice on Purchaser's behalf and Purchaser shall accept such choice so made by Seller as if originally made by Purchaser. No claim or objection to Closing shall be made by Purchaser because of any choice made by Seller in any case where Purchaser failed to give Seller timely notice of Purchaser's choice.

14) **NO INSPECTIONS DURING CONSTRUCTION** - Purchaser acknowledges that unsupervised visits to the Property (the "Construction Site") present a dangerous circumstance and could incur liability to Seller. **Unless specifically agreed to by Seller in writing, Purchaser shall not visit the Unit or any other portion of the Construction Site, and shall only have the right to visit the Seller's sales office (the "Sales Office"). Any unauthorized visits to the Construction Site by Purchaser are subject to a charge by Seller of $500 per visit, which Purchaser agrees to pay Seller within ten (10) days of billing thereof.** Purchaser hereby releases and indemnifies, defends and holds Seller harmless for all claims and liabilities incurred by Seller resulting from the presence of Purchaser or Purchaser's family members or invitees on the Property prior to Closing. Purchaser further agrees to execute the Express Assumption of Risk Form, in the form set forth as Schedule D-3 to the Plan.

15) **PURCHASERS' INTERFERENCE** - Purchaser acknowledges that it may not interfere with Seller's ability to construct the Unit or other unit(s) or facilities, including interference with work performed on site by Seller's staff in connection with the construction of the Unit or any other units, attempts to hire any of Seller's staff or contractors, and/or attempts to bring contractors, materialman, subcontractors or workers onto the site for work on the Unit prior to Closing, unless otherwise agreed to in writing by Seller.

16) **PURCHASER MAY NOT TAKE POSSESSION OF THE UNIT PRIOR TO CLOSING**- Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Unit nor have any work performed or materials supplied or installed at the Unit prior to Closing without the prior written consent of Seller.

Purchaser acknowledges and agrees that Seller will accept no liability whatsoever for any property belonging to the Purchaser, their agents, employees, family, or belonging to any party other than Seller which is placed on the Property and/or in the Unit prior to Closing. No act of the Seller, whatever its nature, shall constitute a waiver of this Paragraph.

17) **CHANGES BY SELLER -** In building the Unit and performing any other work on the Property, Seller reserves the right to: (a) make changes or substitutions of materials or construction from those shown in the model units or building plans, provided any such changes or substitutions are of substantially similar or better quality; (b) determine the exterior color and design of the Building; (c) change the location and type of the units to be constructed in the Condominium; (d) determine whether existing trees, shrubs and other plant life on the Property are to be moved or removed, (e) add or remove retaining walls on the Property where required by grade conditions; (f) determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, mailboxes; (g) change appliances as long as they are equal to or better than originally offered; and (h) make any other changes required by the City of New York.

18) **COMPLETION OF CONSTRUCTION - PURCHASER'S INSPECTION -** Purchaser shall accept title (without abatement in or credit against the Purchase Price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the building in which it is located, or (b) other units in the Condominium, or (c) the landscaped areas of the Property, or (d) parking spaces or driveway or garage, or (e) other portions of the Common Areas have not been completed. Purchaser will inspect the Unit with a representative of the Seller during normal business hours approximately three (3) days prior to Closing and will sign and deliver to Seller on or before Closing, a Pre-Title Inspection Statement supplied by Seller, acknowledging the condition of the Unit. Receipt of the executed Pre-Title Inspection Statement shall be a condition precedent to closing. Purchaser agrees to accept the Pre-Title Inspection Statement wherein the Seller shall agree to complete all unfinished items within six (6) months from the date of Closing, weather and other circumstances permitting. Any such incomplete items shall not constitute an objection to closing provided Seller executes and delivers to Purchaser, a letter agreement in accordance with the foregoing. Purchaser shall allow Seller, its agents, servants and/or employees the right to enter the Unit and shall provide reasonable access thereto subsequent to Closing to complete any incomplete items.

In the event Seller is required to make any repair or complete any item of work to be performed by Seller after Closing, the limit of Seller's liability shall be to make said repair and/or to complete such item. This Paragraph shall survive Closing and delivery of the deed.

19) **CERTIFICATE OF OCCUPANCY** - At Closing, Seller shall deliver to Purchaser a temporary or permanent Certificate of Occupancy for the Unit (or building in which it is located) and, if available, a New York Board of Fire Underwriter's Certificate for the Unit.

20) **UNIT PART OF DEVELOPMENT** - Purchaser acknowledges that they may be living in an active construction site after Closing on the Unit. During the period of construction, there may be dirt and debris and construction material on the Property, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences which are normal in a community undergoing construction. Purchaser further acknowledges that other units and infrastructure are presently being constructed at the Property and that Seller anticipates that such construction shall continue until the Condominium project is completed in accordance with the Plan. Accordingly, Purchaser agrees that such continuing construction shall not be deemed a nuisance nor an interference with Purchaser's quiet enjoyment of the Unit after Closing. This Paragraph shall survive Closing and the delivery of the deed.

21) **PURCHASER'S DEFAULT** - If Purchaser fails to appear and close title in accordance with this Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period, this Purchase Agreement shall, at Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price plus all additional sums paid and/or payable by Purchaser for all Extras ordered by Purchaser, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable.

The notice of default shall be deemed notice to the Purchaser by the Escrow Agent of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the dispute resolution provisions of the Attorney General's escrow regulations as described in Section XII of the Offering Plan.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of this Purchase Agreement for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this Purchase Agreement. Thereafter the Unit may be sold or disposed of as though this Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this Purchase Agreement or at law for any default by Purchaser under this Purchase Agreement.

22) **SELLER'S RIGHT TO CANCEL** - Seller may cancel this Purchase Agreement by forwarding a full refund of the Downpayment and the funds paid for Extras to Purchaser together with written notice of cancellation in the event of the occurrence of any of the following:

(a) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Seller's regular suppliers or from using same in the construction and/or completion of the Unit; or

(b) Seller is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, act of God or national emergencies; or

(c) the installation of public utilities is restricted or curtailed; or

(d) should zoning and/or building restrictions and regulations, imposed by any governmental body having jurisdiction over the construction of residential housing and appurtenances, either presently in effect or as enacted or promulgated in the future, create or impose requirements upon the Seller which are not presently contemplated; or

(e) the Plan is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, this Purchase Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Purchase Agreement and the Offering Plan.

23) **INABILITY OF SELLER TO TRANSFER OWNERSHIP** - Except for Seller's willful default, if Seller is unable to transfer ownership of the Unit in accordance with this Purchase Agreement, Seller shall only be liable to Purchaser for the return to Purchaser of the Downpayment and the funds delivered by Purchaser to Seller for Extras. Thereafter, this Purchase Agreement shall be deemed canceled and neither party shall have any further liability to the other in connection with this Purchase Agreement or transaction. Seller shall not be required to commence any action or proceeding or incur any expense in order to remove the condition which prevents Seller from transferring ownership of the Unit in accordance with this Purchase Agreement.

24) **PROHIBITION AGAINST ASSIGNMENT OR RECORDING OF PURCHASE AGREEMENT** - Neither this Purchase Agreement nor Purchaser's interest hereunder may be assigned by Purchaser without the written consent of Seller. In addition, neither shall this Purchase Agreement nor any memorandum thereof be recorded in the office of any county clerk or the Register's Office of the City of New York, County of New York by Purchaser or anyone on Purchaser's behalf. Should Purchaser violate the provisions

of the foregoing sentence, this Purchase Agreement, at Seller's option, shall become null and void, whereupon all rights of the Purchaser shall cease and terminate and Seller shall have the right to retain the Downpayment and all amounts paid by Purchaser for Extras, as and for liquidated damages on account of such default by Purchaser pursuant to the provisions of Paragraph 21 hereunder.

25) **PROHIBITION AGAINST SIGNS ON UNIT** - Purchaser shall not place any sign anywhere on the Unit or Property at any time within three (3) years after Closing without Seller's prior written consent and subject to any approvals from the Landmarks Preservation Commission. This Paragraph shall survive delivery of the deed.

26) **PROHIBITION AGAINST ADVERTISING OF UNIT FOR SALE** - From and after the date hereof, Purchaser shall not place an advertisement for the sale of the Unit in any newspaper or other publication or media, or list the Unit with any real estate broker prior to Closing. Such action will constitute a material breach of this Purchase Agreement entitling Seller to retain monies paid on account of the Purchase Agreement plus the cost of Extras as liquidated damages.

27) **NO BROKER CONSULTED BY PURCHASER** – Purchaser represents that no broker other than Seller's broker, _____ (the "Broker") brought about this sale, and Purchaser agrees to indemnify Seller against any claim brought by any other broker for brokerage commission based upon Purchaser's acts. Seller shall pay the Broker pursuant to separate agreement. In the event Purchaser is represented or has consulted with an outside broker (other than the Broker), Purchaser shall be responsible for all costs and commissions associated therewith and Seller shall not be responsible for any co-broker commission. This Paragraph shall survive Closing and delivery of the deed.

28) **TRUST FUNDS** - The Downpayment and all other deposits or advances made by Purchaser prior to Closing shall initially be held in a segregated escrow account held by Certilman Balin Adler and Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554 (the "Escrow Agent") pursuant to an Escrow Agreement between Seller and the Escrow Agent, in the form set forth in Schedule L of the Plan and pursuant to the provisions of Sections 352-h and 352-e (2-b) of the New York State General Business Law and the escrow regulations promulgated thereunder by the Department of Law of the State of New York as disclosed in Section XII of the Offering Plan. Said funds shall be held in an Interest Bearing Account entitled "Certilman Balin Adler and Hyman, LLP/77 Reade Street Escrow Account" at Capital One, N.A., 275 Broadhollow Road, Melville, New York 11747. All interest earned in the escrow account will be paid or credited to Purchaser at the Closing. The interest rate to be earned will be the prevailing rate for these accounts which, as of the date of the Offering Plan, is averaging less than one (1%) per annum. All instruments shall be made payable to or endorsed to the order of Certilman Balin Adler and Hyman, LLP as Escrow Agent. The deposit by the Escrow Agent of the Downpayment into the Escrow Account shall not be deemed acceptance by the Seller of the Purchase Agreement. The Purchase Agreement shall only be deemed accepted when countersigned by the Seller or Seller's

authorized agent. **In addition, although all funds received by Seller for Extras will initially be placed in the Escrow Account; such funds may be released from the Escrow Account as long as Seller uses the funds for such Extras. In the event Purchaser is entitled to a right of rescission, the return of their Downpayment shall not include any funds paid towards Extras.** At Closing the Downpayment shall be paid to Seller upon consummation of the Closing and execution of this Purchase Agreement shall be deemed a writing executed by both Seller and Purchaser authorizing the Escrow Agent to release said funds to Seller at Closing. Purchaser shall execute the Tender of Escrow form, as set forth in Schedule D-5 and complete the form W-9 as set forth in Schedule D-6 of the Plan upon execution of this Purchase Agreement; and shall execute the Release form, as set forth in Schedule D-2 of the Plan, at Closing. Purchaser shall also provide Seller with a copy of their driver's license at the time of the execution of this Purchase Agreement.

29) **NOTICES** - Any notices, statements, certificates, requests or demand required or permitted to be given or delivered under this Purchase Agreement shall be in writing and may be sent by mail, overnight courier or personal delivery, addressed to Purchaser or to Seller, as the case may be, at their respective addresses shown at the beginning of this Purchase Agreement, or to such other address as Purchaser or Seller may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given

(a) when delivered to an overnight courier service, if sent by overnight courier,

(b) upon personal delivery actually being made, and

(c) upon receipt or first refusal of delivery or inability of delivery after delivery to the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail return receipt requested.

Notwithstanding the foregoing, any notice of default must be delivered only by overnight courier service, personal delivery, or certified mail return receipt requested.

30) **PURCHASER GENERAL REPRESENTATIONS** - Purchaser represents that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements, written or oral, of any nature, including but not limited to, any of the above relating to the description or physical condition of a Condominium building or the Unit or the Property, the size or the dimensions of the Unit or the rooms therein contained or any physical characteristics thereof, the services offered by the Condominium, the estimated Common Charges for the Unit or any other matter or estimate not set forth herein and in the Plan. Purchaser further represents that Purchaser has not relied on any verbal or written representations made by the Broker or any other agent of Seller. Purchaser further acknowledges having had full opportunity to examine all documents and investigate all facts referred to and stated herein and in the Plan. Purchaser agrees that the Seller shall have no liability or responsibility to Purchaser and that Purchaser will not be relieved from his or

her obligations hereunder, by reason of any inaccuracy or error in the layout or dimensions of the Unit so long as the layout and specifications as they may be changed or amended are in accordance with the provisions of the Plan. Purchaser understands and acknowledges that the Seller cannot guarantee a firm completion and availability date for the Unit and agrees that the Seller shall not be obligated to make, provide or compensate for any accommodations or costs to Purchaser as a result of construction delays nor shall such delays serve to cancel, amend or diminish any of Purchaser's obligations hereunder.

31) **ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS** - All prior understandings and agreements are hereby superseded and merged into this Purchase Agreement, which alone contains the final and entire understanding and agreement between Seller and Purchaser. Neither Seller nor Purchaser shall be bound by any terms, conditions, statements, or representations, oral or written, not set forth in this Purchase Agreement or in the Offering Plan. Purchaser acknowledges that Purchaser is buying a Unit in a condominium development which may not yet have been formed at the time this Purchase Agreement is signed, and that, except as stated in this Purchase Agreement, the Declarations, By-Laws, Exhibits, Schedules and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Seller or anyone else except as set forth in the Plan or any amendment thereto and this Purchase Agreement, including but not limited to, the description, size or dimensions of the Unit or rooms therein, or the estimated common charges, or other expenses relative thereto.

Purchaser also acknowledges that none of Seller's representatives has the authority to modify this Purchase Agreement or to make any oral promise, agreement or representation inconsistent or contrary to the terms of this Purchase Agreement. This Purchase Agreement may be changed only by a written document signed by both Purchaser and Seller's Authorized Agent. The invalidity or unenforceability of any particular provision of this Purchase Agreement will not affect the other provisions, and this Purchase Agreement will be interpreted in all respects as if such unenforceable provisions were omitted.

32) **RISK OF LOSS** - The risk of loss or damage to the Unit by fire or any other cause until delivery of the deed is assumed by Seller. In the event a substantial portion of the Unit or Condominium shall be destroyed or damaged prior to Closing, Seller shall be entitled to cancel this Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Downpayment paid by Purchaser, with interest, if any; however, Purchaser will not receive a refund of any funds paid for Extras. The parties shall thereafter be released from any further liability hereunder. However, if Purchaser is or becomes the occupant or tenant of the Unit prior to Closing, then as of the date of Purchaser's occupancy, Purchaser shall be responsible for all damage caused by any acts or omissions of Purchaser, Purchaser's agents, employees or invitees.

If any part of the Unit is damaged or destroyed by any casualty prior to Closing, Seller will have the option to restore the Unit to its previous condition as soon as

reasonably possible. In the event Seller elects to restore the Unit, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Seller. Seller agrees to notify Purchaser of Seller's decision within ten (10) business days of the date of such casualty. In the event Seller elects not to restore the Unit, then this Purchase Agreement will terminate and Purchaser will receive a full refund of all monies paid to Seller. The parties shall thereafter be released from any further liability hereunder.

33) **DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ELEMENTS** - Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Elements on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This Paragraph shall survive Closing and delivery of the deed.

34) **STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY** - Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this Purchase Agreement shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this Purchase Agreement or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this Purchase Agreement or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this Purchase Agreement or the Plan. Purchaser agrees to pay all court fees, including reasonable attorney fees, should Purchaser bring an action against Seller in any court of proper jurisdiction (including small claims court) and be unsuccessful. Further Purchaser agrees to waive the right to file a Lis Pendens if not filed within sixty (60) days of the cancellation of this Purchase Agreement.

Purchaser and Seller hereby waive trial by jury in any action, proceeding or counterclaim arising out of this Purchase Agreement, provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this Purchase Agreement, shall be instituted in a court in New York County and all motions in any such action shall be made in New York County.

This Paragraph shall survive Closing and delivery of the Deed.

35) **LIEN OF DEPOSIT** - All sums paid on account of this Purchase Agreement are hereby made liens upon the Unit, but such liens shall not continue after default by the Purchaser under this Purchase Agreement.

36) **MISCELLANEOUS:**

(a) The start of any activity by Seller in connection with the Unit is not to be deemed a waiver of any of Seller's rights under this Purchase Agreement.

(b) The personal property referred to in this Purchase Agreement shall be deemed conveyed by the deed, and no part of the Purchase Price shall be deemed allocated to such personal property.

(c) The attorneys representing the Seller or any Lender represent such parties only and not the Purchaser. The Purchaser may retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.

(d) The delivery of the deed for the Unit to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Seller under this Purchase Agreement have been done and that Purchaser shall not claim otherwise except as to those things, if any, which are specifically stated in this Purchase Agreement or in a separate writing signed by Seller or Seller's attorney on Seller's behalf, to survive or continue beyond Closing or delivery of the deed.

(e) The paragraph headings set forth in this Purchase Agreement are inserted solely for convenience of reference and in no way deemed to affect, amend, define, describe or limit the scope or intent of the provisions set forth in this Purchase Agreement.

(f) No provision of this Purchase Agreement may be changed, waived, discharged, or terminated orally, by telephone, or by any other means, except an instrument in writing signed by the party against whom enforcement of such change, waiver, discharge, or termination is sought and then only to the extent set forth in such instrument.

(g) Any singular word or term herein shall also be read as in the plural whenever the sense of this Purchase Agreement may require it. The use of the masculine gender shall be deemed to refer to the feminine gender, or neuter, whenever the context so requires.

(h) If two (2) or more persons are named as Purchaser in this Purchase Agreement, (i) each person shall be jointly and severally liable for payment, observance and performance of all obligations under this

Purchase Agreement and (ii) anyone of them is hereby made agent for the other in all matters of any and every kind or nature with respect to the Unit and/or this Purchase Agreement. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.

(i) The provisions of this Purchase Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.

(j) This Purchase Agreement shall not be binding or effective until fully executed and delivered by Seller and Purchaser.

(k) Seller represents that its Federal Employer Identification Number is _____; and Purchaser represents that his/her/their social security number(s) is _____ and _____.

(l) In the event any portion of this Purchase Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Purchase Agreement and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Purchase Agreement.

(m) The parties agree that this Purchase Agreement shall be governed by, and construed in accordance with the laws of the State of New York.

37) **LIMITED WARRANTY - AT THE CLOSING OF TITLE, THE SELLER WILL DELIVER THE CERTIFICATES AND WARRANTIES DELIVERED TO IT AND TRANSFERABLE TO PURCHASER AND IT IS FURTHER AGREED THAT TITLE WILL NOT CLOSE UNTIL A TEMPORARY CERTIFICATE OF OCCUPANCY HAS BEEN ISSUED COVERING THE RESIDENTIAL UNIT OR BUILDING IN WHICH THE RESIDENTIAL UNIT IS LOCATED. IN THE EVENT A TEMPORARY CERTIFICATE OF OCCUPANCY IS ISSUED, SELLER SHALL KEEP THE TEMPORARY CERTIFICATE OF OCCUPANCY IN FULL FORCE AND EFFECT UNTIL A PERMANENT CERTIFICATE OF OCCUPANCY IS ISSUED. SELLER'S LIABILITY PURSUANT TO ANY MANUFACTURERS' WARRANTIES COVERING HEATING, APPLIANCES, ELECTRICITY AND PLUMBING ARE LIMITED SOLELY TO THE EXTENT THAT SUCH WARRANTIES ARE DELIVERED TO SELLER, TRANSFERABLE TO THE PURCHASER OR TO THE CONDOMINIUM AND THEN ONLY AS AGAINST SUCH MANUFACTURER. IN ADDITION, HOWEVER, SELLER WILL CORRECT ANY DEFECTS IN THE CONSTRUCTION OF THE RESIDENTIAL UNIT OR IN THE INSTALLATION OR OPERATION OF ANY MECHANICAL EQUIPMENT THEREIN DUE TO MATERIALS OR IMPROPER WORKMANSHIP SUBSTANTIALLY AT VARIANCE WITH THE PLANS AND SPECIFICATIONS,**

PROVIDED ONLY THAT IT IS NOTIFIED OF SUCH DEFECTS IN WRITING BY CERTIFIED MAIL WITHIN ONE (1) YEAR FROM THE DATE OF CLOSING OF TITLE TO THE RESIDENTIAL UNIT IN WHICH THE ALLEGED DEFECT EXISTS. IF A DEFECT OCCURS IN AN ITEM WHICH IS COVERED BY THIS WARRANTY, THE SELLER OR SELLER'S CONTRACTORS WILL (A) REPAIR OR (B) REPLACE THE DEFECTIVE ITEM. THE CHOICE BETWEEN REPAIR OR REPLACEMENT IS THE SELLER'S.

PURCHASER SHOULD NOTE THAT:

A. NO STEPS TAKEN BY SELLER OR SELLER'S CONTRACTORS TO CORRECT A DEFECT SHALL ACT TO EXTEND THE WARRANTY PERIOD.

B. SELLER ACCEPTS NO RESPONSIBILITY FOR ANY WARRANTY OBLIGATION FOR INCIDENTAL OR CONSEQUENTIAL DAMAGE CAUSED BY ANY DEFECT.

C. THESE WARRANTIES GIVE YOU AS PURCHASER SPECIFIED LEGAL RIGHTS. YOU MAY HAVE OTHER RIGHTS UNDER STATE LAW.

D. THESE WARRANTIES ARE EXTENDED TO YOU AS PURCHASER AND ARE NOT EXTENDED TO ANY SUBSEQUENT PURCHASER, TENANT, OR MORTGAGE LENDER WHO TAKES POSSESSION OF THE UNIT.

E. THESE WARRANTIES SHALL BE VOID IF PURCHASER, TENANT OR OCCUPANT, MISUSES, ABUSES OR OTHERWISE INTERFERES WITH OR CHANGES SELLER'S ORIGINAL CONSTRUCTION OR INSTALLATIONS, OR IF PURCHASER, TENANT OR OCCUPANT HIRES ANY OUTSIDE CONTRACTOR TO DO ANY WORK DURING THE WARRANTY PERIOD.

F. SELLER IS NOT RESPONSIBLE FOR ANY WORK OR MATERIAL ORDERED DIRECTLY BY PURCHASERS FROM SELLER'S CONTRACTORS OR SUPPLIERS, OR OTHER OUTSIDE SUPPLIERS AND CONTRACTORS.

G. IN NO EVENT WILL SPONSOR BE RESPONSIBLE FOR ANY CONDITION RESULTING FROM (i) NORMAL WEAR AND TEAR OR NATURAL DETERIORATION OR FROM THE NORMAL MOVEMENT, SETTLEMENT AND/OR SHRINKAGE OF THE BUILDING AND/OR BUILDING MATERIALS; (ii) DEFECTS OF AN INSUBSTANTIAL NATURE, SUCH AS, WITHOUT LIMITATION, PARTIAL OR TOTAL LOSS OF ANY TREES, SHRUBS, BUSHES OR OTHER LANDSCAPE

IMPROVEMENTS THAT MAY ABUT THE BUILDING, NAIL POPS, PROTRUDING DRY WALL FASTENINGS, RIDGING ON GYPSUM BOARD, LUMBER SHRINKAGE, DOOR OR WINDOW STICKING, DOOR WARPAGE INCLUDING, WITHOUT LIMITATION, WARPAGE OF THE MAIN ENTRANCE DOOR WITHIN REASONABLE TOLERANCES OF DOORS OF SIMILAR SIZE AND WEIGHT, SCRATCHES IN PLASTIC LAMINATE, VITREOUS CHINA, NATURAL STONE, WOOD, STAINLESS STEEL OR PORCELAIN SURFACES; BATHROOM FINISH GROUTING; ADJUSTMENT OF DOORS; WALLS NOT SQUARE; ELECTRICAL PLATES NOT STRAIGHT; DISCOLORATION OR SHRINKAGE; SLIGHT SEPARATION BETWEEN BASE AND FLOORS; (iii) NORMAL SETTLEMENT AND DEFLECTION OR ANY CONSEQUENTIAL DAMAGE RESULTING THEREFROM INCLUDING, WITHOUT LIMITATION, CRACKS IN ROOF BALLAST, OR CONCRETE CRACKS WHICH DO NOT REDUCE THE STRUCTURAL INTEGRITY OF THE BUILDING; (iv) DEVIATIONS IN THE LEVEL OF CEILINGS, AND IMPERFECTIONS IN CEILING FINISHES; (v) IMPERFECTIONS IN PAINTING FINISHES; (vi) DEVIATIONS IN THE LEVEL OF A FLOOR OR FAILURE OF FINISHED FLOORS AND WALLS TO BE STRAIGHT OR ON PLANE OR AT LESS THAN 90° FROM EACH OTHER; (vii) ALIGNMENT OF BATHROOM FINISHES AND VARIATION IN GROUTING THICKNESS; (viii) AIR INFILTRATION AND WATER INFILTRATION FROM WINDOWS IN ACCORDANCE WITH CUSTOMARY PRACTICE AND PROFESSIONAL STANDARDS; (ix) NOISE FROM NORMAL PLUMBING AND HVAC SYSTEM ; (x) NORMAL FLOOR NOISES AND CREAKING; (xi) CARPET OR FLOOR DISCOLORING OR STRETCHING; (xii) SCRATCHES AND IMPERFECTIONS OR VARIATIONS IN WIDTH, LENGTH, THICKNESS, FINISH OR COLOR RANGE OF WOOD FLOOR STRIPS OR OTHER FLOORING OR FLOOR FINISHES, ALSO, NORMAL SHRINKAGE OR EXPANSION OF WOOD FLOORING DUE TO CHANGES IN MOISTURE CONTENT OF WOOD; (xiii) REPAIR OF CHIPS, SCRATCHES, MARS, BREAKS, DENTS, CRACKS OR OTHER DEFECTS IN: EXTERIOR STONE; WINDOWS, WINDOW GLASS, FRAMES AND HARDWARE; INSULATION ATTACHED TO THE CURTAIN WALL; SLIDING GLASS DOORS, FRAMES, DOOR GLASS AND HARDWARE; LOUVERS; SHOWER DOORS; LIGHTING FIXTURES, LENSES, BAFFLES AND GLOBES; ALL PAINTED SURFACES; ALL SINKS, TUBS, BASINS, WATER CLOSETS; KITCHEN CABINETS, BACK SPLASHES AND COUNTERTOPS; VANITY TOPS AND CABINETS; ALL TILE OR NATURAL STONE FLOORS AND WALLS; SADDLES; ALL APPLIANCES; WOODWORK, MILLWORK AND DOORS; MIRRORS AND AFTER THE RESIDENTIAL UNIT CLOSING, PAINT TOUCH-UPS, REPAIR OF DENTED APPLIANCES, OR REPLACEMENT OF LIGHT BULBS; (xiv) CRACKS OR VARIATIONS IN TONE, COLOR OR VEINING OF NATURAL STONE OR VARIATIONS IN TONE, COLOR

OR VEINING OF VANITY TOPS OR ANY OTHER NATURAL STONE SURFACES; (xv) LEACHING OR COLOR VARIATION IN COLOR MORTAR AND COLORED BRICK, AND DIMENSIONAL VARIATIONS IN BRICK JOINTS, AND MORTAR DROPPINGS ON BRICKS; (xvi) PONDING AND/OR CONTROLLED DRAINAGE ON THE ROOF SURFACE; (xvii) CRACKS IN PRESSURE-TREATED LUMBER USED OR INTENDED FOR USE OUTSIDE THE BUILDING; (xviii) CRACKS OF DISCOLORATION IN CONCRETE USED IN CELLAR WALLS AND PAVING; (xix) DISCOLORATION TO HARDWARE AND PLUMBING FINISHES; (xx) STAINS, RUNS, LUMPS, SHAGS OR IMPERFECTIONS IN WEAVE IN FABRIC PANELS; (xxi) SCRATCHED, DIRTY OR CRACKED LENSES IN LIGHT FIXTURES; OR (xxii) TERRACE TILES NOT LAID FLAT, OR COLOR VARIATION IN TILES OR MORTAR, OR STAINED TILES; (xxiii) SUBSEQUENT TO THE RESIDENTIAL UNIT CLOSING, PAINT TOUCH-UPS, REPAIRS OF DENTED APPLIANCES OR REPLACEMENT OF FLUORESCENT LIGHT BALLASTS, OR (xxiv) SALTING OR COLOR VARIATION IN EXTERIOR COLORED MORTAR AND DEEP COLORED BRICK OR (xxv) REMOVE MOLD FROM THE BUILDING OR ANY UNIT THEREIN; OR (xxvi) NORMAL WATER PENETRATION FROM FRAMELESS SHOWER DOORS. SPONSOR WILL BE OBLIGATED TO REPAIR ONLY ABNORMALLY CHIPPED STONE, FORMICA AND PORCELAIN SURFACES, WHICH REPAIR WILL BE MADE BY FILLING THE STONE OR FORMICA OR REFINISHING THE PORCELAIN, BUT SPONSOR WILL NOT BE OBLIGATED TO REPLACE SUCH STONE, FORMICA OR PORCELAIN SURFACES. THE ITEMS AND CONDITIONS DESCRIBED IN THIS PARAGRAPH ARE NOT DEFECTS AND MAY BE FOUND IN ANY NEWLY CONSTRUCTED BUILDING. PURCHASERS WHO PURCHASE A RESIDENTIAL UNIT IN THE BUILDING OR IN ANY OTHER NEWLY CONSTRUCTED BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND CONDITIONS IN THEIR RESIDENTIAL UNIT, THE COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD THEREOF. IF PURCHASERS OR ANY BOARD DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

H. THESE WARRANTIES ARE SPECIFICALLY IN LIEU OF ANY OTHER GUARANTEE OR WARRANTY, EXPRESS OR IMPLIED INCLUDING ANY WARRANTY OF MERCHANTABILITY, HABITABILITY OR WORKMANLIKE CONSTRUCTION.

THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE CLOSING OF TITLE AND DELIVERY OF THE DEED.

38) **NOTICES TO PURCHASER - YOU, AS THE PURCHASER OF THE UNIT, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.**

WHEN SIGNED BY SELLER AND PURCHASER (OR PURCHASER'S AUTHORIZED AGENT), THIS PURCHASE AGREEMENT WILL BECOME A LEGALLY BINDING AGREEMENT. PURCHASER SHOULD MAKE SURE THAT ALL PROVISIONS ARE READ AND UNDERSTOOD BEFORE SIGNING. IF PURCHASER DOES NOT UNDERSTAND ANY PROVISION, PURCHASER SHOULD SEEK LEGAL ADVICE.

PURCHASER MUST BE GIVEN A COPY OF THE PLAN PRIOR TO THE SIGNING OF THIS PURCHASE AGREEMENT. BY SIGNING THIS PURCHASE AGREEMENT, PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND THAT PURCHASER HAS HAD AN OPPORTUNITY TO READ THE OFFERING PLAN AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SIGNING THIS PURCHASE AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase Agreement as of the date first above written.

PURCHASERS:

_____
Signature

_____
Signature

77 READE, LLC

By:_____

COMMERCIAL PURCHASE AGREEMENT

Commercial Unit No. _____ **Date** _____

Garage Parking Space Unit No. _____

Garage Storage Space _____

Anticipated Closing Date: _____

Seller: 77 Reade, LLC

Address: 636 Broadway, Suite 214, New York, New York 10012

Purchaser(s): _____

Home Address: _____

Residential Telephone Number: _____

Business Telephone Number(s): _____

Social Security Number(s): _____

Purchaser's Attorney: _____

Attorney's Address: _____

Attorney's Phone/Fax Numbers: Phone:_____ Fax _____

Seller and Purchaser agree as follows:

1) **PURCHASE PRICE:**

Commercial Unit	$_____
Garage Parking Space	$_____
Garage Storage Space	$_____
Builder upgrades & options ("Extras")	$_____
	TOTAL $_____

PAYABLE AS FOLLOWS:

On the signing of this Purchase Agreement, 10% of the Purchase Price plus Extras, the receipt whereof is hereby acknowledged (the "Downpayment") $_____

Purchaser's certified or bank cashier's check (drawn on a New York Bank payable directly to the order of Seller or Seller 's designee on the Closing of Title $_____

TOTAL $_____

Any payment made by check is accepted subject to collection. If any check tendered is not honored, Purchaser shall provide a certified check or bank cashier's check payable directly to the payee on the dishonored check within seventy-two (72) hours after demand for replacement therefore.

Notwithstanding the foregoing, if for any reason whatsoever the check given by Purchaser as the down payment hereunder is dishonored, Seller shall have the right to cancel this Purchase Agreement. Seller's election to cancel shall not be deemed a waiver by Seller of its right to pursue other remedies.

THE PAYMENT DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT ON ACCOUNT OF THE PURCHASE PRICE MUST BE MADE BY PURCHASER'S PERSONAL CERTIFIED CHECK OR OFFICIAL TELLERS CHECK ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY'S ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF THEIR OBLIGATIONS HEREUNDER.

2) **DESCRIPTION OF UNIT** - Seller agrees, at its own cost and expense, to erect and complete, and Purchaser shall buy from Seller, the condominium unit(s) known as Commercial Unit No. _____ (the "Commercial Unit"), Garage Parking Space Unit No. _____ and Garage Storage Space Unit No. _____ *(cross out inapplicable)* together with a _____ percent undivided interest in the common elements of the condominium (the "Common Elements") known as 77 Reade Street Condominium ("the Condominium"), located on 77 Reade Street, New York, New York 10007 described in the Declaration of Condominium to be recorded in the Register's Office of the City of New York, County of New York, to be built by Seller on property comprising the Condominium Map (the "Property") filed or to be filed in the Register's Office of the City of New York, County of New York. The Commercial Unit, Garage Parking Space Unit and Garage Storage Space Unit, as applicable, shall hereinafter be collectively referred to as the "Unit". The Unit shall be constructed in accordance with the requirements as to materials and workmanship of the Building Department of the City of New York, which, when completed, will be in substantial accordance with the plans as filed or to be filed with the Building Department of the City of New York. All dimensions are approximate and may vary from the floor plans. The Commercial Unit shall also include the items contained in an attached Rider (if applicable).

3) **OFFERING PLAN** - Seller has exhibited and delivered to the Purchaser, and Purchaser acknowledges having received, read and understood, the Offering Plan for condominium ownership of the Property and all amendments thereto filed to date, all of which are incorporated by reference and made a part of this Purchase Agreement, with the same force and effect as if fully set forth in this Purchase Agreement. Purchaser agrees to be bound by the Offering Plan, including all amendments thereto now or hereafter filed by Seller (collectively the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. However, in the event any amendment materially and adversely affects Purchaser, Purchaser shall be given the right to rescind this Purchase Agreement. Any conflict between the Plan and this Purchase Agreement shall be resolved according to the terms of the Plan. Purchaser acknowledges having received and read the Plan at least three (3) business days prior to signing this Purchase Agreement and having had full opportunity to examine all papers and documents and investigate all matters set forth in the Plan.

Purchaser shall deliver all documents to Seller and perform all acts required by Seller to carry out the provisions of the Plan, establish the Condominium and conform to all applicable laws and regulations. This Paragraph shall survive Closing and delivery of the deed.

4) **MORTGAGE FINANCING** - This Purchase Agreement is not conditioned upon Purchaser obtaining mortgage financing. In the event Purchaser is unable to obtain a mortgage, this Purchase Agreement shall remain in effect and Purchaser shall have an ongoing obligation to consummate the transaction. If a Purchaser does not consummate the transaction and close title to the Unit as a result of Purchaser's inability to obtain a mortgage, Purchaser will be in default under this Purchase Agreement and Seller may retain all monies as provided for in Paragraph 21 herein.

5) **CLOSING DATE; ADJOURNMENTS; CONSTRUCTION DELAYS BY SELLER-** The act of transferring ownership of the Unit in return for payment in full of the Purchase Price and all other sums due from Purchaser under this Purchase Agreement is known as the "Closing". The Anticipated Closing Date indicated on the first page of the Purchase Agreement is an approximate date and Seller cannot make any guarantees that such date will be the actual Closing Date. Seller shall have the right to adjourn or accelerate such Closing Date as provided herein. The Closing shall take place at such time and place and on such date as Seller shall designate by prior written notice ("Notice for Closing") delivered in accordance with Paragraph 29 herein, which shall be given no less than thirty (30) days before the date set for Closing. Purchaser may waive the thirty (30) day notice period by execution and delivery of a waiver in the form set forth as Schedule D-2 to the Purchase Agreement in the Plan.

Should Seller be unable to convey title to Purchaser in accordance with the Notice for Closing, Seller shall have the right, from time to time, to adjourn or advance the date and time for Closing on written notice to Purchaser. If the Closing is advanced or adjourned by Seller, then Seller shall, by a new Notice for Closing, fix a new date and

time for Closing, which shall be no less than ten (10) days before the new scheduled date and time for Closing.

If the Closing takes place at the request of Purchaser at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of $450. The Closing may not take place in any other location without Seller's prior written consent.

In the event the Closing is adjourned with Seller's consent, at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Seller's attorney an adjournment fee in the sum of $500.

If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within twelve (12) months after the Anticipated Closing Date set forth on the first page of this Purchase Agreement, either Seller or Purchaser may cancel this Purchase Agreement by forwarding written notice of cancellation to the other no later than ten (10) days after expiration of such twelve (12) month period whereupon Seller shall refund to Purchaser, subject to the escrow provisions as disclosed in Section XII of the Plan, all payments, other than Funds used towards upgrades, options or extras, made by Purchaser to Seller on account of the Purchase Price and neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. Purchaser shall be obligated to notify Seller in writing of its intent to exercise said option no later than ten (10) days after the twelve (12) month period. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Seller shall be unable to convey title to the Commercial Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Seller shall return all monies being held in escrow within thirty (30) days thereafter.

6) **ADDITIONAL MONEY TO BE PAID BY PURCHASER AT CLOSING** - In addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement, Purchaser shall at Closing pay, or reimburse to Seller if Seller has already made payment, or pay to any Lender, all applicable charges for:

(a) Any Lender's charges for inspections, appraisals, title examination and policy insuring the Lender's interest, Lender's attorneys' fees for preparation of all loan documents, all commitment fees, points, origination fees and other fees and charges (however characterized) imposed or exacted by the Lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;
(b) any mortgage recording taxes on Purchaser's mortgage;
(c) governmental charges which may be assessed on account of any mortgage loan;
(d) mortgage insurance, if required, on Purchaser's mortgage;

(e) New York State real estate transfer tax on the deed;
(f) New York City real estate transfer tax on the deed;
(g) Mansion Tax pursuant to Section 1402-a of the Tax Law of the State of New York, if applicable;
(h) all recording and filing charges payable on account of the transfer of title and recording of all documents in connection therewith including without limitation any mortgage, the deed, power of attorney, affidavit required pursuant to Section 339-ee of the New York State Real Property Law and any blanket mortgage release documents;
(i) a sum equal to the partial mortgage tax credit to which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller;
(j) an initial non-reimbursable capital contribution of $1,000 to the Condominium;
(k) 3/10^{ths} of 1% of the sales price to Sponsor for obtaining the Section 421-a tax abatement;
(l) a pro-rata portion of the Condominium's estimated first year insurance, based on the Unit's percentage of Common Interest; and
(m) $1,500 to Seller's attorney for the preparation of the closing documents.

Purchaser shall also apportion with Seller as of the end of the day prior to Closing, and pay to Seller at Closing, the apportioned amount due for taxes, condominium Common Charges, sewer use, water use, fuel oil (if any) and any other utility costs. Purchaser shall also pay the deposits required by the Lender to establish the estimated or escrow fund for future payments of taxes, condominium Common Charges, sewer use and insurance premiums (if applicable). In addition, in the event Seller's attorney prepares the New York City "ACRIS" transfer documents, Purchaser shall be required to pay Seller's attorney an additional fee of $250. In the event the title company prepares the ACRIS, Purchaser shall pay the applicable fee of the title company. If through no fault of Seller, Purchaser fails for any reason to close title on the date originally scheduled in Seller's Notice for Closing, or such later date (if applicable) to which Seller in a subsequent Notice for Closing adjourned the Closing, all of the aforementioned apportionments shall be made as of the end of the day preceding (i) the date originally scheduled for Closing or (ii) Seller's adjourned Closing Date (as the case may be).

Purchaser shall pay to Seller at or prior to the date of the actual adjourned Closing, an amount equal to .0438% per diem (which equals an annual rate of 16%) of the Purchase Price for the Unit for each day beyond such originally scheduled or Seller adjourned Closing Date, to and including the date of actual Closing, for reimbursement and defrayal of Seller's carrying costs and other charges, which amount Purchaser acknowledges to be reasonable and proper.

Any errors or omissions in computing apportionments or any other sums payable under this Paragraph which are communicated to the other party within six (6) months after Closing shall be corrected and payment made to the proper party promptly after such communication. This Paragraph shall survive Closing and delivery of the deed.

7) **CONSTRUCTION LOAN MORTGAGE** - This Purchase Agreement is subject and subordinate without the necessity of Purchaser signing or delivering any documents or papers, to the lien of any existing or future construction loan mortgage and all payments or expenses already made or incurred or which may hereafter be made or incurred in connection with such construction loan mortgage. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the construction loan schedule of payments or accelerated thereunder by virtue of the construction lender's right to make advances before they become due in accordance with the schedule of payments. The Unit and its/their appurtenant percentage of Common Interest in the Common Elements (as such term is defined in the Plan), shall be released from the lien of such construction loan mortgage upon Closing, except where such mortgage is converted to Purchaser's individual mortgage on the Unit. In such case, the Unit shall remain subject to the lien of such construction loan mortgage and Purchaser shall reimburse to Seller at Closing, in addition to all other sums to be reimbursed by Purchaser to Seller under this Purchase Agreement, an amount equal to the mortgage tax paid by Seller on such construction loan mortgage. In all other cases, any mortgage tax credit available under Real Property Law Section 339-ee shall inure exclusively to the benefit of Seller.

8) **DEED AND ENCUMBRANCES UPON OWNERSHIP** - The deed to be given by Seller to Purchaser at Closing shall be a Bargain and Sale with Covenant against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in sub-paragraphs (a) through (f) below which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York State and City transfer tax which is the obligation of Purchaser) so as to convey to Purchaser fee simple title to the Unit, free and clear of all liens and encumbrances, except as herein stated. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Purchaser shall accept such title and deed description of the Unit subject to the liens, encumbrances and other matters set forth in this Purchase Agreement, as Fidelity National Title Insurance Company ("Fidelity Title"), a title company authorized to do business in the State of New York, is willing to approve and insure without additional premium. Purchaser may obtain title insurance from any title insurance company or abstract company, or Purchaser may decline to obtain any title insurance at all, however Seller recommends that Purchaser utilize Fidelity National Title Insurance Company, 1415 Kellum Place, Garden City, New York 11530, (516) 394-5110, Attn: Suzanne Breinlinger.

Purchaser shall be responsible for payment to the title company of the entire premium for Purchaser's title insurance, and shall also pay the applicable New York State and City transfer tax and mansion tax, if applicable.

The sale and transfer of ownership of the Unit to Purchaser shall, even though not stated in the deed, be subject to:

(a) Ordinances, rules, regulations, requirements and approvals of applicable governmental authorities, provided not violated by the Unit to be constructed.

(b) Rights for installation, use and/or maintenance of easements and rights of way for utilities, sewer, cable television, drainage, scenic purposes, screening and planting which have already been granted or may be granted after this Purchase Agreement is signed or after Closing, provided they do not prevent use of the Unit for their intended purposes.

(c) Declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of the Unit for their intended purposes.

(d) Unpaid taxes and liens, provided the title insurance company shall insure against collection of same out of the Unit.

(e) The filed Condominium Map and all matters reflected thereon.

(f) The Declaration and By-Laws of the Condominium and any amendments or supplements thereto.

Purchaser shall deliver to Seller's attorney at least ten (10) days prior to Closing, a written notice setting forth each objection to title, if any (other than those specifically set forth herein subject to which the Property are being sold), and a copy of Purchaser's title report. Seller shall have the right to a reasonable adjournment of Closing, not to exceed sixty (60) days, for the purpose of curing any title defect; however, no such action taken by Seller shall be deemed an admission by Seller that such defect is one that would entitle Purchaser to cancel this Purchase Agreement.

9) **PERSONAL PROPERTY INCLUDED IN SALE** - All articles of personal property, fixtures and equipment for the Unit which are included in this sale will be delivered free and clear of all liens and encumbrances, except as stated in Paragraph 8 herein, if applicable.

10) **POWER OF ATTORNEY** - At closing, Purchaser shall execute, acknowledge and deliver to Seller in recordable form, a power of attorney in the form set forth as

Schedule E to the Plan (the "Power of Attorney"), in favor of the Board of Managers of the Condominium relative to leasing and purchasing of units in the Condominium under certain circumstances and to foreclose upon units in the Condominium for which the payment of Common Charges is delinquent, and in favor of Seller relative to amending the Condominium documents to the extent provided for in the Plan.

11) **ENCUMBRANCES/LIENS EXISTING AT CLOSING** - The existence of anything affecting the sale at Closing, including unpaid taxes or liens of any kind, shall not constitute an objection to title provided Fidelity, or another title or abstract company selected by Purchaser, is willing to insure Purchaser's title clear of the matter or is willing to insure against enforcement or collection out of the Unit upon Seller's doing whatever acts as may be required by said company and/or the depositing of money. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Unit, not provided for in this Purchase Agreement, out of the monies to be paid by the Purchaser at the time of Closing.

12) **EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER** - Any work or items ordered from Seller by Purchaser which are not included in the plans or standard model of the Unit shall, except as may otherwise be provided in this Purchase Agreement or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such work or items shall not entitle Purchaser to cancel this Purchase Agreement even if Purchaser has already paid for such work or items. Purchaser's only right, in the event of Seller's failure to perform such extra work or supply and install such extra items, is to receive a refund or credit at Closing equal to the total payments made to Seller for such extra work or extra items. All extras must be ordered prior to commencement of construction and must not delay construction. In the event Purchaser orders upgraded or optional items or finishes other than the standard provided by Seller, Seller or Seller's contractors shall not be responsible or liable for any defects in quality of materials or workmanship in installation. Failure to make any payments due in accordance with the payment schedule of Seller, Seller's contractors or sub-contractors, as applicable, shall constitute a breach in accordance with Paragraph 21 herein. As noted as a Special Risk in the Plan, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds paid for Extras. Seller shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Seller's contractors or suppliers shall not be deemed to have been ordered directly from Seller.

13) **OPTIONS AND COLOR SELECTIONS** - Any choices given by Seller to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or model site, within ten (10) days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Seller of Purchaser's choice within such ten (10) day time period, then Seller may make the choice on Purchaser's behalf and Purchaser shall accept such choice so made by Seller as if originally made

by Purchaser. No claim or objection to Closing shall be made by Purchaser because of any choice made by Seller in any case where Purchaser failed to give Seller timely notice of Purchaser's choice.

14) **NO INSPECTIONS DURING CONSTRUCTION** - Purchaser acknowledges that unsupervised visits to the Property (the "Construction Site") present a dangerous circumstance and could incur liability to Seller. **Unless specifically agreed to by Seller in writing, Purchaser shall not visit the Unit or any other portion of the Construction Site, and shall only have the right to visit the Seller's sales office (the "Sales Office"). Any unauthorized visits to the Construction Site by Purchaser are subject to a charge by Seller of $500 per visit, which Purchaser agrees to pay Seller within ten (10) days of billing thereof.** Purchaser hereby releases and indemnifies, defends and holds Seller harmless for all claims and liabilities incurred by Seller resulting from the presence of Purchaser or Purchaser's family members or invitees on the Property prior to Closing. Purchaser further agrees to execute the Express Assumption of Risk Form, in the form set forth as Schedule D-3 to the Plan.

15) **PURCHASERS' INTERFERENCE** - Purchaser acknowledges that it may not interfere with Seller's ability to construct the Unit or other unit(s) or facilities, including interference with work performed on site by Seller's staff in connection with the construction of the Unit or any other units, attempts to hire any of Seller's staff or contractors, and/or attempts to bring contractors, materialman, subcontractors or workers onto the site for work on the Unit prior to Closing, unless otherwise agreed to in writing by Seller.

16) **PURCHASER MAY NOT TAKE POSSESSION OF THE UNIT PRIOR TO CLOSING**- Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Unit nor have any work performed or materials supplied or installed at the Unit prior to Closing without the prior written consent of Seller.

Purchaser acknowledges and agrees that Seller will accept no liability whatsoever for any property belonging to the Purchaser, their agents, employees, family, or belonging to any party other than Seller which is placed on the Property and/or in the Unit prior to Closing. No act of the Seller, whatever its nature, shall constitute a waiver of this Paragraph.

17) **CHANGES BY SELLER -** In building the Unit and performing any other work on the Property, Seller reserves the right to: (a) make changes or substitutions of materials or construction from those shown in the model units or building plans, provided any such changes or substitutions are of substantially similar or better quality; (b) determine the exterior color and design of the Building; (c) change the location and type of the units to be constructed in the Condominium; (d) determine whether existing trees, shrubs and other plant life on the Property are to be moved or removed, (e) add or remove retaining walls on the Property where required by grade conditions; (f)

determine the location of electric, gas and water meters, electric transformers, air conditioning compressors, mailboxes; (g) change appliances as long as they are equal to or better than originally offered; and (h) make any other changes required by the City of New York.

18) **COMPLETION OF CONSTRUCTION - PURCHASER'S INSPECTION** - Purchaser shall accept title (without abatement in or credit against the Purchase Price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the building in which it is located, or (b) other units in the Condominium, or (c) the landscaped areas of the Property, or (d) parking spaces or driveway or garage, or (e) other portions of the Common Areas have not been completed. Purchaser will inspect the Unit with a representative of the Seller during normal business hours approximately three (3) days prior to Closing and will sign and deliver to Seller on or before Closing, a Pre-Title Inspection Statement supplied by Seller, acknowledging the condition of the Unit. Receipt of the executed Pre-Title Inspection Statement shall be a condition precedent to closing. Purchaser agrees to accept the Pre-Title Inspection Statement wherein the Seller shall agree to complete all unfinished items within six (6) months from the date of Closing, weather and other circumstances permitting. Any such incomplete items shall not constitute an objection to closing provided Seller executes and delivers to Purchaser, a letter agreement in accordance with the foregoing. Purchaser shall allow Seller, its agents, servants and/or employees the right to enter the Unit and shall provide reasonable access thereto subsequent to Closing to complete any incomplete items.

In the event Seller is required to make any repair or complete any item of work to be performed by Seller after Closing, the limit of Seller's liability shall be to make said repair and/or to complete such item. This Paragraph shall survive Closing and delivery of the deed.

19) **CERTIFICATE OF OCCUPANCY** - At Closing, Seller shall deliver to Purchaser a temporary or permanent Certificate of Occupancy for the Unit (or building in which it is located) and, if available, a New York Board of Fire Underwriter's Certificate for the Unit.

20) **UNIT PART OF DEVELOPMENT** - Purchaser acknowledges that they may be living in an active construction site after Closing on the Unit. During the period of construction, there may be dirt and debris and construction material on the Property, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences which are normal in a community undergoing construction. Purchaser further acknowledges that other units and infrastructure are presently being constructed at the Property and that Seller anticipates that such construction shall continue until the Condominium project is completed in accordance with the Plan. Accordingly, Purchaser agrees that such continuing construction shall not be deemed a nuisance nor an interference with Purchaser's quiet enjoyment of the Unit after Closing. This Paragraph shall survive Closing and the delivery of the deed.

21) **PURCHASER'S DEFAULT** - If Purchaser fails to appear and close title in accordance with this Purchase Agreement on the date and at the time and place stated in Seller's Notice for Closing, or if Purchaser fails to observe or perform any other thing to be observed or performed by Purchaser under this Purchase Agreement, Seller may send Purchaser a written notice of default giving Purchaser thirty (30) days from the date of such notice to cure any such default. Upon Purchaser's failure to cure such default within such thirty (30) day period, this Purchase Agreement shall, at Seller's option, be deemed canceled and Seller shall have the right to retain as and for liquidated damages, all sums paid by Purchaser to Seller on account of the Purchase Price plus all additional sums paid and/or payable by Purchaser for all Extras ordered by Purchaser, together with all interest credited thereon, if any, which total amount Purchaser acknowledges to be fair and reasonable.

The notice of default shall be deemed notice to the Purchaser by the Escrow Agent of the Escrow Agent's intent to release the funds being held in escrow on behalf of the Purchaser pursuant to the dispute resolution provisions of the Attorney General's escrow regulations as described in Section XII of the Offering Plan.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE SUCH DEFAULT WITHIN SUCH THIRTY (30) DAY PERIOD.

Upon cancellation of this Purchase Agreement for Purchaser's failure to timely cure any such default, Seller shall be released and discharged of all further liability and obligations to Purchaser under this Purchase Agreement. Thereafter the Unit may be sold or disposed of as though this Purchase Agreement had never existed and without any accounting to Purchaser for the proceeds of any subsequent sale. The foregoing remedy shall be in addition to any and all other remedies available to Seller under this Purchase Agreement or at law for any default by Purchaser under this Purchase Agreement.

22) **SELLER'S RIGHT TO CANCEL** - Seller may cancel this Purchase Agreement by forwarding a full refund of the Downpayment and the funds paid for Extras to Purchaser together with written notice of cancellation in the event of the occurrence of any of the following:

(a) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from Seller's regular suppliers or from using same in the construction and/or completion of the Unit ; or

(b) Seller is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, act of God or national emergencies; or

(c) the installation of public utilities is restricted or curtailed; or

(d) should zoning and/or building restrictions and regulations, imposed by any governmental body having jurisdiction over the construction of residential housing and appurtenances, either presently in effect or as enacted or promulgated in the future, create or impose requirements upon the Seller which are not presently contemplated; or

(e) the Plan is abandoned, withdrawn or not consummated for any reason.

Upon such cancellation and refund, this Purchase Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Purchase Agreement and the Offering Plan.

23) **INABILITY OF SELLER TO TRANSFER OWNERSHIP** - Except for Seller's willful default, if Seller is unable to transfer ownership of the Unit in accordance with this Purchase Agreement, Seller shall only be liable to Purchaser for the return to Purchaser of the Downpayment and the funds delivered by Purchaser to Seller for Extras. Thereafter, this Purchase Agreement shall be deemed canceled and neither party shall have any further liability to the other in connection with this Purchase Agreement or transaction. Seller shall not be required to commence any action or proceeding or incur any expense in order to remove the condition which prevents Seller from transferring ownership of the Unit in accordance with this Purchase Agreement.

24) **PROHIBITION AGAINST ASSIGNMENT OR RECORDING OF PURCHASE AGREEMENT** - Neither this Purchase Agreement nor Purchaser's interest hereunder may be assigned by Purchaser without the written consent of Seller. In addition, neither shall this Purchase Agreement nor any memorandum thereof be recorded in the office of any county clerk or the Register's Office of the City of New York, County of New York by Purchaser or anyone on Purchaser's behalf. Should Purchaser violate the provisions of the foregoing sentence, this Purchase Agreement, at Seller's option, shall become null and void, whereupon all rights of the Purchaser shall cease and terminate and Seller shall have the right to retain the Downpayment and all amounts paid by Purchaser for Extras, as and for liquidated damages on account of such default by Purchaser pursuant to the provisions of Paragraph 21 hereunder.

25) **PROHIBITION AGAINST SIGNS ON UNIT** - Purchaser shall not place any sign anywhere on the Unit or Property at any time within three (3) years after Closing without Seller's prior written consent and subject to any approvals from the Landmarks Preservation Commission. This Paragraph shall survive delivery of the deed.

26) **PROHIBITION AGAINST ADVERTISING OF UNIT FOR SALE** - From and after the date hereof, Purchaser shall not place an advertisement for the sale of the Unit in any newspaper or other publication or media, or list the Unit with any real estate broker prior to Closing. Such action will constitute a material breach of this Purchase Agreement entitling Seller to retain monies paid on account of the Purchase Agreement plus the cost of Extras as liquidated damages.

27) **NO BROKER CONSULTED BY PURCHASER** – Purchaser represents that no broker other than Seller's broker, _____ (the "Broker") brought about this sale, and Purchaser agrees to indemnify Seller against any claim brought by any other broker for brokerage commission based upon Purchaser's acts. Seller shall pay the Broker pursuant to separate agreement. In the event Purchaser is represented or has consulted with an outside broker (other than the Broker), Purchaser shall be responsible for all costs and commissions associated therewith and Seller shall not be responsible for any co-broker commission. This Paragraph shall survive Closing and delivery of the deed.

28) **TRUST FUNDS** - The Downpayment and all other deposits or advances made by Purchaser prior to Closing shall initially be held in a segregated escrow account held by Certilman Balin Adler and Hyman, LLP, 90 Merrick Avenue, East Meadow, New York 11554 (the "Escrow Agent") pursuant to an Escrow Agreement between Seller and the Escrow Agent, in the form set forth in Schedule L of the Plan and pursuant to the provisions of Sections 352-h and 352-e (2-b) of the New York State General Business Law and the escrow regulations promulgated thereunder by the Department of Law of the State of New York as disclosed in Section XII of the Offering Plan. Said funds shall be held in an Interest Account in an account entitled "Certilman Balin Adler and Hyman, LLP/77 Reade Street Escrow Account" at Capital One, N.A., 275 Broadhollow Road, Melville, New York 11747. All interest earned in the escrow account will be paid or credited to Purchaser at Closing. The interest rate to be earned will be the prevailing rate for these accounts which, as of the date of the Offering Plan, is averaging less than one (1%) percent per annum. All instruments shall be made payable to or endorsed to the order of Certilman Balin Adler and Hyman, LLP as Escrow Agent. The deposit by the Escrow Agent of the Downpayment into the Escrow Account shall not be deemed acceptance by the Seller of the Purchase Agreement. The Purchase Agreement shall only be deemed accepted when countersigned by the Seller or Seller's authorized agent. **In addition, although all funds received by Seller for Extras will initially be placed in the Escrow Account; such funds may be released from the Escrow Account as long as Seller uses the funds for such Extras. In the event Purchaser is entitled to a right of rescission, the return of their Downpayment shall <u>not</u> include any funds paid towards Extras.** At Closing the Downpayment shall be paid to Seller upon consummation of the Closing and execution of this Purchase Agreement shall be deemed a writing executed by both Seller and Purchaser authorizing the Escrow Agent to release said funds to Seller at Closing. Purchaser shall execute the Tender of Escrow form, as set forth in Schedule D-5 and complete the form W-9 as set forth in Schedule D-6 of the Plan upon execution of this Purchase Agreement; and shall

execute the Release form, as set forth in Schedule D-2 of the Plan, at Closing. Purchaser should also provide Seller with a copy of their driver's license at the time of the execution of this Purchase Agreement.

29) **NOTICES** - Any notices, statements, certificates, requests or demand required or permitted to be given or delivered under this Purchase Agreement shall be in writing and may be sent by mail, overnight courier or personal delivery, addressed to Purchaser or to Seller, as the case may be, at their respective addresses shown at the beginning of this Purchase Agreement, or to such other address as Purchaser or Seller may designate in the manner herein provided, or to their respective attorneys. Such notice, statement, certificate, request or demand shall be deemed to have been given

(a) when delivered to an overnight courier service, if sent by overnight courier,

(b) upon personal delivery actually being made, and

(c) upon receipt or first refusal of delivery or inability of delivery after delivery to the United States Post Office with proper postage prepaid, if sent by regular mail, registered or certified mail return receipt requested.

Notwithstanding the foregoing, any notice of default must be delivered only by overnight courier service, personal delivery, or certified mail return receipt requested.

30) **PURCHASER GENERAL REPRESENTATIONS** - Purchaser represents that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements, written or oral, of any nature, including but not limited to, any of the above relating to the description or physical condition of a Condominium building or the Unit or the Property, the size or the dimensions of the Unit or the rooms therein contained or any physical characteristics thereof, the services offered by the Condominium, the estimated Common Charges for the Unit or any other matter or estimate not set forth herein and in the Plan. Purchaser further represents that Purchaser has not relied on any verbal or written representations made by the Broker or any other agent of Seller. Purchaser further acknowledges having had full opportunity to examine all documents and investigate all facts referred to and stated herein and in the Plan. Purchaser agrees that the Seller shall have no liability or responsibility to Purchaser and that Purchaser will not be relieved from his or her obligations hereunder, by reason of any inaccuracy or error in the layout or dimensions of the Unit so long as the layout and specifications as they may be changed or amended are in accordance with the provisions of the Plan. Purchaser understands and acknowledges that the Seller cannot guarantee a firm completion and availability date for the Unit and agrees that the Seller shall not be obligated to make, provide or compensate for any accommodations or costs to Purchaser as a result of construction delays nor shall such delays serve to cancel, amend or diminish any of Purchaser's obligations hereunder.

31) **ACKNOWLEDGMENT THAT THERE ARE NO OTHER UNDERSTANDINGS** - All prior understandings and agreements are hereby superseded and merged into this Purchase Agreement, which alone contains the final and entire understanding and agreement between Seller and Purchaser. Neither Seller nor Purchaser shall be bound by any terms, conditions, statements, or representations, oral or written, not set forth in this Purchase Agreement or in the Offering Plan. Purchaser acknowledges that Purchaser is buying a Unit in a condominium development which may not yet have been formed at the time this Purchase Agreement is signed, and that, except as stated in this Purchase Agreement, the Declarations, By-Laws, Exhibits, Schedules and Plan, Purchaser has not relied on any representations or other statements of any kind or nature made by Seller or anyone else except as set forth in the Plan or any amendment thereto and this Purchase Agreement, including but not limited to, the description, size or dimensions of the Unit or rooms therein, or the estimated common charges, or other expenses relative thereto.

Purchaser also acknowledges that none of Seller's representatives has the authority to modify this Purchase Agreement or to make any oral promise, agreement or representation inconsistent or contrary to the terms of this Purchase Agreement. This Purchase Agreement may be changed only by a written document signed by both Purchaser and Seller's Authorized Agent. The invalidity or unenforceability of any particular provision of this Purchase Agreement will not affect the other provisions, and this Purchase Agreement will be interpreted in all respects as if such unenforceable provisions were omitted.

32) **RISK OF LOSS** - The risk of loss or damage to the Unit by fire or any other cause until delivery of the deed is assumed by Seller. In the event a substantial portion of the Unit or Condominium shall be destroyed or damaged prior to Closing, Seller shall be entitled to cancel this Purchase Agreement by written notice to Purchaser, together with a check in the amount of the Downpayment paid by Purchaser, with interest, if any; however, Purchaser will not receive a refund of any funds paid for Extras. The parties shall thereafter be released from any further liability hereunder. However, if Purchaser is or becomes the occupant or tenant of the Unit prior to Closing, then as of the date of Purchaser's occupancy, Purchaser shall be responsible for all damage caused by any acts or omissions of Purchaser, Purchaser's agents, employees or invitees.

If any part of the Unit is damaged or destroyed by any casualty prior to Closing, Seller will have the option to restore the Unit to its previous condition as soon as reasonably possible. In the event Seller elects to restore the Unit, then the Closing Date and any other applicable date or deadline will be extended in a reasonable manner by Seller. Seller agrees to notify Purchaser of Seller's decision within ten (10) business days of the date of such casualty. In the event Seller elects not to restore the Unit, then this Purchase Agreement will terminate and Purchaser will receive a full refund of all monies paid to Seller. The parties shall thereafter be released from any further liability hereunder.

33) **DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ELEMENTS** - Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Elements on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This Paragraph shall survive Closing and delivery of the deed.

34) **STRICT COMPLIANCE; SEVERABILITY; WAIVER OF TRIAL BY JURY** - Any failure by Seller to insist upon strict performance by Purchaser of any of Purchaser's obligations under this Purchase Agreement shall not be deemed a waiver of such obligations, and Seller may at any time insist upon strict performance by Purchaser of any and all obligations to be performed by Purchaser under this Purchase Agreement irrespective of the number of times Purchaser failed to strictly comply with such obligations in the past. If any part of this Purchase Agreement or the Plan is invalid or unenforceable with respect to a particular individual or circumstance, the remainder of this Purchase Agreement or the Plan and the applicability to other individuals or circumstances shall not be affected thereby but shall continue in full force and effect. Purchaser waives all rights to trial by jury in any action, proceeding or counterclaim in any way arising out of or relating to this Purchase Agreement or the Plan. Purchaser agrees to pay all court fees, including reasonable attorney fees, should Purchaser bring an action against Seller in any court of proper jurisdiction (including small claims court) and be unsuccessful. Further Purchaser agrees to waive the right to file a Lis Pendens if not filed within sixty (60) days of the cancellation of this Purchase Agreement.

Purchaser and Seller hereby waive trial by jury in any action, proceeding or counterclaim arising out of this Purchase Agreement, provided such waiver is not prohibited by any laws of the State of New York. Any action or proceeding brought by either party hereto against the other, directly or indirectly, arising out of this Purchase Agreement, shall be instituted in a court in New York County and all motions in any such action shall be made in New York County.

This Paragraph shall survive Closing and delivery of the Deed.

35) **LIEN OF DEPOSIT** - All sums paid on account of this Purchase Agreement are hereby made liens upon the Unit, but such liens shall not continue after default by the Purchaser under this Purchase Agreement.

36) **MISCELLANEOUS -**

(a) The start of any activity by Seller in connection with the Unit is not to be deemed a waiver of any of Seller's rights under this Purchase Agreement.

(b) The personal property referred to in this Purchase Agreement shall be deemed conveyed by the deed, and no part of the Purchase Price shall be deemed allocated to such personal property.

(c) The attorneys representing the Seller or any Lender represent such parties only and not the Purchaser. The Purchaser may retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.

(d) The delivery of the deed for the Unit to Purchaser or Purchaser's representative at Closing shall be deemed to mean that all things required to be done by Seller under this Purchase Agreement have been done and that Purchaser shall not claim otherwise except as to those things, if any, which are specifically stated in this Purchase Agreement or in a separate writing signed by Seller or Seller's attorney on Seller's behalf, to survive or continue beyond Closing or delivery of the deed.

(e) The paragraph headings set forth in this Purchase Agreement are inserted solely for convenience of reference and in no way deemed to affect, amend, define, describe or limit the scope or intent of the provisions set forth in this Purchase Agreement.

(f) No provision of this Purchase Agreement may be changed, waived, discharged, or terminated orally, by telephone, or by any other means, except an instrument in writing signed by the party against whom enforcement of such change, waiver, discharge, or termination is sought and then only to the extent set forth in such instrument.

(g) Any singular word or term herein shall also be read as in the plural whenever the sense of this Purchase Agreement may require it. The use of the masculine gender shall be deemed to refer to the feminine gender, or neuter, whenever the context so requires.

(h) If two (2) or more persons are named as Purchaser in this Purchase Agreement, (i) each person shall be jointly and severally liable for payment, observance and performance of all obligations under this Purchase Agreement and (ii) anyone of them is hereby made agent for the other in all matters of any and every kind or nature with respect to the Unit and/or this Purchase Agreement. The act, assent, election or approval by one shall conclusively constitute the act, assent, election and approval by all.

(i) The provisions of this Purchase Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.

(j) This Purchase Agreement shall not be binding or effective until fully executed and delivered by Seller and Purchaser.

(k) Seller represents that its Federal Employer Identification Number is _____; and Purchaser represents that his/her/their social security number(s) is _____ and _____.

(l) In the event any portion of this Purchase Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Purchase Agreement and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had never been part of this Purchase Agreement.

(m) The parties agree that this Purchase Agreement shall be governed by, and construed in accordance with the laws of the State of New York.

37) **FLOORING -** Purchaser acknowledges and agrees that they will not be permitted to install any finished floor exceeding one (1") inch above the concrete slab, unless prior approval is provided by Seller's architect as long as the Seller continues to retain at least (1) Unit in the Condominium and, thereafter, by an architect approved by the Board of Managers of the Condominium.

38) **CERTIFICATES AND MANUFACTURERS' WARRANTIES LIABILITY OF SELLER FOR DEFECTS (ONE-YEAR PERIOD)-** At the Closing of Title the Seller will deliver the certificates and warranties delivered to them and transferable to Purchaser, or to the Condominium, and it is further agreed that title will not close without Purchaser's consent until a temporary or permanent Certificate of Occupancy has been issued covering the Commercial Unit sold to the Purchaser. Seller's liability pursuant to the manufacturers' warranties covering heating, electric, plumbing and roofing are limited solely to the extent that such warranties are delivered to Seller, transferable to the Purchaser or to the Condominium and then only as against such manufacturer. In addition, however, Seller will promptly correct any defects in the construction of the Commercial Unit or the building containing such Commercial Unit or in the installation or operation of any mechanical equipment therein due to material or improper workmanship substantially at variance with the plans and specifications, provided only that it is notified of such defects in writing by certified mail within one year from the date of closing of title to the Commercial Unit in which the alleged defects exist. No steps taken by Seller to correct any defect shall act to extend the warranty period. Seller accepts no responsibility for incidental or consequential damage caused by any defect.

These warranties are extended to the named Purchaser and are not extended to any subsequent Purchaser nor to any mortgage lender who takes title or possession of the Commercial Unit. These warranties shall be void if Purchaser misuses, abuses or otherwise interferes with or changes Seller's original construction or installations. Sponsor disclaims any implied warranties, including the warranty of merchantability, habitability, and workmanlike construction. The provisions of this Paragraph shall survive the closing of title and the delivery of the deed.

39) **NOTICES TO PURCHASER - YOU, AS THE PURCHASER OF THE UNIT, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.**

WHEN SIGNED BY SELLER AND PURCHASER (OR PURCHASER'S AUTHORIZED AGENT), THIS PURCHASE AGREEMENT WILL BECOME A LEGALLY BINDING AGREEMENT. PURCHASER SHOULD MAKE SURE THAT ALL PROVISIONS ARE READ AND UNDERSTOOD BEFORE SIGNING. IF PURCHASER DOES NOT UNDERSTAND ANY PROVISION, PURCHASER SHOULD SEEK LEGAL ADVICE.

PURCHASER MUST BE GIVEN A COPY OF THE PLAN PRIOR TO THE SIGNING OF THIS PURCHASE AGREEMENT. BY SIGNING THIS PURCHASE AGREEMENT, PURCHASER ACKNOWLEDGES RECEIPT OF THE OFFERING PLAN AND THAT PURCHASER HAS HAD AN OPPORTUNITY TO READ THE OFFERING PLAN AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SIGNING THIS PURCHASE AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase Agreement as of the date first above written.

PURCHASERS:

_____
Signature

_____
Signature

77 READE, LLC

By:_____

FORM FOR THE RELEASE OF ESCROW FUNDS

Date

Certilman Balin Adler & Hyman, LLP
Attn: Richard Herzbach, Esq.
90 Merrick Avenue
9th Floor
East Meadow, New York 11554

Re: **77 Reade Street Condominium**
Purchaser:
Unit #:

Dear Sirs:

You have been holding in a trust account my/our downpayment for the above-referenced Unit in the amount of $_____. I/we acknowledge that a Closing has taken place this date. Accordingly, Certilman Balin Adler & Hyman, LLP is authorized to release the funds being held in said amount to whomever the Sponsor so designates. In addition, Certilman Balin Adler & Hyman, LLP, as Escrow Agent on said account, is hereby released from any and all liability or further obligation to us with respect to said downpayment.

Very truly yours,

_____
Purchaser

_____
Sponsor's representative

SCHEDULE D-2

WAIVER OF NOTICE OF CLOSING

STATE OF)
)ss.:
COUNTY OF)

_____, being duly sworn, does hereby depose and state:

1. I am the Purchaser of Unit # ____ at 77 Reade Street Condominium.

2. Pursuant to a Purchase Agreement dated _____, 200____, I am entitled to thirty (30) days' written notice of the Closing for my Unit.

3. I hereby waive the applicable notice provision contained in the Purchase Agreement and agree to close on _____, 200___.

_____
Purchaser

Sworn to before me this
day of , 20 .

_____
Notary Public

SCHEDULE D-3

EXPRESS ASSUMPTION OF RISK

I/We _____ understand that by entering onto a construction site, there are extraordinary risks of grave bodily injury and/or death. In consideration for being allowed to enter upon the premises herein, I expressly assume all risks associated with the construction site, including but not limited to:

1. Falling debris;
2. Falls associated with excavations, uncleared ice and/or snow incomplete sidewalks and roads and downed trees and/or bushes;
3. Injuries associated with incomplete construction;
4. Injuries associated with operating machinery;
5. Injuries associated with incomplete or no railings; and
6. Injuries associated with incomplete and/or insufficient lighting.

I/We _____ further agree to fully indemnify and hold harmless 77 Reade, LLC, its members, officers, directors, principals, shareholders, successors and assigns for any and all damage to any personal property.

_____

_____

SCHEDULE D-4

TENDER OF ESCROW DEPOSIT

Date: _____

Tender of Deposit of $_____, for Unit _____ at 77 Reade Street Condominium located at 77 Reade 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 or Position

Date of Receipt: _____

SCHEDULE D-5

Form **W-9** (Rev. October 2007)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership
☐ Limited liability company. Enter the tax classification (D=disregarded entity, C=corporation, P=partnership) ▶ .....
☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

or

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here Signature of U.S. person ▶ Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

• The U.S. grantor or other owner of a grantor trust and not the trust, and

• The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). Check the "Limited liability company" box only and enter the appropriate code for the tax classification ("D" for disregarded entity, "C" for corporation, "P" for partnership) in the space provided.

For a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line.

For an LLC classified as a partnership or a corporation, enter the LLC's name on the "Name" line and any business, trade, or DBA name on the "Business name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 7[2]

[1] See Form 1099-MISC, Miscellaneous Income, and its instructions.

[2] However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting *www.irs.gov* or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt payees, see *Exempt Payee* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner [3]
For this type of account:	**Give name and EIN of:**
6. Disregarded entity not owned by an individual	The owner
7. A valid trust, estate, or pension trust	Legal entity [4]
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

Call the IRS at 1-800-829-1040 if you think your identity has been used inappropriately for tax purposes.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS personal property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.consumer.gov/idtheft* or 1-877-IDTHEFT(438-4338).

Visit the IRS website at *www.irs.gov* to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

POWER OF ATTORNEY

I (We) residing at _____the owner of Condominium Unit No. ___ in the Condominium known as 77 Reade Street Condominium covering the property located in the City, County and State of New York do hereby nominate, constitute and appoint the Members of the Board of Managers of 77 Reade Street Condominium in c/o 77 Reade, LLC, 636 Broadway, Suite 214, New York, New York 10012 and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf to acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Units in said property, any Condominium Unit whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale, at such price and on such terms as my said attorneys-in-fact shall, in their sole discretion deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Unit so acquired, at such terms as my attorneys-in-fact may in their sole discretion determine, granting to my said attorneys-in-fact the power to do all things in the said premises which I could do if I were personally present.

I (We) do further hereby nominate, designate, constitute and appoint the Members of the Board of Managers of 77 Reade Street Condominium and their successors, jointly, my true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in my name and on my behalf, the right to act in my behalf to take any and all action necessary against any tenant(s) that may be residing in my Condominium Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of 77 Reade Street Condominium.

I (We) do hereby further irrevocably nominate, constitute and appoint 77 Reade, LLC and its successors, my true and lawful attorneys-in-fact coupled with an interest in my name and on my behalf to vote at any Unit Owners meeting for, and to file an amendment to the Declaration of Condominium permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units, as built, and to amend any Filed Map or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium as described in Article Eleventh, Section (c) of the Declaration of Condominium.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, I (we) have set my (our) hand(s) and seal this __ day of _____, 200_.

_____

_____

SCHEDULE E

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

On the _____ day of _____ in the year 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 whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

DEED

THIS INDENTURE made the ___ day of _____, 200_____ between 77 Reade, LLC, a New York limited liability company, having a place of business at 636 Broadway, Suite 214, New York, New York, Party of the First Part and

Party of the Second Part;

WITNESSETH

That the Party of the First Part, in consideration of Ten Dollars ($10.00), lawful money of the United States, and other good and valuable consideration, paid by the Party of the Second Part, does hereby grant and release unto the Party of the Second Part, the heirs or successors and assigns of the Party of the Second part forever,

All that certain piece or parcel of real property, with the improvements therein contained, situate and being a Condominium Unit (the "Residential/Commercial Unit Unit") in the County, City and State of New York, known as Residential/Commercial Unit Unit No. _____ together with Garage Parking Space Unit No. ___, Garage Storage Space Unit No. ____ (if applicable) in the Condominium known as 77 Reade Street Condominium, said Residential/Commercial Unit designated and described as Residential/Commercial Unit No. ____ and said Garage Parking Space Unit designated and described as Garage Parking Space Unit No. ___ (if applicable) in the Declaration establishing a plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), dated and recorded in the Office of the City Register, New York County (the "Register's Office") on _____in Reel _____page ___ and also designated as Tax Lot _____ in Block _____ of Section ____ of New York County on the Tax Map of the Real Property Assessment Department of the City of New York, and on the Floor Plan of said building certified by _____on _____and filed with the Real Property Assessment Department of the City of New York on _____as Condominium Plan No. _____, and also filed in the Register's Office on _____ as Condominium Plan No. _____, Map No. _____.

TOGETHER with an undivided _____% (combined Residential/Commercial Unit/Garage Parking Space Units/Garage Storage Space Unit, if applicable) interest in the Common Elements.

The premises within which the Residential Unit is located are more particularly described as follows:

(PROPERTY DESCRIPTION)

TOGETHER with the appurtenances and all the estate and rights of the Party of the First Part in and to said premises.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, regulations and easements all as set forth in the Condominium Documents filed and recorded as aforesaid.

SUBJECT TO: The provisions of the Declaration, By-Laws, site plan and floor plans of the Condominium as the same may be further amended from time to time by instruments recorded or filed in the Register's Office of the City of New York, New York County, which provisions, together with any amendments thereto shall bind any person having at any time any interest or estate in the Residential Unit, as though such provisions were recited at length herein.

TO HAVE AND TO HOLD the premises herein granted unto the Party of the Second Part, the heirs or successors and assigns of the party of the second part forever.

AND the party of the First Part covenants that the party of the First Part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the Party of the First Part, in compliance with Section 13 of the Lien Law, covenants that the Party of the First Part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for purpose of paying the cost of the improvement before using any part of the total of the same for any other purposes.

The use for which the Residential Unit is intended is that of a one family residence or non-residential use, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

The use for which the Commercial Unit is intended is Commercial Facilities as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

The use for which the Garage Parking Space Unit is intended is for parking of an automobile.

The use for which the Garage Storage Space Unit is intended is for storage of household items.

This conveyance is made in the regular course of business actually conducted by the Party of the First Part.

The word "Party" shall be construed as if it read "Parties" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Party of the First Part has duly executed this deed and the Party of the Second Part has duly assumed the mortgage therein referred to, the day and year first above written.

77 READE, LLC

By:_____

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

On the _____ day of _____ in the year 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 whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his or her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

77 READE STREET
NEW YORK, NEW YORK
June 5, 2007

The report which follows is intended to outline generally the nature of the work, materials and equipment to indicate the contemplated character of the building.

A. Location of Property

1. The building is located at 73-77 Reade Street / 93-95 Chambers Street, in the borough of Manhattan, City of New York. The building is located through lot from Chambers Street to Reade Street, roughly mid-block between Church Street and Broadway. The building is also located within the Tribeca South Historic District and area A-3 of the Tribeca Mixed Use District (TMU).

2. The building is situated on Block No.: 149, Lots No. 9 and 11. Upon completion of construction, each residential and each commercial unit will have an individual tax lot designation. In addition, each parking unit and the garage storage unit will have an individual tax lot designation.

3. Based on a Survey prepared by Angelo Fiorenza, dated August 24, 2006, the approximate Lot Area of combined Lots No. 9 and 11 is 11,714 square feet. Strict visibility limitations have been observed during the design of the building's mass, as prescribed by the Landmarks Preservation Commission. After development, there will be no residual residential or commercial development rights.

4. The Legal uses proposed will be as per the approved Department of Buildings Application. The proposed use is general residential above the First Floor. The First Floor and Cellar will be mixed-use, residential and commercial. The commercial uses allowed are defined by Use Group 6 of the Zoning Regulation. Permitted uses included within this use group consist primarily of retail stores and personal service establishments or offices. Examples of such uses include retail stores, art galleries, banks, barbershops, tailors, dry cleaners and professional offices.

5. The completed project will comply with the requirements of Local Law 58, providing Handicapped Accessibility to the building's common elements and an accessible path to all units.

6. The Landmarks Preservation Commission has reviewed the new Construction proposal. Final review and approval was granted November 14, 2006. Further amendments are in progress. The landmark status of the building's location within the Tribeca South Historic District is a special risk of this offering.

B. Status of Construction

1. The project site consists of the following: 77 Reade Street (Lot 11) was formerly five-story retail, plus cellar and sub cellar, fronting both Reade and Chambers. 73-75 Reade Street (Lot 9) was formerly a parking lot fronting Reade, with a one story plus cellar and sub cellar retail component fronting Chambers. Richard S Kessler, P.E. has performed subsurface investigation and soils analysis. See subsection E. for the results of such analysis.

2. Class of Construction will be 1-C Non-combustible, 2 hour protected, and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code"). The design has been approved by LPC and DCP. The plans were approved by the Department of Buildings on May 28th, 2008, under Permit Number 110049750-01-AL issued June 4, 2008.

3. Certificate of Occupancy: After completion of construction, the Developer will apply for (1) Certificate of Occupancy (preceded, if appropriate, by temporary Certificates of Occupancy) for the Building from the Department of Buildings of the City of New York. A temporary Certificate of Occupancy will be obtained prior to the closing of the first unit.

4. Description of Work: This new building project can most generally be described as being comprised of the following two elements, which will be called "Combined Building":

   1) New Construction (73-75 Reade St. a.k.a. 93 Chambers St.): New 7 story plus penthouse, cellar, and sub cellar cast concrete and masonry building, connected at each floor to 77 Reade Street (see #2). A new concrete and masonry penthouse extends from the seventh floor of the new structure, above the existing structure at 77 Reade Street (see #2).
   2) Existing Building (77 Reade St. a.k.a. 95 Chambers St.): Gut-renovated 5 story plus cellar and sub cellar masonry and wood joist framed building originally built in the 1853. Each floor connects to the new portion (see #1) creating:
      a. Six apartment units per floor on the second, third, and fifth floors.
      b. Four apartment units on the fourth floor.
      c. Three apartment units on the sixth floor.
      d. Two duplex units on floors six and seven.
      e. One triplex unit on floors six seven and penthouse.
      f. Two duplex units on floors seven and penthouse.

   The project is more specifically described in outline form in this report. This report is based on a visual inspection of the premises, and a review of the construction documents prepared by BKSK Architects, LLP, and approved by the New York City Department of Buildings, the Department of City Planning, and the Landmarks Preservation Commission.

   Selective demolition of 77 Reade which will lead to excavation and construction of the combined building began on December 17, 2007, and the developer anticipates completion by December, 2009, unless delayed by weather, strikes, lockouts, acts of God, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements, or such delays inherent to the construction process, or any other cause over which the Developer has no control.

C. Site

1. Based on a Survey prepared by Angelo Fiorenza, dated August 24, 2006, the approximate Lot Area of combined Lots No. 9 and 11 is 11,714 square feet.

2. There will be one building foundation for the "Combined Building" a.k.a. 77 Reade Street.

3. Sidewalks and Streets:
   a) The street pavement of Reade and Chambers streets consists of asphalt and concrete paving with a steel-faced concrete curb in fair condition. There are no interior streets, or sidewalks on the site.
   b) There will be one driveway and curb cut provided on Reade Street for accessory parking.
   c) Chambers Street and Reade Street are presently pitched to drain through existing catch basins into the New York City storm water drainage system.
   d) Present street lighting is provided by pole mounted mercury-vapor fixtures, which appear to be in good condition.
   e) All items above will comply with the requirements of the New York City Highways, Buildings, and Fire Departments, as well as Landmarks Preservation Commission.

4. Drives Sidewalks and Ramps:
   a) The existing concrete sidewalk is outside the property line and is generally in fair condition. Concrete sidewalks will be replaced and five street tree planters will be provided. (Three on Chambers, and two on Reade.)
   b) The existing steel-faced concrete curb is outside the property line and is generally in fair condition. Curbs will be replaced in-kind.
   c) All sidewalks and curb cuts will comply with the requirements of the New York City Highways, Buildings, and Fire Departments, as well as Landmarks Preservation Commission.

D. Utilities

Water supply and combined sewer servicing the Building will be provided by the City of New York. The Building water service will be collectively metered. The service for the Commercial spaces will be sub-metered and this usage will be subtracted from the building to determine the Residential usage.

The fire water service is pumped directly into the building and metered through a bypass water meter.

Gas will be provided by Con Edison and will be collectively metered. Commercial gas will be separately metered. Electrical service will be provided by Con Edison, a public service company, and will be individually metered to each residential unit, and separately to the commercial unit. The Building will be wired for telephone and cable television. It will be a purchaser's obligation to purchase telephones and arrange for telephone and cable services for his or her unit. Water supply for the Sprinkler/ Standpipe System for the Building will be from water services entering the building as per the Department of Buildings of NYC code, metered through a bypass water meter. Sanitary and storm sewer mains are located below grade on Reade Street and are serviced and maintained by the City of New York.

E. Sub-soil Conditions

A subsurface investigation and analysis report was prepared by Richard S. Kessler, P.E., which presents the results of an investigation consisting of test borings and test pits. The structural engineer has designed footings and foundations that take into account the recommendations of these evaluations.

The soils report and borings indicate the presence of ground water at depths approximately 34'-0" below grade. Preventive measures are being taken in the design of foundations and waterproofing to protect from moisture infiltration. Should the ground water situation change from the geotechnical report, additional remedial provisions may be needed.

F. Landscape & Enclosure

There are two 1,200SF courtyards separated by the building's stair and elevator core. Two private terraces will be provided at each of these courtyards, serving a total of four second floor units. These private terraces will be separated by cement board clad steel stud dividers. Deck finish at terraces will be 2" thick, 24"x24" square precast concrete pavers on pedestals, or an equivalent substitution. (See section H4 below for additional terrace locations and descriptions.)

No grass cover exists on site.

G. Building Size

1. The height of the Combined Building (to finished roof) will be approximately 97'-8" above Chambers Street's sidewalk.
2. There will be a full cellar and sub-cellar throughout the Combined Building. The cellar and sub-cellar floor-to-ceiling heights range from 7'-0" to 9'-6".
3. Exclusive of cellar and sub-cellar, the Combined Building contains eight floors.
4. Equipment Rooms: The elevator machine room is located in the sub-cellar directly adjacent to the elevator shaft. The sewer, gas, and water/sprinkler rooms are located in the sub-cellar, along Chambers Street. The electrical room is located on the cellar level along Reade Street.
5. All portions of flat roofs and terraces will have either a parapet, parapet/railing combination, or a railing, each of which will be a minimum of 3'-6" in height above the roof.

H. Structural Construction Systems

1. Building Structure:

The Combined Building's foundation consists of an existing and new foundation that will be structurally tied together. The new construction's foundation, including column footings, will be cast-in-place reinforced concrete; mat slab foundation and walls. The existing foundation's construction is masonry with a stone foundation. It is in good condition with no signs of damage as a result of settlement. There are no signs of moisture seepage. A new cast-in-place reinforced concrete slab on grade will be installed at the sub-cellar. The existing foundation is adequate to handle the loads that will be imposed by the new construction, but will require underpinning.

The Combined Building's superstructure, including floor slabs, will be cast-in-place reinforced concrete at the new construction, tied to existing load-bearing walls of the existing building. The floor slabs of the existing building will be concrete on metal deck spanning the width of the building at the cellar, ground, and portions of the second floor levels. Existing wood floor joists will remain on the second, third, fifth, and sixth floors.

The existing load-bearing walls' construction is of masonry. They are in good condition and structurally adequate to support the new construction. There are no signs of damage due to settlement or cracking.

The entire Combined Building will be of Non-Combustible construction with a minimum of 2 hr. Fire Rating for all structural members. The new building's interior demising walls separating apartments from core elements will be 2-hour fire rated.

1a. Building Exterior:
This Combined Building is located within the TriBeCa South Historic District and is in full compliance with the standards established by the Landmarks Preservation Commission. The Combined Building's facades and finishes being installed must be maintained and cannot be altered unless subsequent approvals are obtained from the Commission, including windows and doors.

Exterior Finishes:

i. New Construction: The North and South street facades are finished with limestone, granite, and aluminum windows and doors. Windows on the Chambers Street façade are adorned with painted steel lintels that project beyond the face of the building at typical openings, and painted steel jambs at selected openings. The storefronts at the ground floor are finished with glass and painted steel. EIFS is incorporated into the seventh floor façade above the existing building only.

ii. Existing Building: The base of the north façade (Reade Street) is finished with existing cast iron columns, a brownstone cornice, and new painted wood and glass storefront at the ground floor. The upper floors are finished with brick masonry, cast stone lintels and sills, painted wood windows, and capped by a painted sheet metal cornice. The base of the south façade (Chambers Street) is finished with a granite and limestone, and contains an ornamental bronze and glass storefront. The upper floors are finished with brick masonry, painted steel lintels, and painted wood windows and mullions. There is a copper cornice at the top of the building, as well as a second copper cornice set on solid copper brackets below the upper floor windows. The lower cornice holds a painted wrought iron railing.

Courtyards: The facades of the two new courtyards are finished with cement board rain screen cladding, double hung aluminum windows, and painted aluminum copings.

The Combined Building complies with New York State Energy Code regulations.

Local Law 10 is not applicable to this project, however Local Law 11 is. The building owner will furnish an inspection report upon completion of construction.

The windows and terrace doors of the Combined Building will be new insulated wood and aluminum with profiles that meet the standards of the Landmarks Commission. Wood windows are Marvin double hung "Magnum" series. Windows are a combination of fixed, operable double hung and casement types. The manufacturer will submit a warranty that guarantees materials and workmanship of windows for up to ten years, covering repair or replacement of all defective window parts. There are no Lot-Line Windows in this project.

2. Parapets and Coping:
Parapets of the new construction will be of stone or steel clad CMU pier construction tied to the terrace or roof slab with reinforcing bars, with painted steel railings where required.

Parapets of the existing building will be of brick construction tied to the roof slab, with painted steel railings. A new cast stone coping will be provided on the Chambers Street façade. All top and side joints of projecting cornices and parapet copings will be properly sealed.

3. Chimneys and Caps:

i) Any wood-burning fireplace will be provided with a concrete refractory flue, and will be enclosed in two hour rated construction.

ii) A refuse and recycling chute of heavy gauge steel, enclosed by 3 hour fire rated wall construction is to be located near the passenger elevators in the core of the Combined Building. The refuse chute is accessible on all residential floors except the Penthouse.

iii) The boilers & domestic hot water heaters for the building will vent through a single flue through the roof.

4. Balconies and Terraces:

a. Private terraces and balconies are provided at residential units as noted in section W, "Unit Information". Deck finish at terraces will be 2" thick, 24" x 24" square precast concrete pavers on pedestals, or an equivalent substitution. Roof drains will be installed on all terraces.

b. All terraces will be enclosed with a masonry or stone parapet to a height of 3'-6", or with a hot-dipped galvanized steel guardrail of the same height, or a combination thereof. The guardrail will be field primed with one coat of acrylic metal primer, followed by two top-coats of urethane alkyd enamel.

c. New stone or sheet metal copings will be provided on the Existing Building. All New Construction will have Painted steel copings at the street facades and stone copings at the penthouse levels.

d. Doors to private terraces on the Combined Building will be aluminum doors with insulated glass.

5. Exterior Entrances:

The Combined Building will have multiple entrances as follows. The entrance to the Residential Lobby will be located at the western end of 77 Reade. The entrance is accessed directly from the sidewalk. The entrance doors will be glass and wood. Entrances to the commercial spaces are provided along Chambers, directly from the sidewalk. There will be two remotely located aluminum and glass entrance doors to the commercial space of 93 chambers. There will be a single pair of glass and bronze entrance doors to the commercial space of 95 Chambers. There will be a shared residential/commercial wood exit door approximately at the center of 77 Reade.

i) Exterior Doors and Frames: The Residential Lobby will be entered directly from the exterior by a wood and glass door. Any modifications to the exterior will require approval of the Landmarks Preservation Commission.

ii) Vestibules, Doors and Frames: An entry vestibule will be provided at the residential entry of 77 Reade with a glass and aluminum exterior door.

iii) Exterior Stairs: N.A.

v) Mail Boxes: Mail is to be placed in government-approved individual mailboxes located in the residential lobby.

vi) New Exterior Lighting will be provided at the exterior entrance in compliance with New York State Multiple Dwelling Law.

6. Service Entrances: N.A.

7. Roof and Roof Structures

i) Types:

a) Material: Stone ballast or precast concrete pavers over rigid insulation over drainage panel over fabric reinforced hot fluid-applied rubberized asphalt roofing over concrete deck. Residential Roof setback Terraces receive precast pavers on pedestals in lieu of stone ballast.

b) Insulation: Minimum 4" rigid insulation

"R" value of roofs R = 20.

"R" value of exterior walls at penthouse limestone facades:
2" stone,
2" air space,
8" cmu,
1" air space,
3 5/8" steel stud with 3 ½" batt insulation
5/8" gwb
Exterior wall at stone R = 14

"R" value of exterior walls at penthouse cement board facades:
3/8" cement board
1" air space,
5/8" exterior gwb
6" batt insulation
5/8" gwb
Exterior wall at cement board R = 21

c) Surface Finish: Precast pavers as deemed appropriate at all walking surfaces.

d) Expected Useful Life: 10 years, with a manufacturer's 10 year warranty.

e) Flashing Material: Stainless steel or reinforced fabric base and counter flashing. Parapet Finish: Existing brick at Existing Building or limestone at New Construction.

ii) Drains:
Material and Type: New Cast-iron body, 12" diameter dome or 13 1/4" square roof drains will be provided at all roof locations as required.

iii) Skylights:
There will be either vented skylights with wire glass or equivalent window at the rooftop fire stair bulkhead, as required by code. A new skylight will be provided for the lobby in the Existing Building open to westernmost courtyard. The skylight will be aluminum with laminated glass. Painted steel guardrails will be provided around the perimeter of the skylight.

iv) Bulkheads:
- a) New Stair Bulkhead: New concrete filled metal pan stairs, or cast in place concrete stairs, with painted concrete masonry unit enclosure will be located within new roof stair bulkhead.
- b) There is an elevator bulkhead adjoining the stair bulkhead and rising approx. 9'-0" above the Penthouse roof. Galvanized steel smoke vent on fusible link in rated roof construction will be provided at elevator shaft top.
- c) No additional enclosed area can be built as-of-right on the building's roofs, or terraces. Any additional roof terrace work, including any terrace paving, plumbing work, electrical work, or terrace structures requires Landmark Preservation Commission approval and a permit from the Department of Buildings

v) Metal Work at Roof Level
- a) Railings: See description of Parapet/Roof Railings (Section G-6).
- b) Hatches to Roof: N.A.
- c) New steel dunnage, or concrete pads, will be provided for mechanical equipment as required.

vi) Roof Top Facilities:
- a) There will be rooftop recreation area (residential common area) for the use of all unit owners.
- b) The condominium management will have unlimited access to all areas of the roof, sub-cellar, and cellar for the purpose of making inspections and repairs.

8. Fire escapes: Not Applicable.

9. Yards and Courts: There are two 1,200SF courts separated by the building's stair and elevator core. Two private terraces will be provided at each of these courtyards serving a total of four, second floor units. These private terraces will be separated by cement board clad steel stud dividers. Deck finish at terraces will be 2" thick, 24"x24" square precast concrete pavers on pedestals, or an equivalent substitution. New Cast-iron body, 12" diameter dome or 13 1/4" square roof drains will be provided at roof paver locations as required. Courtyard walls will be finished in cement board panel, rain screen construction.

10. Interior Stairs:

i) Two new egress (scissor) stairs will be constructed inside a single masonry and/or concrete fire rated enclosure.

ii) Stair Construction: New fire stairs will be either cast in place concrete or concrete and steel pan construction.

iii) Stringers: Steel stringer or cast in place concrete.

iv) Treads: Concrete.

v) Risers: Steel pan or cast in place concrete.

vi) Guard Rails: Steel pipe.

vii) Handrails: Steel pipe.

11. Interior Doors and Frames:

i) All new doors and frames to Service Areas and Public Corridors, including residential unit entrances, shall be painted hollow metal and will meet the New York City Building Code requirements. The apartment interior doors shall be solid core wood doors with painted wood frames.

ii) Stair Doors and Frames: All doors and frames leading to fire stairs or refuse chute shall be hollow metal and will meet the New York City Building Code requirements.

iii) Roof Doors, Cellar Doors and Frames: These doors and frames shall be hollow metal and will meet the New York City Building Code requirements.

12. Elevators

i) There will be (1) new public passenger elevator servicing all levels of the Combined Building. The elevator will be placed within a new shaft, and is to conform to New York City Local Law 87 and 58 requirements. It is to be basement traction passenger elevator, with equipment provided by Hollister Whitney, or equal. The elevator has 2,000 pound capacity with a speed of 350 ft/min, with a capacity of approximately 8 people. All motors, controllers and cables are to be new.

13. Elevator Cabs (All new material and equipment)

i) Floor Material will be rubber tile.

ii) The walls will be covered with metal panels.

iii) The lighting of the cab will be fluorescent down-lighting.

iv) The doors to the shafts are to be steel two-speed side opening sliding doors with stainless steel finish.

v) The ceiling will be metal.

vi) Autodial emergency phone and an emergency light will be provided.

I. Auxiliary Facilities

1. Laundry Room: There will be no common laundry room in the Combined Building. Washer and dryer hook-ups and appliances will be provided in each unit. See section W-3 for equipment specification.

2. Refuse Disposal

i) Incinerators: None

ii) Compactor: There will be one compactor servicing the residential apartments. The compactor shall be Wilkinson model Blue Max with access door for manual feeding, or equal model. The compactor will be located in the Cellar compactor room.

iii) Chute: There will be one refuse chute accessed at the first through seventh floors. The chute shall be by High-Rise recycling systems or equal.

iv) The Cellar Compactor room will provide storage space for residential recycling. An additional storage space (Refuse Storage Room) has also been provided directly adjacent to the Compactor room.

v) Storage Location: The compacted bags will be stored in the Refuse Storage Room in the Cellar until they are transferred to street level.

vi) The bags from the residential compactor room will be picked up by the New York City Department of Sanitation.

J. Plumbing and Drainage Systems

1. Water Supply & Distribution

i) Water Service:
A new 6" combined domestic water/fire service will supply water to the building. The service is metered and protected from backflow by a Watts Series #709DCDA. A sub-meter off the main supply is provided for the cooling tower and commercial space. Triplex centrifugal booster pump will increase water pressure. Pumps provide a minimum of 35 psi at the top floor. Each floor contains individual branch shutoffs for each plumbing fixture. Copper type L pipe are used throughout for domestic cold and hot water supply. The domestic hot water system has been designed in accordance with the New York State Energy Conservation Construction Code.

2. Fire Protection System

(i) Standpipes (material, size, location);

The building is provided with a sprinkler system in accordance with NFPA 13/13R requirements. A new 6" fire service is equipped with a double detector check valve. A fire pump is provided equipped with a jockey pump controller and automatic transfer switch. A single wet-pipe 6" service is provided for the combined sprinkler and fire standpipe system, which supplies a single riser located in the fire stair. Each floor contains a sectional valve with tamper switch, waterflow alarm and drain/test connection. A drain riser runs next to the fire protection sprinkler riser and drains to a floor drain in the cellar.

(ii) Hose racks, hoses and nozzles (location);
Each residential floor contains a capped 2" hose valve. A lobby hose cabinet is provided in lieu of hose on each residential floor. A 3 way roof manifold is provided above the highest hose valve.

(iii) Sprinkler heads (type system, location);
Apartments are provided with a combination of pendant, sidewall and extended coverage sidewall sprinkler head in all required areas; sprinklers are omitted from closets and toilets. (All sprinkler piping is steel pipe: ASTM A53 Schedule 40 or schedule 10 black galvanized). The commercial area will also be protected by sprinklers. The cellar is fully sprinkled as required by code.
Sprinkler protection will be provided in rubbish chutes and trash rooms, and in residential apartments, and otherwise as per NYC Building Code.

(iv) Siamese connection (type, location).
Two (2) 5" siamese Fire department connections are provided per code at grade level on Reade Street and Chambers Street.

3. Water Storage:
There are no roof top water storage tanks located on the roof.

4. Water Pressure:
A Triplex domestic water booster system will be designed to provide adequate water flow and pressure throughout the building. Piping system will be designed per New York City codes.

5. Sanitary Drainage and Vent Systems

i) Sanitary and Storm Drainage:
All fixtures above grade drain by gravity to a sanitary house trap in the cellar exiting at Reade Street. Fixtures below grade are drained by gravity to duplex sewage ejectors that pump to the house sewer.

Roof drains are collected by leaders and drain by gravity to a house trap.

Sewage and storm drainage piping is no-hub cast iron.

ii) Sanitary drainage piping below the ground floor level from plumbing fixtures and equipment will extend by gravity to a vented duplex sewage ejector. The ejector discharges will be piped to a connection point with the sanitary house drain at the building wall. Storm and sanitary combines at the building wall and exits as an 8" combined house sewer to the public sewer in the street.

iii) Vent piping from all fixture drains, equipment and stacks will be extended to points of termination above the roof.

6. Permits

Will be obtained for new water service, backflow prevention devices and anything else required by the Department of Environmental Protection. All interior plumbing will be filed with and inspected by the New York City Department of Buildings.

7. Storm Drainage System

i) Storm drainage piping from roof, terrace, and patio drains will be piped by gravity to the existing combined sewer via a new house trap. Sewage and storm drainage piping is no-hub cast iron.

K. Heating

1. The central heating system is designed to provide sufficient heat to maintain inside conditions of 68 degrees Fahrenheit when the outside conditions are 11 degrees Fahrenheit in accordance with the Building Code of the City of New York and the New York State Energy Conservation Construction Code.

2. The boiler system will be (3) Lochinvar PBN2000 (MEA# 177-05-E) with an input capacity of 2000 MBTUH each and a net output of 1740 MBTUH each. Heat is controlled by the occupants by thermostats located in each condo apartment. The heating and air conditioning system has been designed in accordance with the New York State Energy Conservation Construction Code for interior design and external design temperatures.

3. (2) Gas fired water heaters are provided in the boiler room on the cellar level to provide hot water for the building. Water heaters to be Lochinvar TRN250-100, with recovery 297 GPH @ 100F, input 250 BTUH,thermally insulated on outside, glass lined on inside, working pressure 125 PSIG.

4. Controls are electromechanical for the operation of the building heating and condenser water systems. Radiators will be provided with thermostatic control valves.

5. A centrally located gas fired hot water boiler plant supplies hot water to baseboard type panel radiators via circulating pumps and copper type L piping. All hot water risers and run out to be insulated with fiberglass insulation in accordance with New York Energy Conservation Construction Code.

6. A single Con Edison gas service serves the building. There are three (3) gas meters located in the cellar. One meter serves all heating boilers equipment. Another meter serves all apartment ranges, residential clothes dryers and domestic hot water heaters. A third meter is reserved for future ground floor commercial tenants. Each piece of equipment is provided with a valved connection. Gas piping is threaded schedule 40 steel.

L. Gas Supply

1. A single Con Edison utility gas service serves the building.

2. There are three (3) gas meters located in the cellar. One meter serves all heating boilers equipment. Another meter serves all apartment ranges, residential clothes dryers and domestic hot water heaters. Additional meters will be reserved for future ground floor commercial tenant(s). Each piece of equipment is provided with a valved connection.

3. Gas piping is threaded schedule 40 steel.

M. Air Conditioning

1. Ground Floor Lobby is air conditioned by a packaged horizontal water-cooled air conditioning unit located above the lobby ceiling and naturally ventilated by the frequent use of the main entry door.

2. Air conditioning and ventilation for the commercial spaces shall be provided by the commercial tenant(s).

3. The cooling system is designed to provide sufficient air conditioning to maintain inside conditions of 78 degrees Fahrenheit and 50% relative humidity when the outside conditions are not more than 89 degrees Fahrenheit dry bulb and 73 degrees Fahrenheit wet bulb. The heating and air conditioning system has been designed in accordance with the New York State Energy Conservation Construction Code for interior design and external design temperatures.

4. Air conditioning is provided by packaged water-cooled air conditioning units in each apartment.

5. The central system cooling towers provide condenser water for packaged water cooled air conditioning units.

6. Two (2) Evapco LSWA 91C-2 cooling towers of 199 tons capacity each are mounted on the main roof with vibration isolators/acoustical fence to reduce noise transmission to residential units.

7. The indoor units are a combination of horizontal and vertical units located within the residential unit they serve. Units are provided with refrigerant piping and air distribution ductwork. Multiple units provide zone temperature control.

Apartment	Models	Capacities MBH	MEA#
	York RP012C00	12.8	
	York RP018C00	18.1	
	York RP024C00	23.8	
	York RP030C00	30.5	
	York RP036C00	36.2	

N. Ventilation

1. All kitchen range hoods equipped with integral fans and ducted central exhaust shaft. All bathrooms are equipped with exhaust systems consisting of vertical shafts, roof mounted fans and distribution ductwork. All horizontal and vertical exhaust ducts are in a fire-rated enclosure.

2. Operable windows naturally ventilate the building.

3. Corridors will be mechanically ventilated.

O. Electrical

1. Services

Electric Utility:

i. Electric service enters the Cellar and is provided by the Consolidated Edison Co. at 120/208 volts, 3 phase, 4 wire rated at 2500 amperes. Main switch gear is located in an electrical service room with distribution for house loads, apartment loads, commercial and fire pump.

2. Metering

i. Separate single phase, 3 wire utility meters are provided for the residential units, with 3-phase 4-wire utility meters provided for duplex and triplex apartments. The retail tenant is furnished with their own meter and shall arrange for an independent account with the utility company. In addition, a meter is provided for all common space and house loads. Panel boards will be located within each unit in an accessible location.

ii. The commercial unit(s) will be metered separately by ConEd. A Con Edison meter will be provided for building Common Area Service as well.

3. Distribution/Utilization Systems

i) Distribution voltage will be 120/208 volts, 3 phase, 4 wire for base building.

ii) Individual 120/208 volt, single phase type MC cable risers will be provided, strategically located to serve stacked apartment panels.

4. Wiring and Raceways

i) Wiring
   a. All insulation will be 600 volt rated.
   b. In general, all feeder cables will be copper conductor with type THHN insulation or Metal-Clad 'MC' cable.

ii) Raceways
   a. Raceways will be EMT in general. Rigid galvanized steel will be used for conduits embedded in concrete or under-ground.
   b. Armored cable (BX) will be used for concealed branch circuit wiring, where permissible by code.

5 Wiring Devices

i) Receptacles will be Decora style specification grade, 125 volt, 2 pole 3 wire, grounded, 20 ampere or as required for appliance circuits. GFI type outlets will be provided within 6 ft. of sinks and in bathrooms.

ii) Local toggle switches will be Decora style quiet type, 15 ampere.

6. Apartment Panels

i) Panels will be load center circuit breaker type, with 30 branch circuits per panel, with minimum 100 ampere capacity, sufficient for all anticipated loads within the apartment including the air conditioning units.

ii) All panels will be equipped with doors and directories. Panels will be sheet steel, zinc chromate and finished with gray enamel.

iii) Panels will have aluminum buses.

7. Emergency Lighting

i) Stair lights and selected exit and utility space lights will be battery backed-up to provide emergency power upon loss of utility power.

8. Lighting and Power

i) Switched incandescent lighting fixtures will be provided in all Bathrooms, Entries and Kitchens.

ii) Ground fault receptacles will be provided in Bathrooms, Kitchens and at Terraces.

iii) Appliance and convenience outlets will be provided in accordance with NYC Electrical Code.

iv) Roof will be provided with lighting and receptacles for maintenance and general use.

9. Fire Alarm/Smoke Detection System

i. Smoke and Carbon Monoxide Detectors as required by Code will be installed in all units and common areas, elevator machine room and boiler room. Fire alarm system if required by code for the commercial unit will be the responsibility of the commercial unit owner.

ii. Each residential unit is furnished with a 120 volt smoke detector with integral alarm horn. In addition, system type smoke detectors are provided for all common area mechanical rooms, elevator lobbies and selected HVAC units as required by Code. Smoke detection and sprinkler alarm control panel shall be connected to the central station. Duct smoke detectors initiate fan shutdown on alarm.

Elevator lobby smoke detectors initiate elevator re-call on alarm. The building sprinkler system is also monitored by water flow and tamper switches. Alarm or trouble condition of the sprinkler system or fire pump start is annunciated at the smoke detector and sprinkler alarm control panel and transmitted to the central station. A remote annunciator is furnished at the main entry lobby which also indicates system smoke detection and sprinkler alarm and trouble conditions. A pull station shall also be provided at each entry. Duct smoke detectors will be provided in air systems over 2000 cfm.

P. Intercommunication/ Security/ Television

1. The building will be provided with a video intercom system, permitting the occupants of the residential units to communicate with visitors at the street entrance.

2. Cable television wiring will be provided to all residential units.

3. Telephone wiring will be provided.

4. Each residential unit must establish a separate account for cable and telephone service.

Q. Public Area Lighting

Lighting will be furnished to the public areas of the building through fluorescent and/or incandescent fixtures.

R. Garage and Parking Area:

1. An indoor garage will be provided for accessory parking in the Cellar of the Combined Building.

2. There will be five garage parking spaces (Spaces G-1 through G-5.) and one garage storage space (G-S) located in the cellar of the building.

3. Parking garage will floor material will be concrete. Lighting will be fluorescent.

4. The parking garage will be unattended.

5. The parking garage will be mechanically ventilated and fully sprinklered.

S. Swimming Pool: None

T. Tennis Court: / Playgrounds / Recreation facilities:

No tennis court provided. An outdoor Public Recreation area will be provided of the penthouse level. An Exercise room will be provided at the Sub-cellar level.

U. Permits and Certificates:

The following Permits and Approvals will be obtained as required:

1. New York City Department of Buildings:

a. General Construction and Plumbing Permits.
b. Mechanical Ventilation, Equipment Use Permit.
c. Certificate of Occupancy.
d. Elevator Certification and Inspections.
e. Smoke tests at fireplace flues.
f. Certificate of completion from the Bureau of Electrical Control.
g. New York Fire Department for sprinkler and fire alarm sign off.

2. NY Dept of Highways
3. New York Fire Department
4. The first Local law 11 report (Façade Inspection) will be due in five years.

V. Violations

1. Any outstanding violations must be addressed prior to the final inspection and the issuance of the Final Certificate of Occupancy.
2. Once Final Inspections and Permits are in place and a Final C of O has been issued, on-going Inspections and Permits must be maintained for the following (by building management):

Elevator Inspections and Maintenance
Boiler Inspections and Maintenance
Cooling Tower and building HVAC system Inspections and Maintenance.

W. Unit Information

1. There are 30 residential units in the Combined Building. Eight are Loft Conversion units, and twenty-two are New Residences.

2. There will be three (2) commercial units on the 1st floor, which will utilize a portion of the Cellar floor. Mechanical rooms, miscellaneous building utility rooms, and a parking garage, occupy the remaining portion of the Cellar. Mechanical rooms, miscellaneous building utility rooms, an exercise room, and tenant storage rooms, occupy the Sub-Cellar.

3. The floor numbering systems for Construction and Marketing are not identical:

4. Marketing: Sub-Cellar, Cellar, Ground Floor, Second Floor, Third Floor, Fourth Floor, Fifth Floor, Sixth Floor, Lower Penthouse, Penthouse Mezzanine.

5. Construction: Sub-Cellar, Cellar, Ground Floor, Second Floor, Third Floor, Fourth Floor, Fifth Floor, Sixth Floor, Seventh Floor, Penthouse.

6. The measurement of every residential unit will consist of the area measured horizontally from the exterior face of the exterior walls of the Combined Building to the centerline of the partitions separating one unit from another unit, and to the centerline of the walls separating one unit from corridors, stairs, elevators, and other mechanical spaces or any common elements (as herein after defined). Each residential unit will consist of the area measured vertically from the top of the structural slab to the underside (of any fire protection) of the structural members above.

7. The Common Elements of the Condominium consist of the entire Property, including all parts of the building and improvements thereon, other than the units unless otherwise specified. Common Elements are comprised of General Common Elements, Residential Common Elements, and Limited Residential Common Elements.

X. Unit Finishes:

1. The partitions within the units will be 5/8" gypsum wallboard on metal studs. Partitions between residential units and other units, utility rooms, and egress passageways, will be 2-hour Fire Rated construction consisting of either two layers of 5/8" gypsum wallboard over metal studs, or 2 hour rated CMU. The perimeter walls of the units will be finished with gypsum wall board or exposed existing brick. Dropped Ceilings are 5/8" gwb on furring channels on cross channels hung with black iron as per New York City Department of Buildings. At the new building, in areas without a dropped ceiling, there will be concrete slab ceiling with a painted cementitious coating.

All Bathrooms, Kitchen areas, and Mechanical Rooms will be painted with at least two coats of washable semi-gloss latex paint over a primer coat. All other areas will be painted with at least two finish coats of flat latex paint over a primer coat.

The residential floors will be finished hardwood with an applied stain and sealer.

Bathroom floors and base will be finished with stone or terrazzo tile or equal.

2. **Bathroom Fixtures**: (All fixtures to be equal or better to those listed below)

Master Bath (All units):	**Make / Model:**
Toilet:	Kohler "San Raphael" K-3466
Lavatory:	Uncommon Life UC-7071
Lav. Faucet:	Red Castle CC-LD0512
Bathtub	Kohler / Tea-for-Two 6' K-863 (no whirlpool)
Bath faucet:	Red Castle CC-LD0451
Shower Faucet:	Red Castle CC-LD0742

Standard Bath (All units):	
Toilet:	Toto "Aquia" dual flush CST414M
Lavatory	Uncommon Life Under Mount UC-835
Lavatory Faucet:	Red Castle CC-LD0511
Bathtub	Kohler Maestro 5'6 K-840 (no whirlpool)
Bath faucet:	Red Castle CC-LD0551

Powder Room (All units):	
Toilet:	Kohler "San Raphael" K-3466
Lavatory:	Uncommon Life UC-7029
Lavatory Faucet:	Red Castle CC-LD0511

4. **Kitchen Appliances (Typical units.):**

Refrigerator / Freezer:	Miele 36" "Mastercool" (30" @ Units C & D only.)
Oven:	Miele (30" Self-Cleaning) H4881BP
Gas Cooktop:	Miele (30" Linear Grate) KM3465G

Hood:	Miele (30" Built-in) DA3180
Dishwasher:	Miele "Inspira" G2180SCVi
Sink:	Pablo "Thames" 21" TMP910BB (30" TMP910AA @ unit E only)
Faucet:	Danze "Parma"D405058
Cabinets:	Canova
Countertop:	stone and/or stainless steel

5. **Kitchen Appliances (Penthouse units.):**

Refrigerator / Freezer:	Miele 36" "Mastercool"
Oven/Range:	Wolf 48" freestanding range (36" range at Duplex D only.)
Hood:	Wolf Chimney Wall Hood
Dishwasher:	Miele "Inspira" G2180SCVi
Sink:	Pablo "Thames" 30" TMP910AA
Faucet:	Danze "Parma"D405058
Cabinets:	Canova
Countertop:	stone and/or stainless steel

5. **Laundry Room Appliances (All units.):**

Washer:	Bosch WFL2060UC
Dryer:	Bosch WTA4410US
Stacking Kit:	Bosch WTZ1180

Xi. Information about Public Spaces

1. Finishes of Public Spaces to be equal or better to those listed below:

Space	Floor	Wall	Base	Ceiling
Lobby	S	PT, ST, WD	S	PT
Stairs	CS	PT	---	PT
Mechanical Spaces	CS	CON	----	CON
Public Common Corr.	CT	PT	CT	PT

2. Abbreviations for Finishes

CON	Concrete
CPT	Carpet
CS	Sealed Concrete
CT	Ceramic Tile
DE	Deck Enamel
MT	Metal
PT	Paint
S	Stone
ST	Stone Tile
TER	Terrazzo
WD	Wood

Y. Safety and Warning Devices:

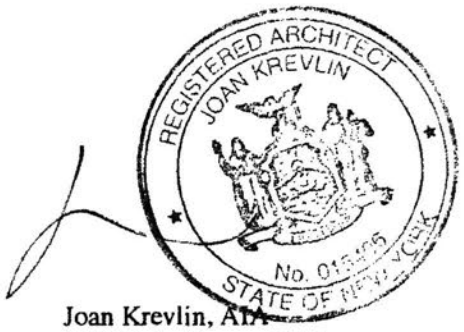
Smoke and Carbon Monoxide Detectors as required by Code will be installed in all units and common areas, elevator machine room and boiler room. Fire alarm system if required by code for the commercial unit will be the responsibility of the commercial unit owner.

Each residential unit is furnished with a 120 volt smoke detector with integral alarm horn. In addition, system type smoke detectors are provided for all common area mechanical rooms, elevator lobbies and selected HVAC units as required by Code. Smoke detection and sprinkler alarm control panel shall be connected to the central station. Duct smoke detectors initiate fan shutdown on alarm. Elevator lobby smoke detectors initiate elevator re-call on alarm. The building sprinkler system is also monitored by water flow and tamper switches. Alarm or trouble condition of the sprinkler system or fire pump start is annunciated at the smoke detector and sprinkler alarm control panel and transmitted to the central station. A remote annunciator is furnished at the main entry lobby which also indicates system smoke detection and sprinkler alarm and trouble conditions. A pull station shall also be provided at each entry. Duct smoke detectors will be provided in air systems over 2000 cfm.

Z. Asbestos:

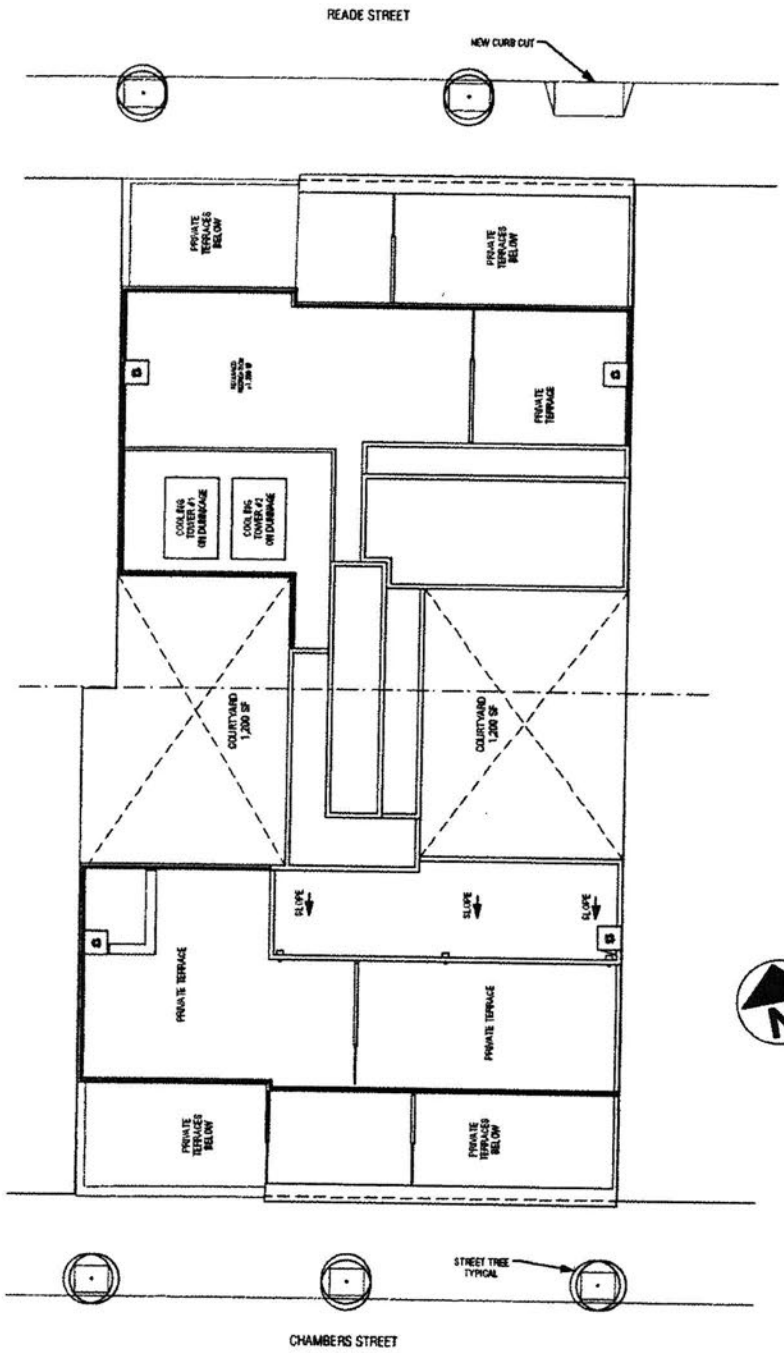
An asbestos inspection has been conducted by H. A. Bader Consultants, INC. An SCP5 report has been filed indicating that this is "Not an asbestos project".

I hereby affirm that the above description of the property and specifications are an unbiased professional opinion arrived at without inducements of any kind.



Joan Krevlin, AIA
BKSK Architects, LLP

- End of Report -



N

NOT TO SCALE

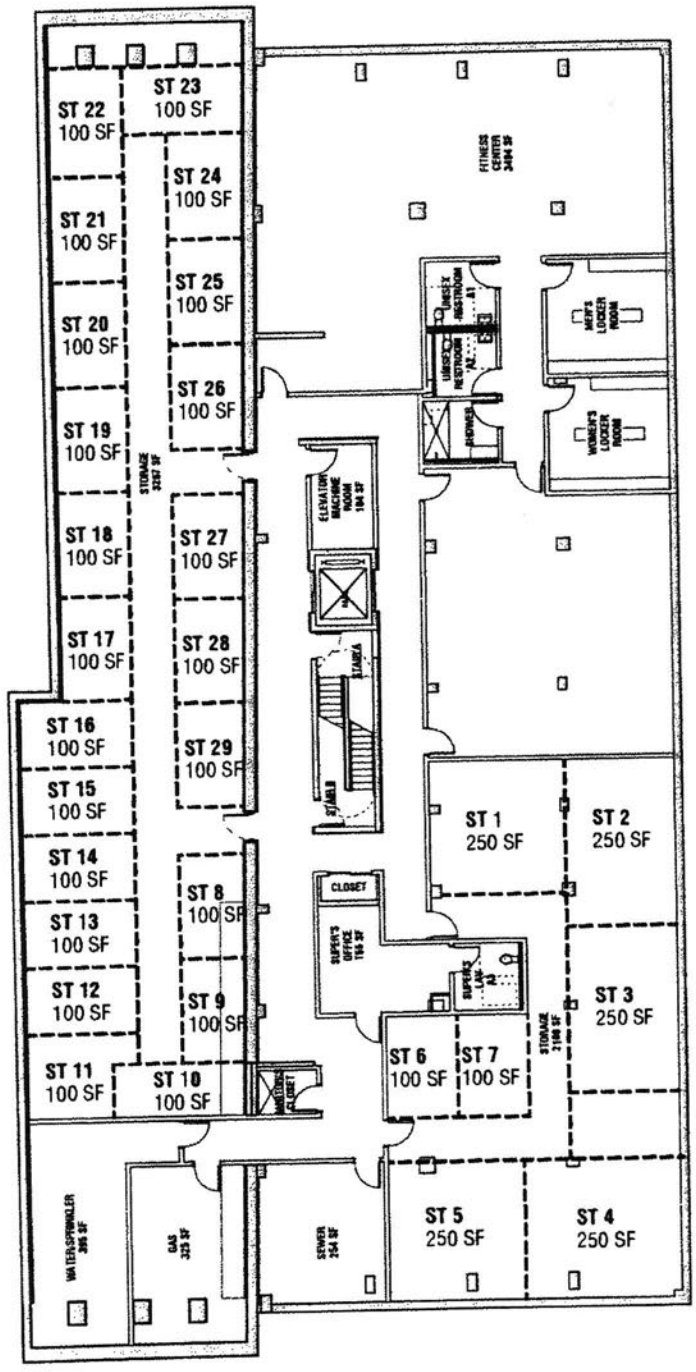
THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

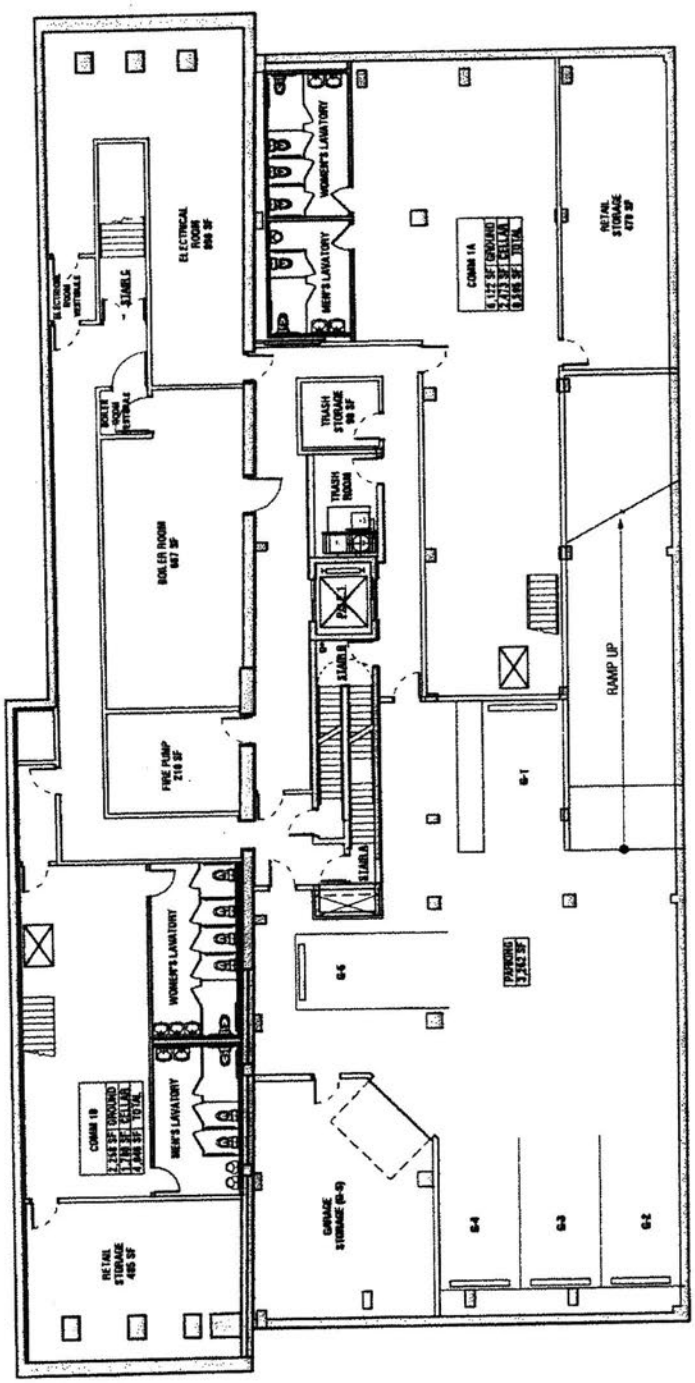
SITE PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP


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ST 10
100 SF
FITNESS CENTER 3494 SF
UNISEX RESTROOM
MEN'S LOCKER ROOM
WOMEN'S LOCKER ROOM
ELEVATOR MACHINE ROOM 194 SF
STAIRS
CLOSET
SUPER'S OFFICE 194 SF
ST 1
250 SF
ST 2
250 SF
ST 3
250 SF
ST 6
100 SF
ST 7
100 SF
STORAGE 2100 SF
ST 5
250 SF
ST 4
250 SF
WATER-SPRINKLER 395 SF
GAS 325 SF
SEWER 254 SF
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NOT TO SCALE
FLOOR AREA
FLOOR AREA: ±11,813 s.f.
21-DEC-2007
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR
SUB-CELLAR FLOOR PLAN
77 READE STREET
NEW YORK, NEW YORK
BKSK ARCHITECTS, LLP



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NOT TO SCALE

FLOOR AREA

FLOOR AREA: ±11,813 s.f.

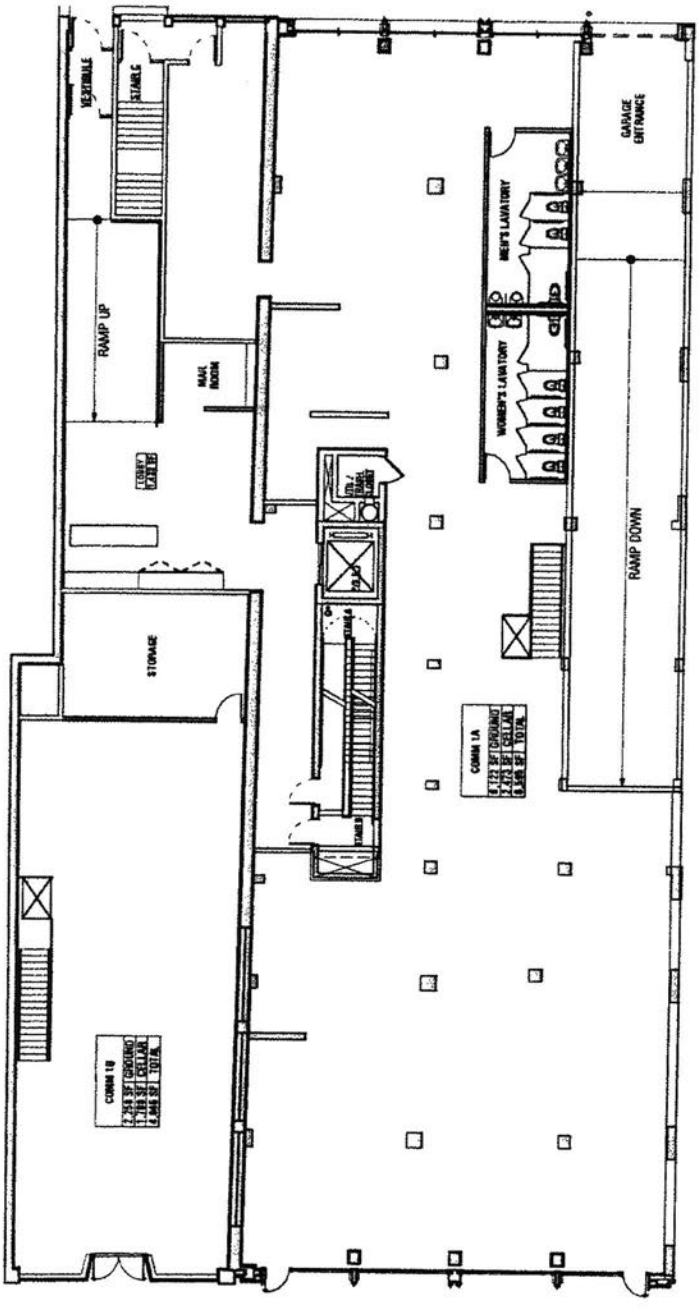
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CELLAR FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

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N

NOT TO SCALE

FLOOR AREA

FLOOR AREA 10,263 s.f.

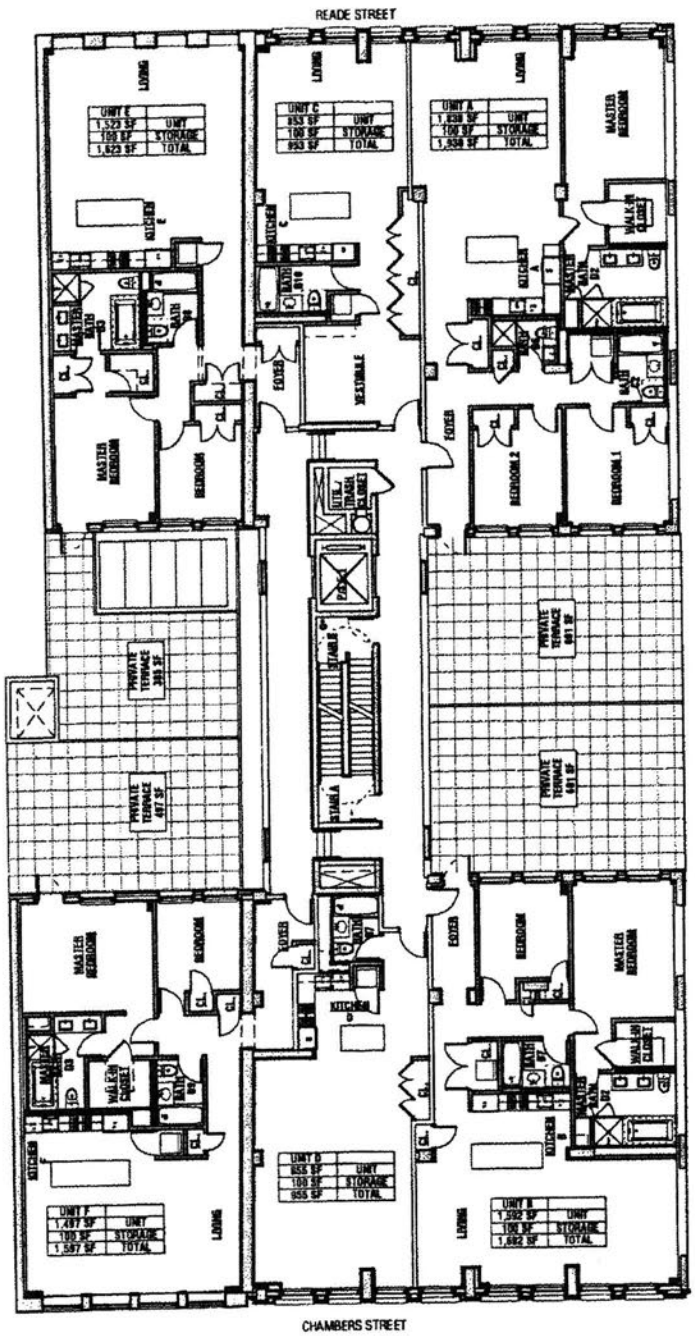
THE EXACT FINISHES AND DIMENSIONS MAY VARY IN ACCORDANCE WITH TERMS OUTLINED IN THE OFFERING PLAN. THE UNIT LAYOUT, SQUARE FOOTAGE AND DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. WE RESERVE THE RIGHT TO MAKE CHANGES DUE TO UNFORESEEN CONDITIONS AND IN ACCORDANCE WITH THE OFFERING PLAN.

GROUND FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



NOT TO SCALE

FLOOR AREA

FLOOR AREA	9,288 s.f.

21-DEC-2007

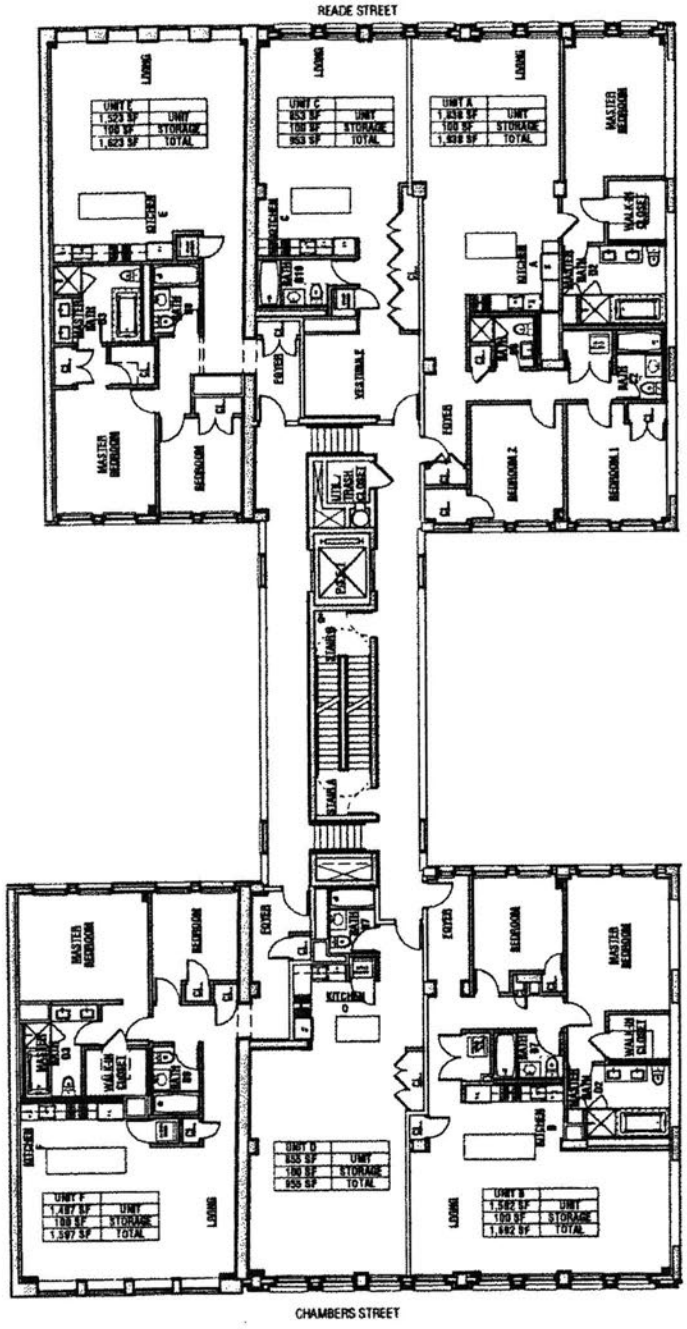
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

SECOND FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



NOT TO SCALE

FLOOR AREA

FLOOR AREA	9,288 s.f.

21-DEC-2007

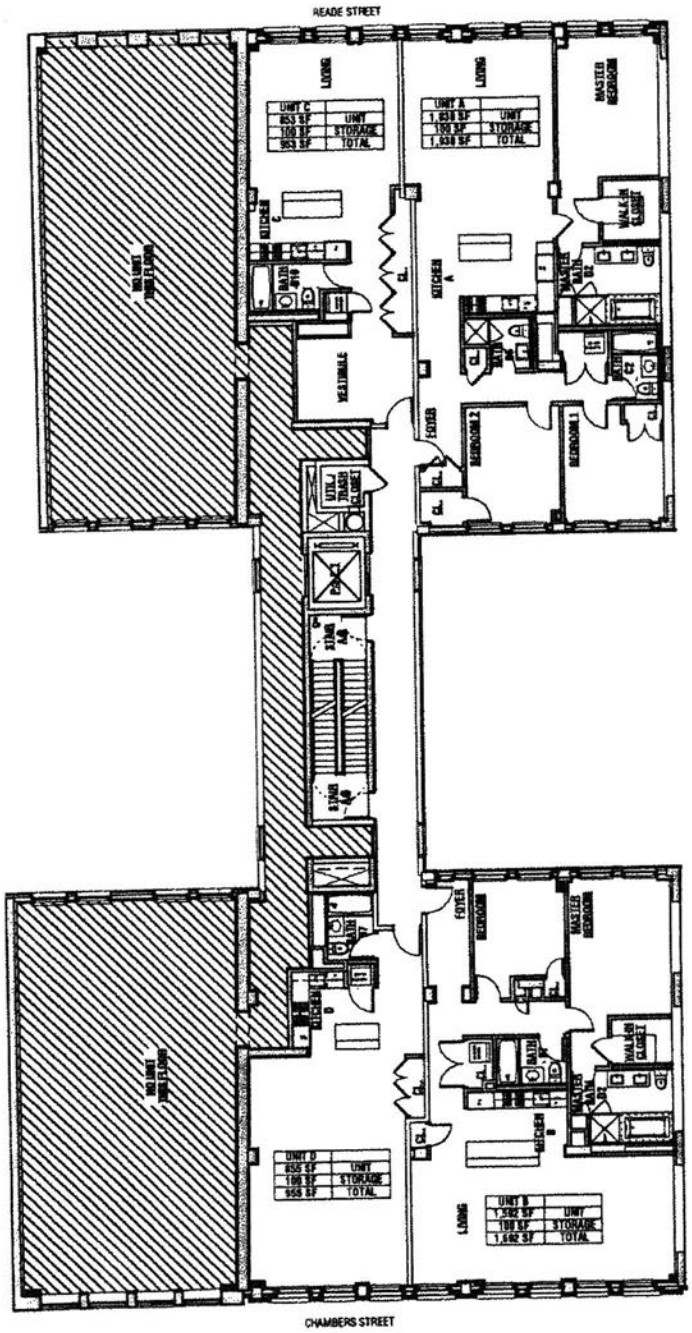
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

THIRD FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



N

NOT TO SCALE

FLOOR AREA

FLOOR AREA	5,884 s.f.

21-DEC-2007

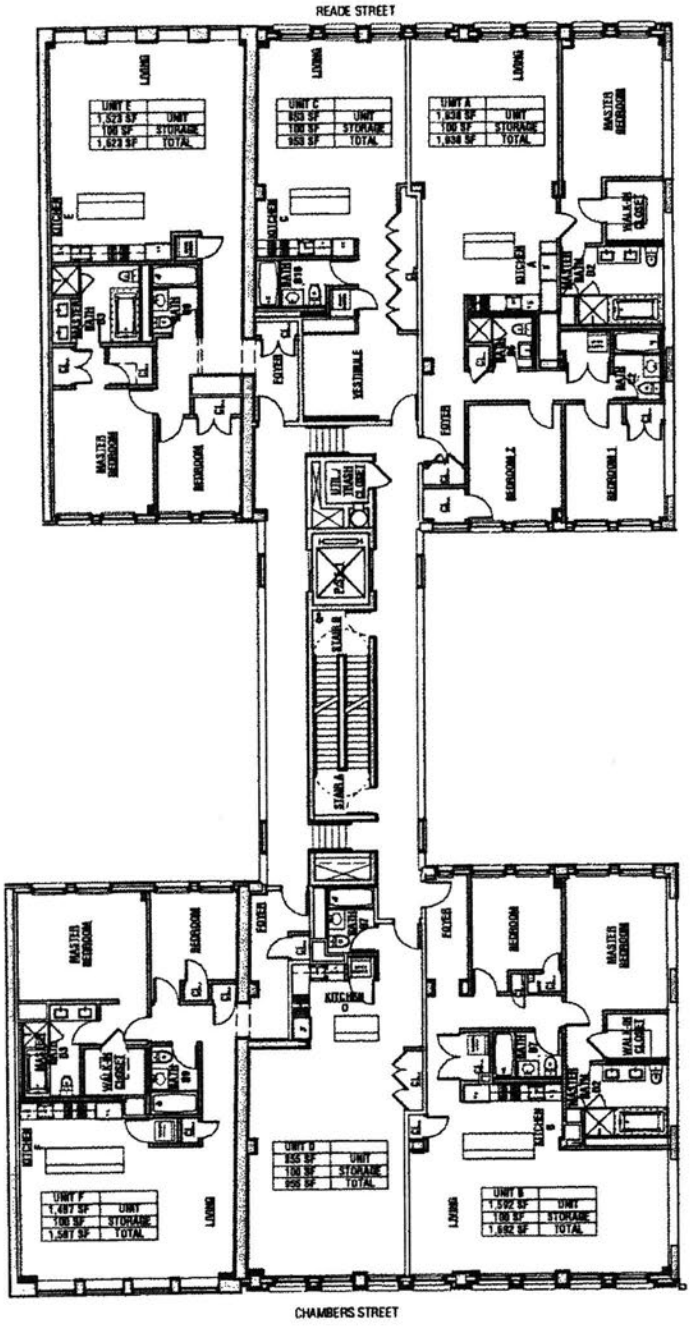
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

FOURTH FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



N

NOT TO SCALE

UNIT AREA SUMMARY

FLOOR AREA	9,288 s.f.

21-DEC-2007

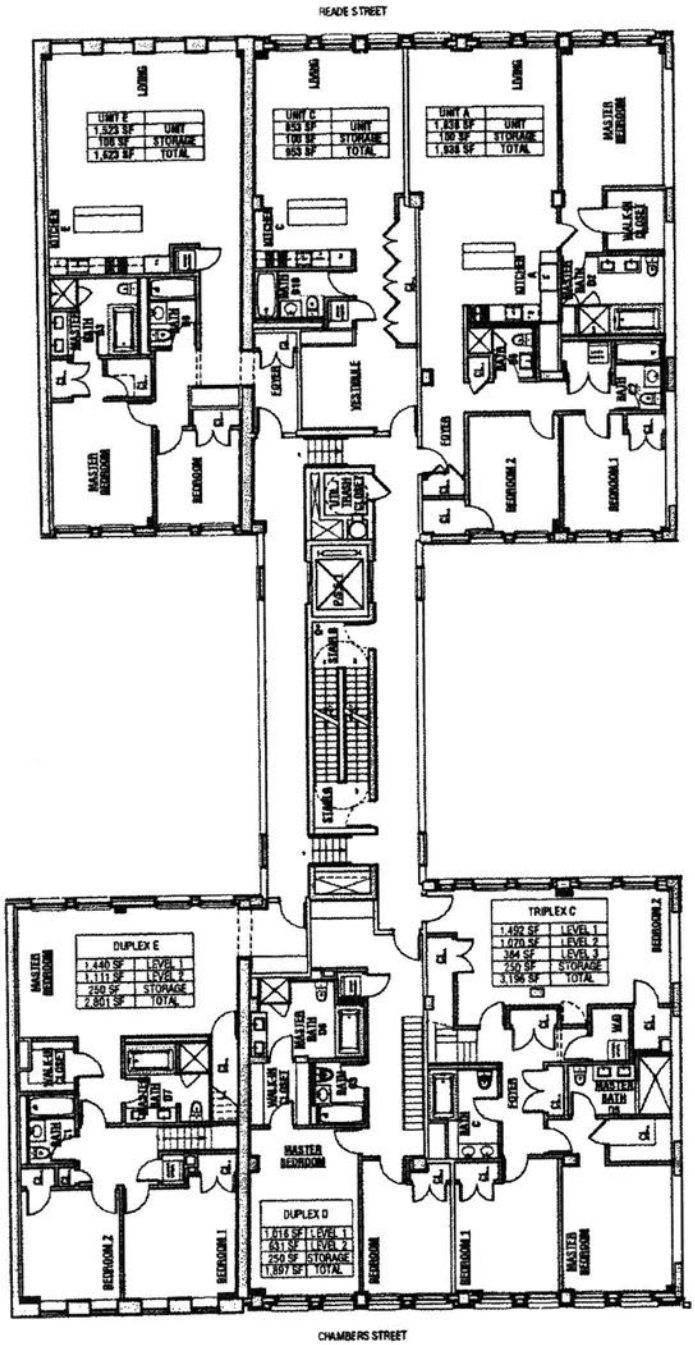
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FIFTH FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



N

NOT TO SCALE

FLOOR AREA

FLOOR AREA	9,288 s.f.

21-DEC-2007

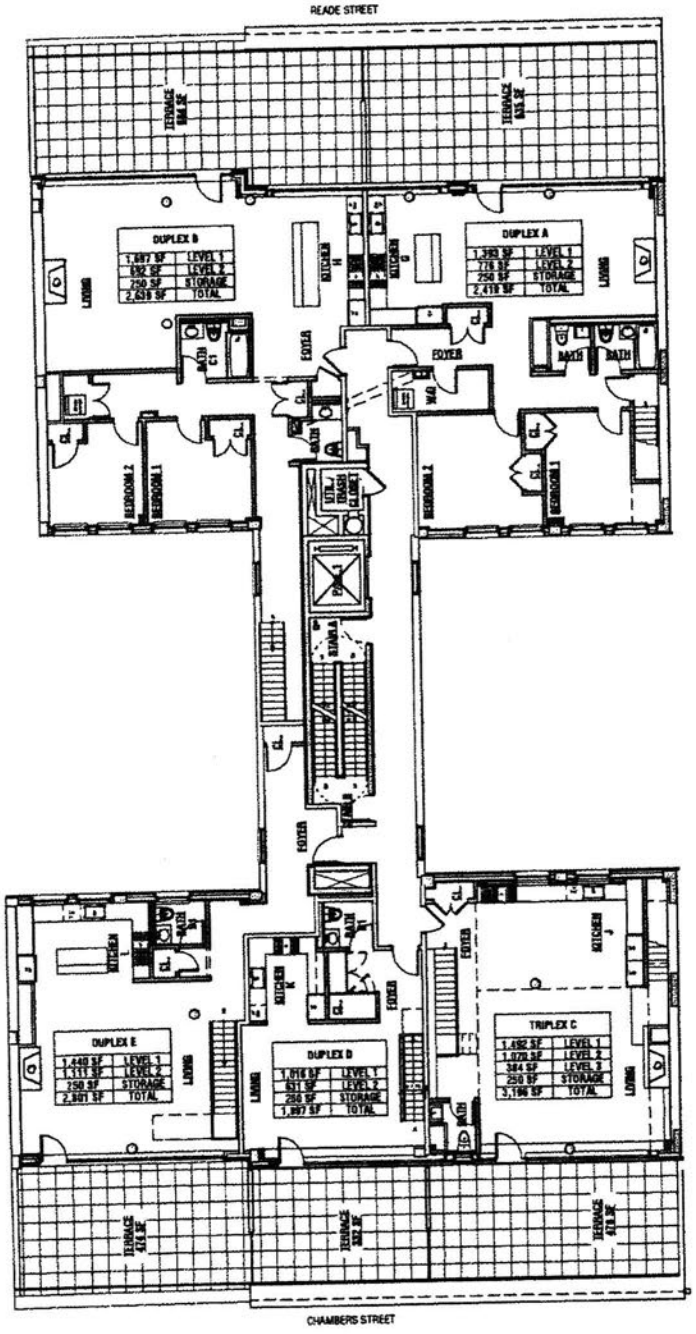
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

SIXTH FLOOR PLAN

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



N

NOT TO SCALE

FLOOR AREA

FLOOR AREA	6,705 s.f.

21-DEC-2007

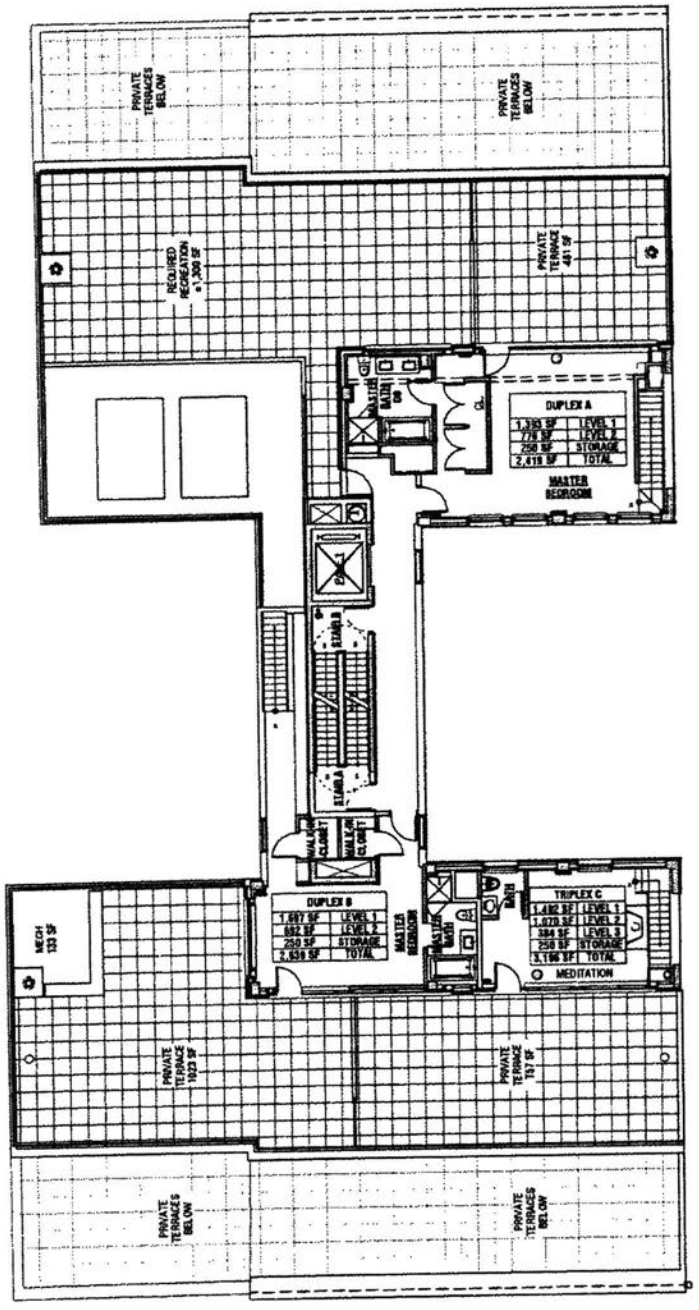
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PENTHOUSE PLAN

77 READE STREET

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BKSK ARCHITECTS, LLP



N

NOT TO SCALE

FLOOR AREA

FLOOR AREA	2,404 s.f.

21-DEC-2007

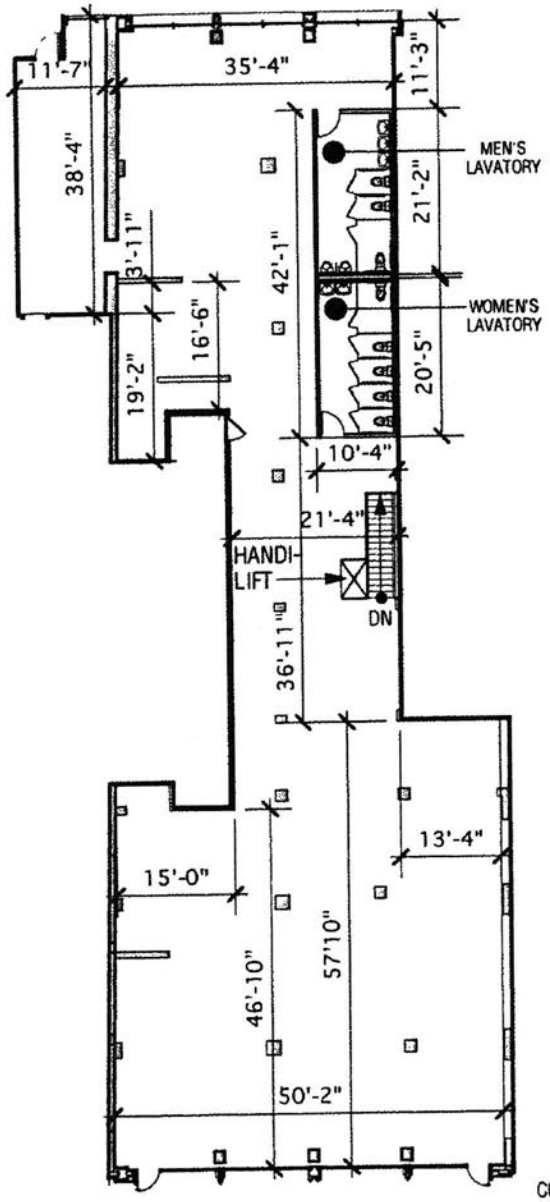
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PH MEZZANINE PLAN

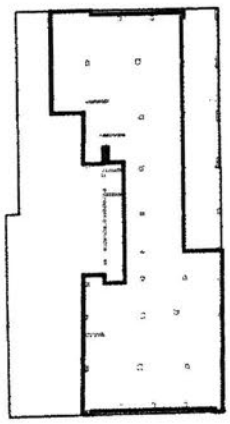
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

COMM. 1A (CELLAR)	2,473 s.f.
COMM. 1A (GROUND FLOOR)	6,122 s.f.
TOTAL COMM. 1A AREA	**8,595 s.f.**

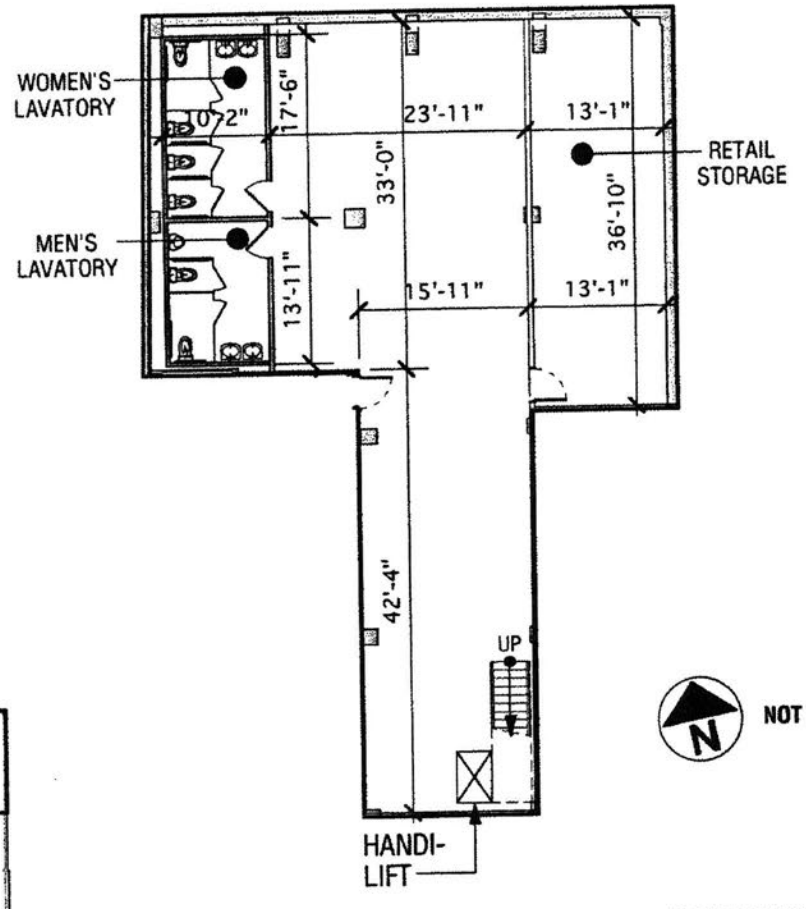
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GROUND FLOOR - COMMERCIAL 1A

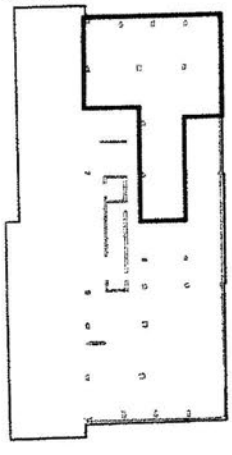
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

COMM. 1A (CELLAR)	2,473 s.f.
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TOTAL COMM. 1A AREA	**8,595 s.f.**

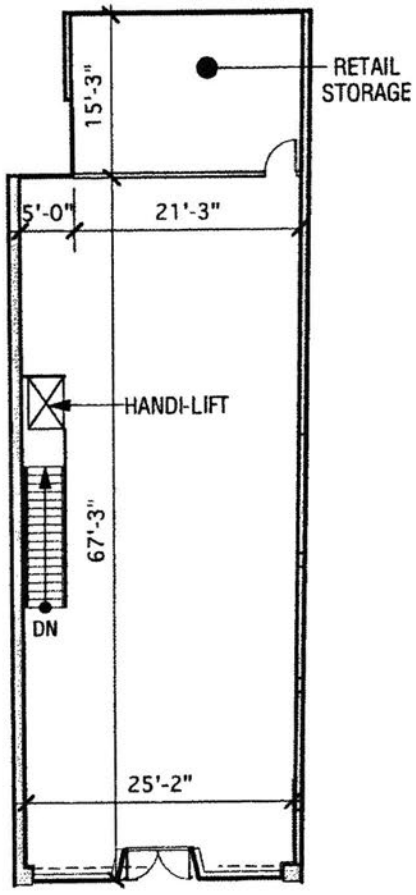
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CELLAR - COMMERCIAL 1A

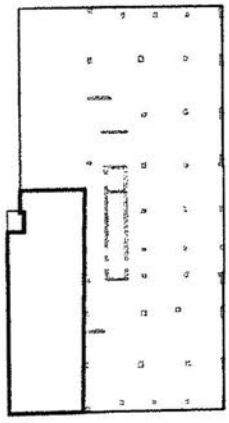
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N

NOT TO SCALE

UNIT AREA SUMMARY

COMM. 1B (CELLAR)	1,788 s.f.
COMM. 1B (GROUND FLOOR)	2,258 s.f.
TOTAL COMM. 1B AREA	**4,046 s.f.**

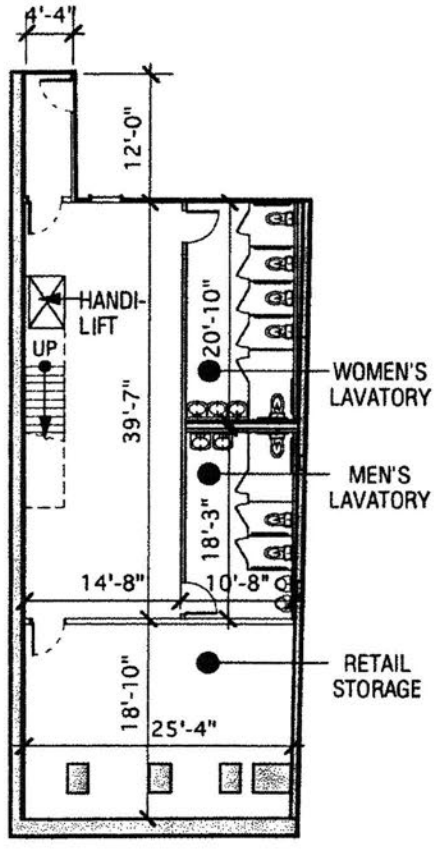
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GROUND FLOOR - COMMERCIAL 1B

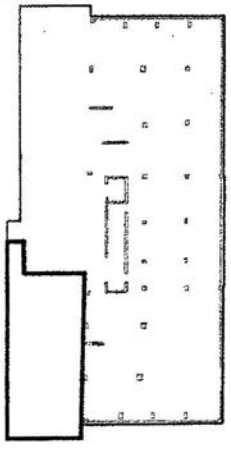
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

COMM. 1B (CELLAR)	1,788 s.f.
COMM. 1B (GROUND FLOOR)	2,258 s.f.
TOTAL COMM. 1B AREA	**4,046 s.f.**

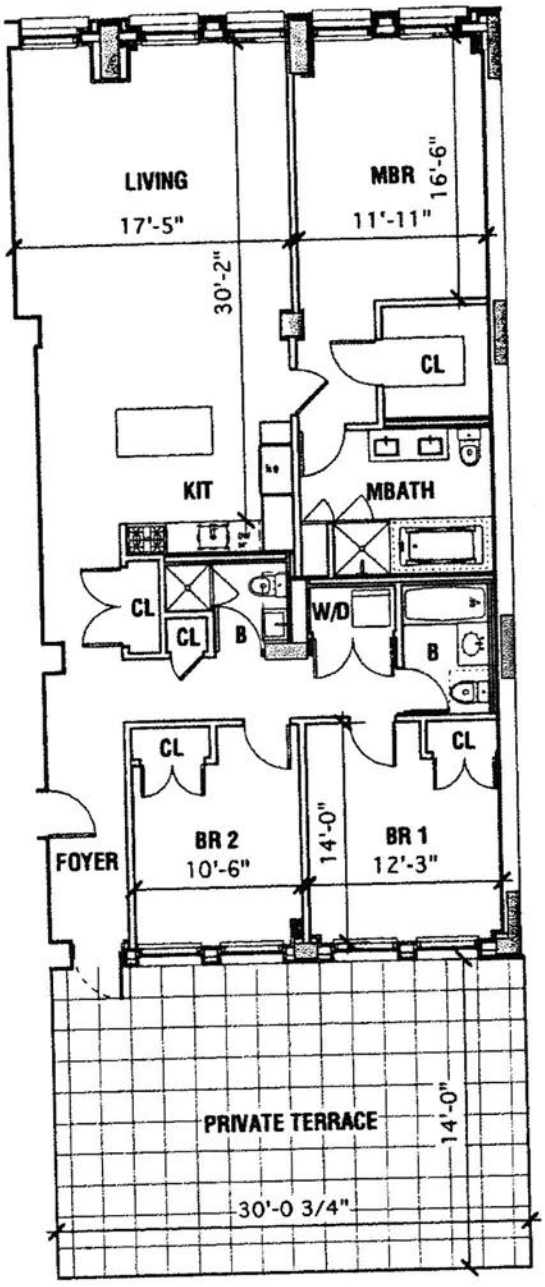
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CELLAR - COMMERCIAL 1B

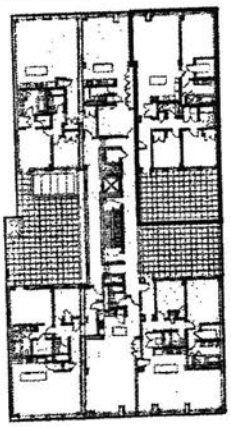
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	1,838 s.f.
STORAGE	100 s.f.
PRIVATE TERRACE	601 s.f.

21-DEC-2007

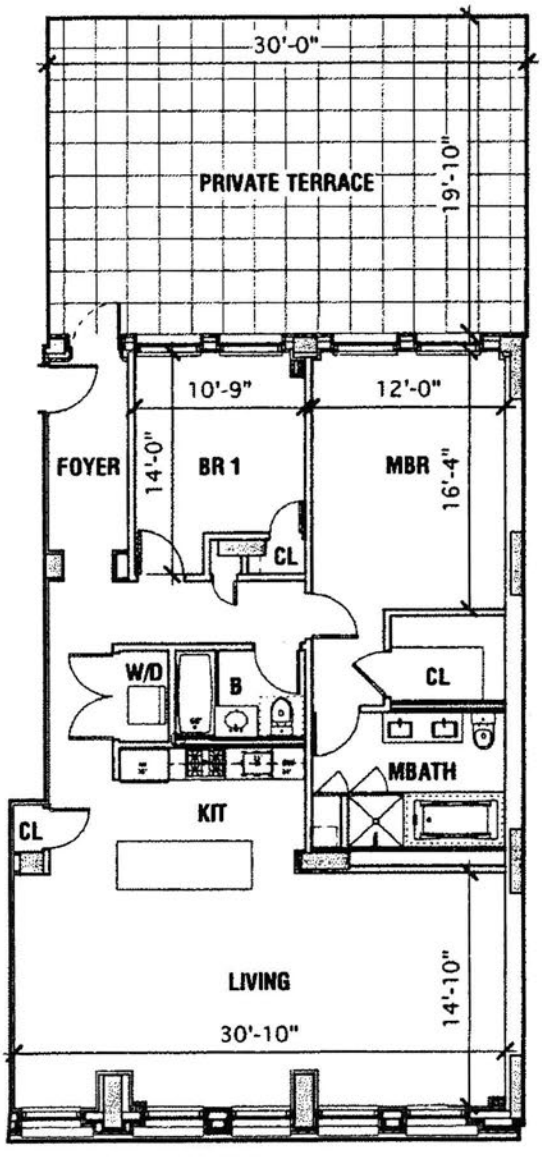
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SECOND FLOOR UNIT A

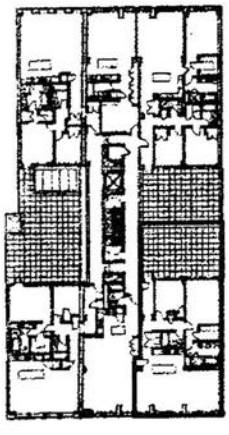
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	1,592 s.f.
STORAGE	100 s.f.
PRIVATE TERRACE	601 s.f.

21-DEC-2007

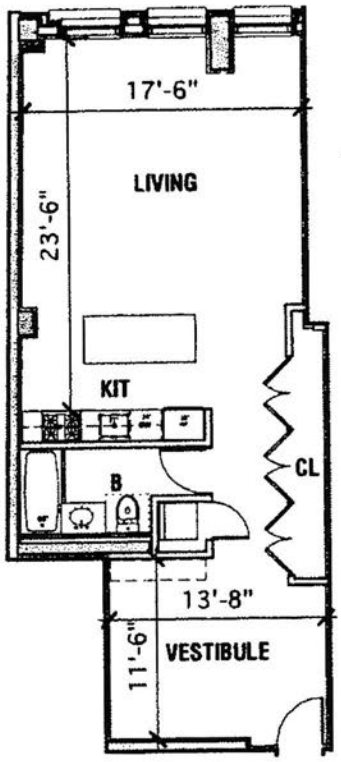
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

SECOND FLOOR UNIT B

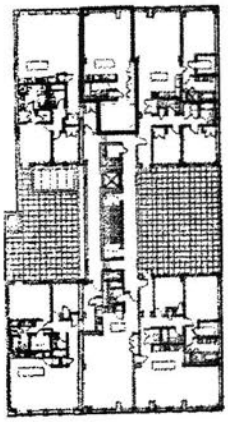
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLC



KEY PLAN
NOT TO SCALE



NOT TO SCALE

UNIT AREA SUMMARY

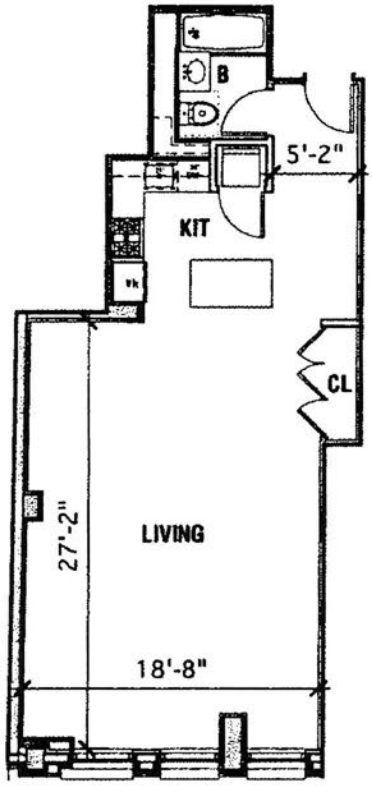
UNIT AREA	853 s.f.
STORAGE	100 s.f.

21-DEC-2007

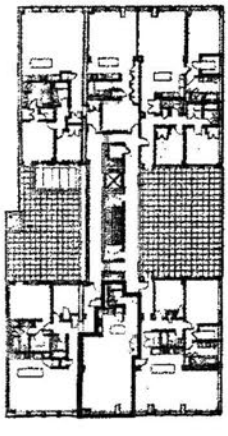
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SECOND FLOOR UNIT C
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	855 s.f.
STORAGE	100 s.f.

21-DEC-2007

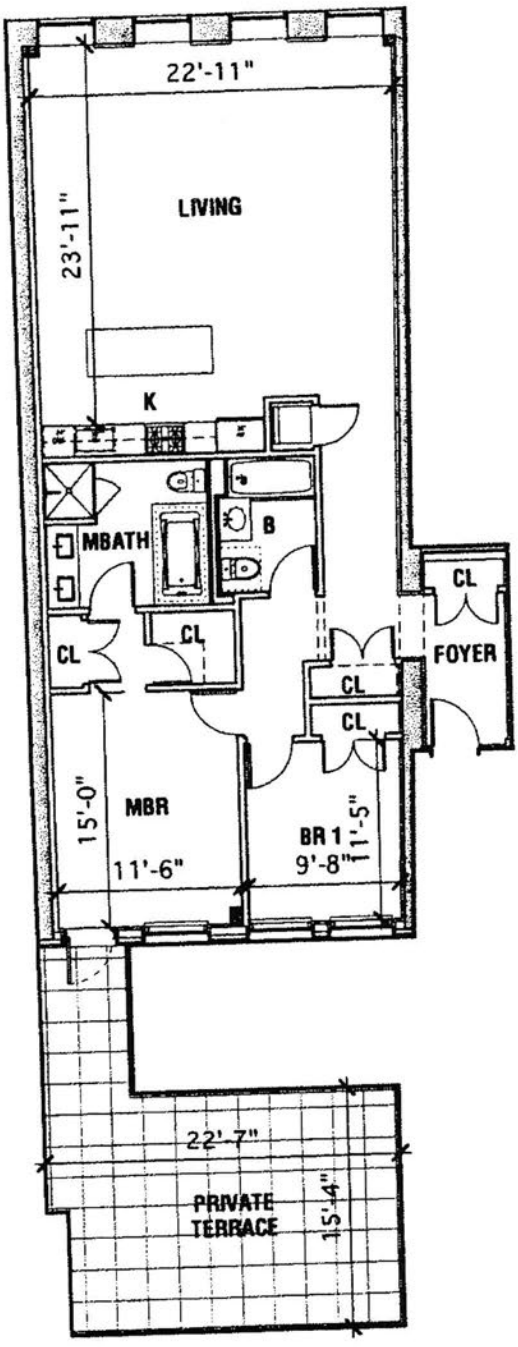
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

SECOND FLOOR UNIT D

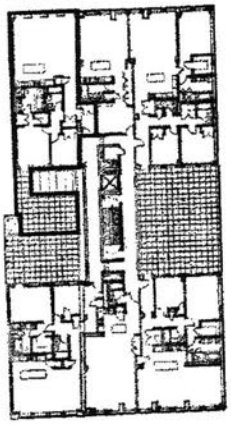
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	1,523 s.f.
STORAGE	100 s.f.
PRIVATE TERRACE	385 s.f.

21-DEC-2007

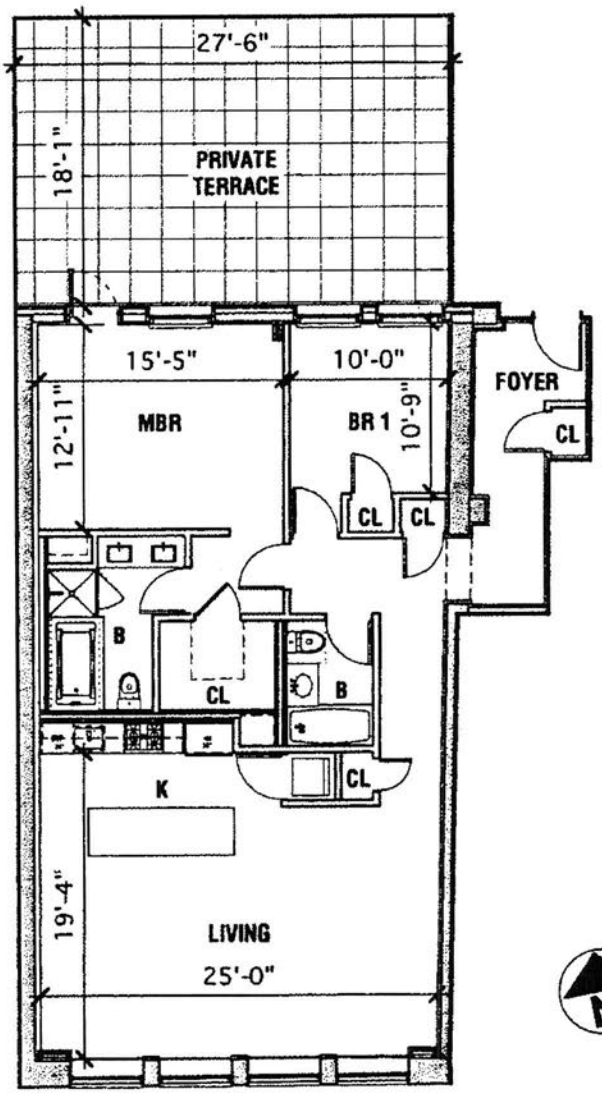
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SECOND FLOOR UNIT E

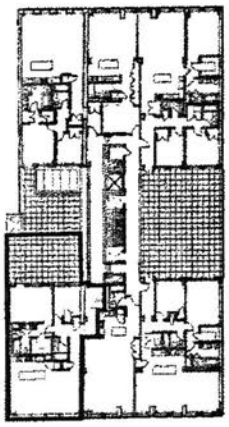
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	1,497 s.f.
STORAGE	100 s.f.
PRIVATE TERRACE	497 s.f.

21-DEC-2007

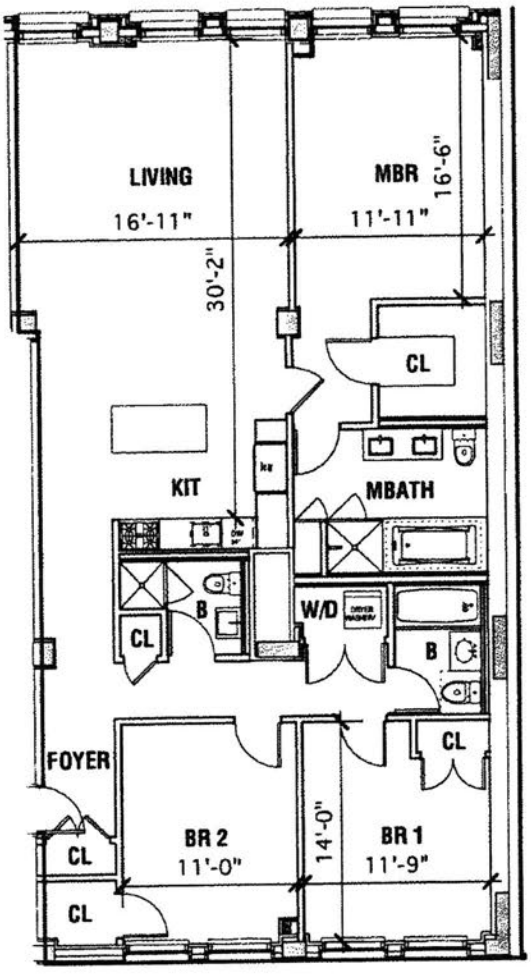
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SECOND FLOOR UNIT F

77 READE STREET

NEW YORK, NEW YORK

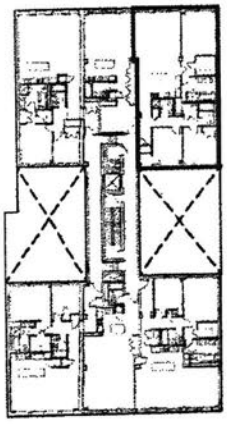
BKSK ARCHITECTS, LLP



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NOT TO SCALE

KEY PLAN
NOT TO SCALE



UNIT AREA SUMMARY

UNIT AREA	1,838 s.f.
STORAGE	100 s.f.

21-DEC-2007

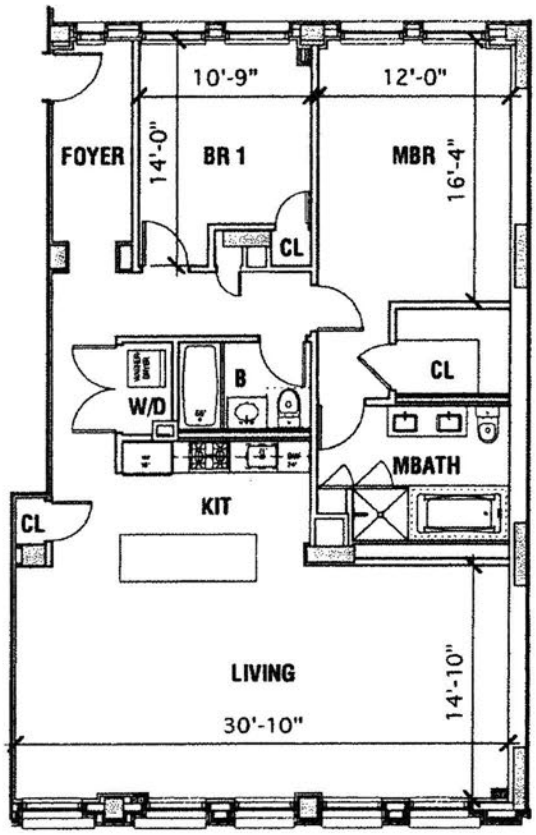
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THIRD FLOOR UNIT A

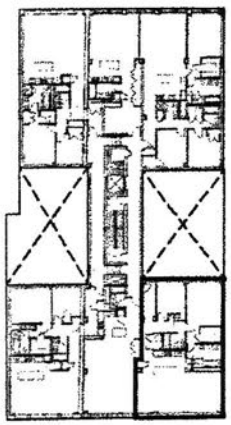
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	1,592 s.f.
STORAGE	100 s.f.

21-DEC-2007

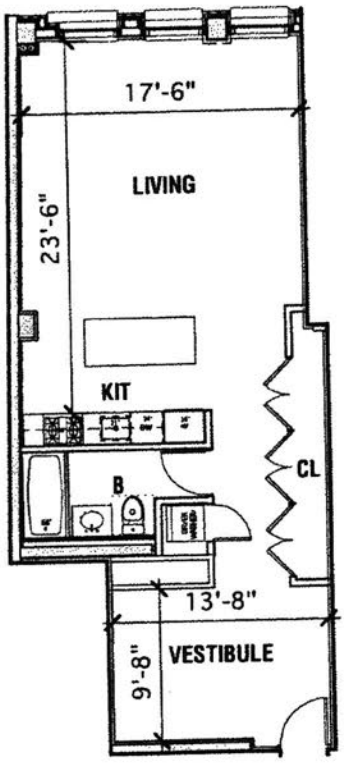
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THIRD FLOOR UNIT B

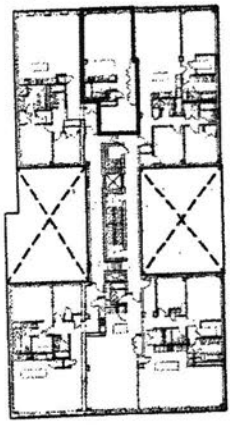
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



NOT TO SCALE

UNIT AREA SUMMARY

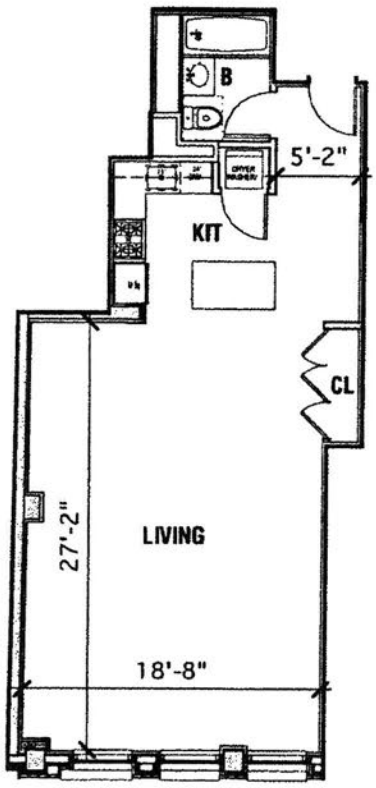
UNIT AREA	853 s.f.
STORAGE	100 s.f.

21-DEC-2007

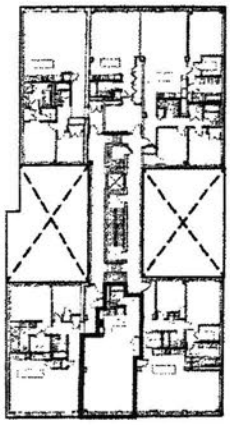
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THIRD FLOOR UNIT C
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	855 s.f.
STORAGE	100 s.f.

21-DEC-2007

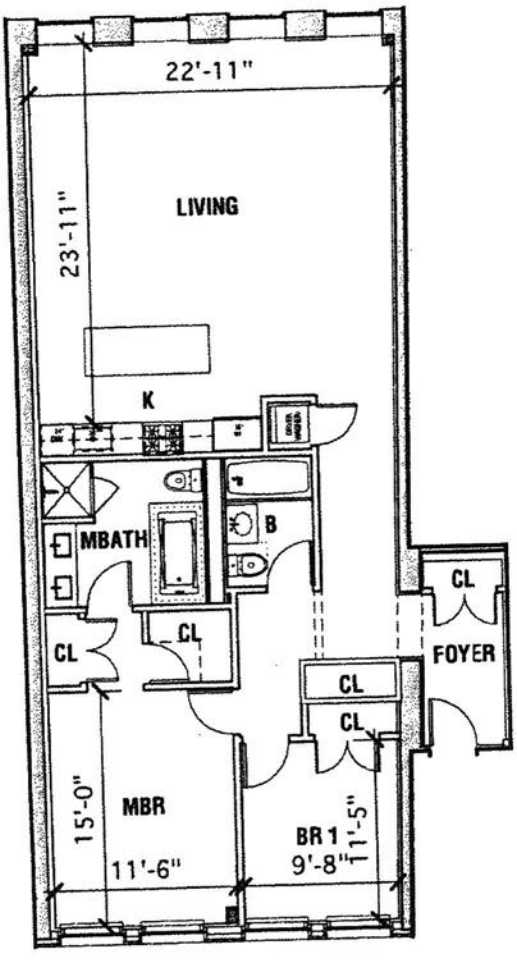
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

THIRD FLOOR UNIT D

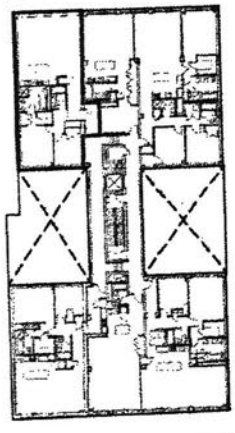
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	1,523 s.f.
STORAGE	100 s.f.

21-DEC-2007

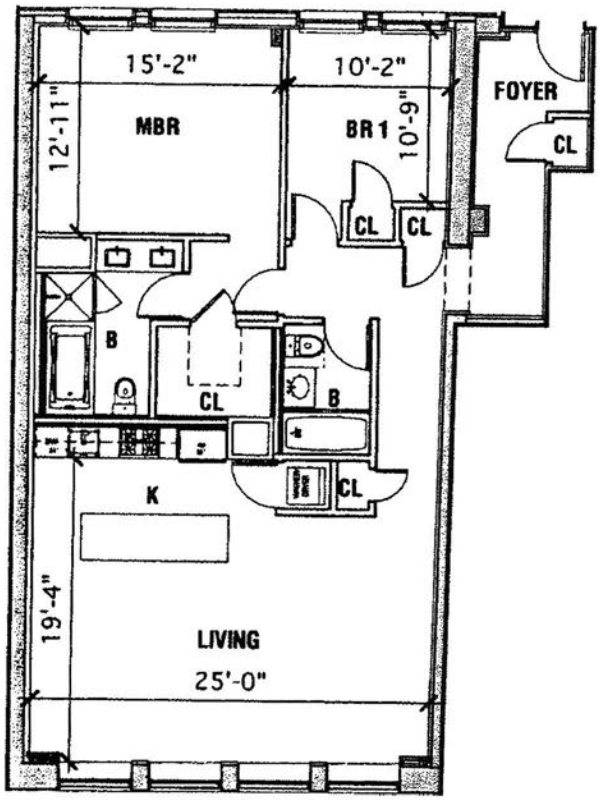
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THIRD FLOOR UNIT E

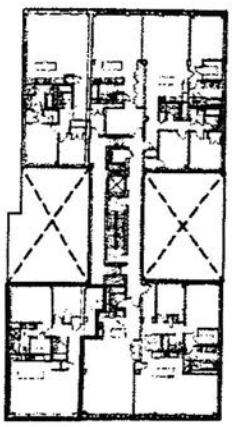
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	1,497 s.f.
STORAGE	100 s.f.

21-DEC-2007

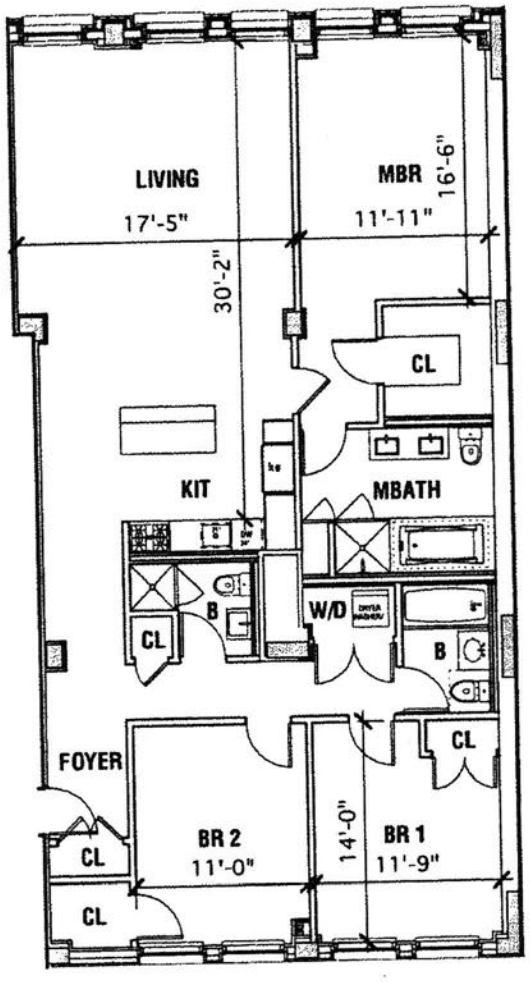
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

THIRD FLOOR UNIT F

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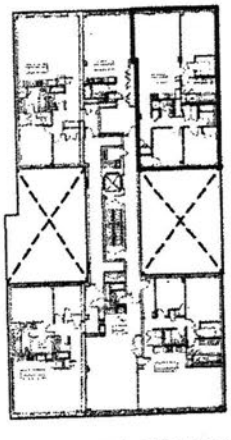
BKSK ARCHITECTS, LLP



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NOT TO SCALE

KEY PLAN
NOT TO SCALE



ALL OIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

UNIT AREA SUMMARY

UNIT AREA	1,838 s.f.
STORAGE	100 s.f.

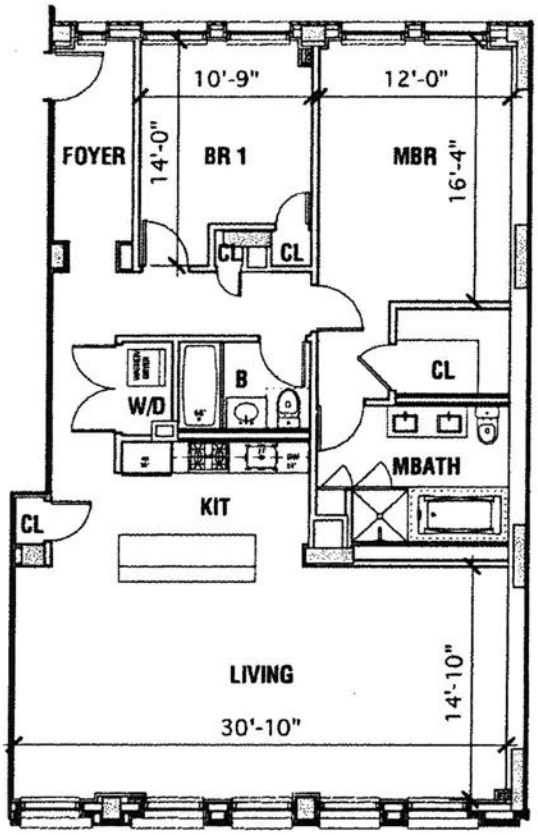
21-DEC-2007

FOURTH FLOOR UNIT A

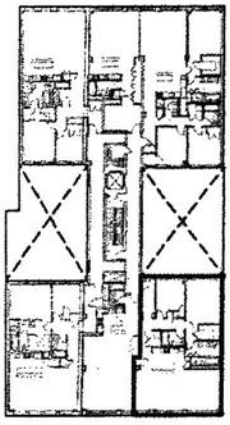
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KEY PLAN
NOT TO SCALE



NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	1,592 s.f.
STORAGE	100 s.f.

21-DEC-2007

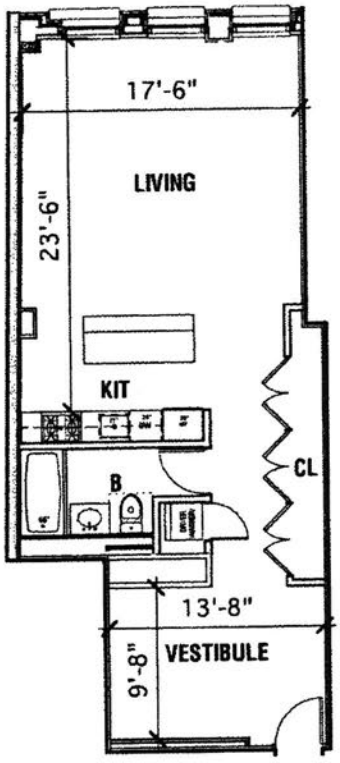
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FOURTH FLOOR UNIT B

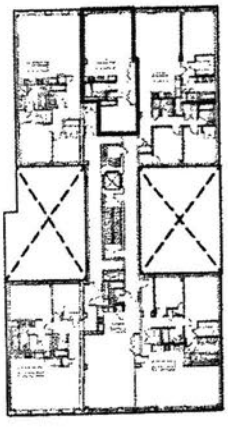
77 READE STREET

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BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	853 s.f.
STORAGE	100 s.f.

21-DEC-2007

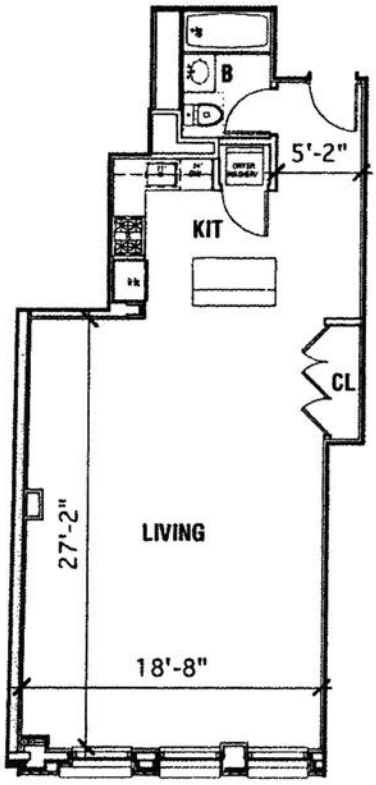
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FOURTH FLOOR UNIT C

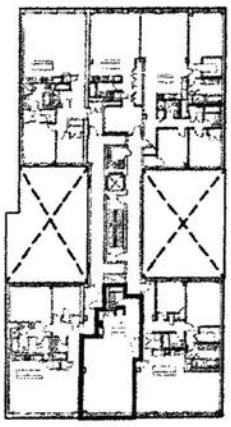
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KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	855 s.f.
STORAGE	100 s.f.

21-DEC-2007

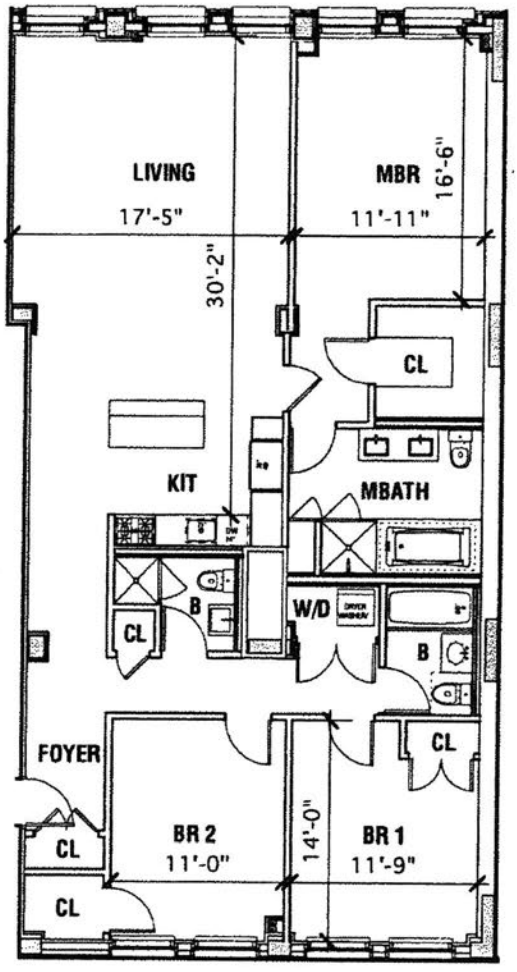
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FOURTH FLOOR UNIT D

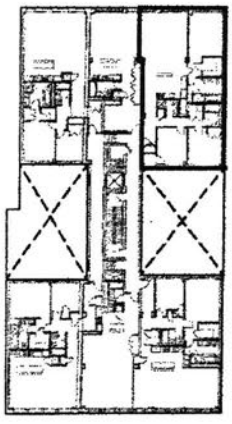
77 READE STREET

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KEY PLAN
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N NOT TO SCALE

UNIT AREA SUMMARY

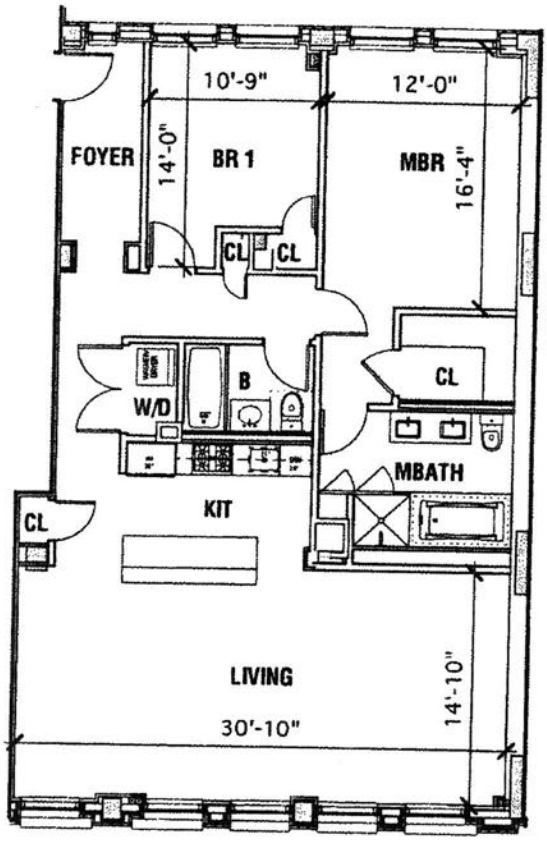
UNIT AREA	1,838 s.f.
STORAGE	100 s.f.

21-DEC-2007

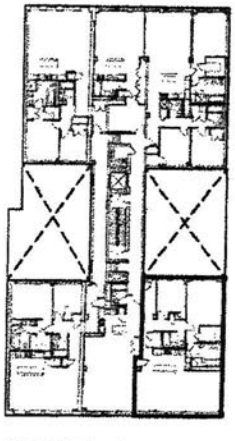
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

FIFTH FLOOR UNIT A
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

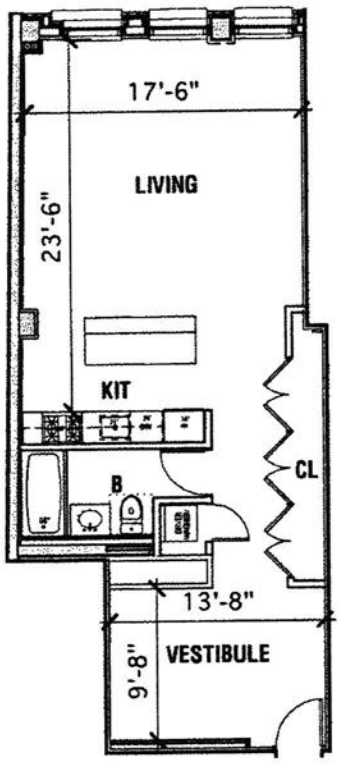
UNIT AREA	1,592 s.f.
STORAGE	100 s.f.

21-DEC-2007

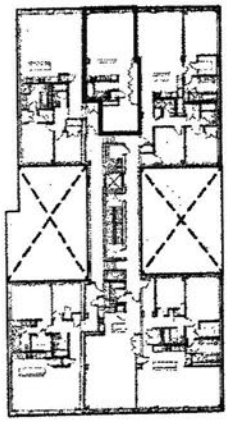
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

FIFTH FLOOR UNIT B
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	853 s.f.
STORAGE	100 s.f.

21-DEC-2007

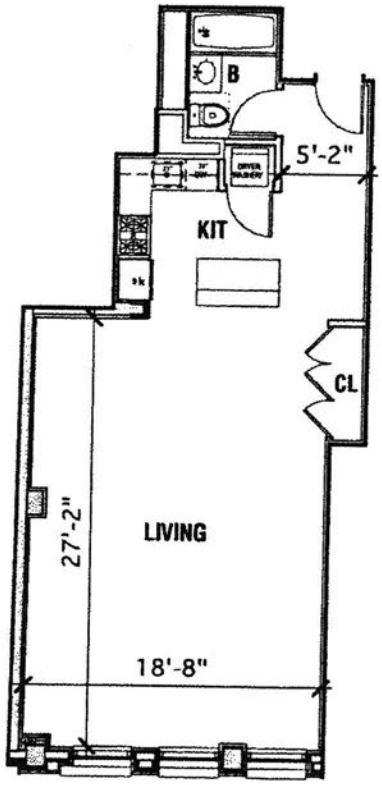
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FIFTH FLOOR UNIT C

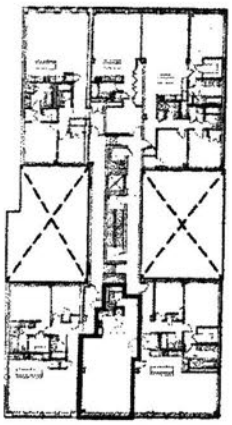
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KEY PLAN
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N NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	855 s.f.
STORAGE	100 s.f.

21-DEC-2007

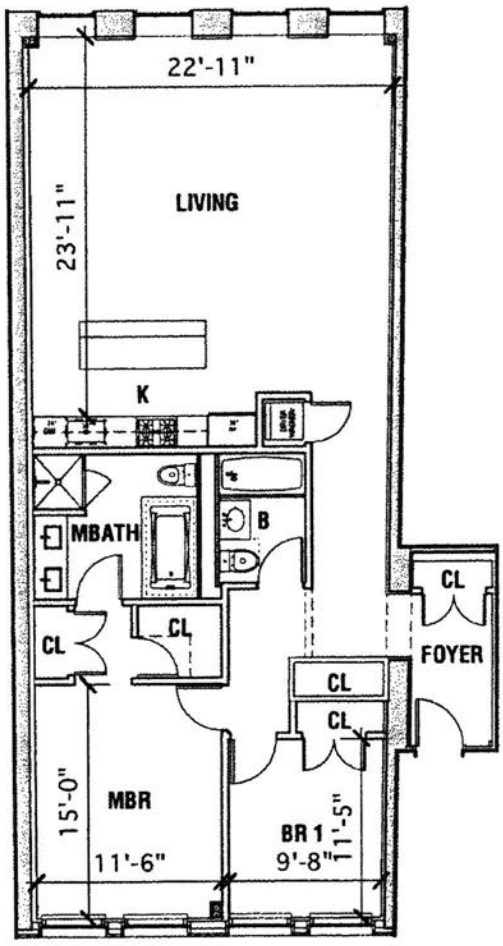
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FIFTH FLOOR UNIT D

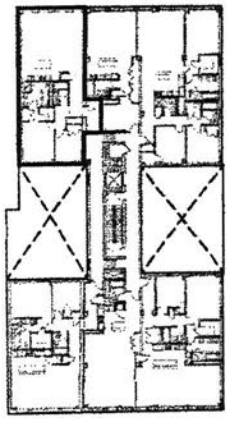
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KEY PLAN
NOT TO SCALE



NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	1,523 s.f.
STORAGE	100 s.f.

21-DEC-2007

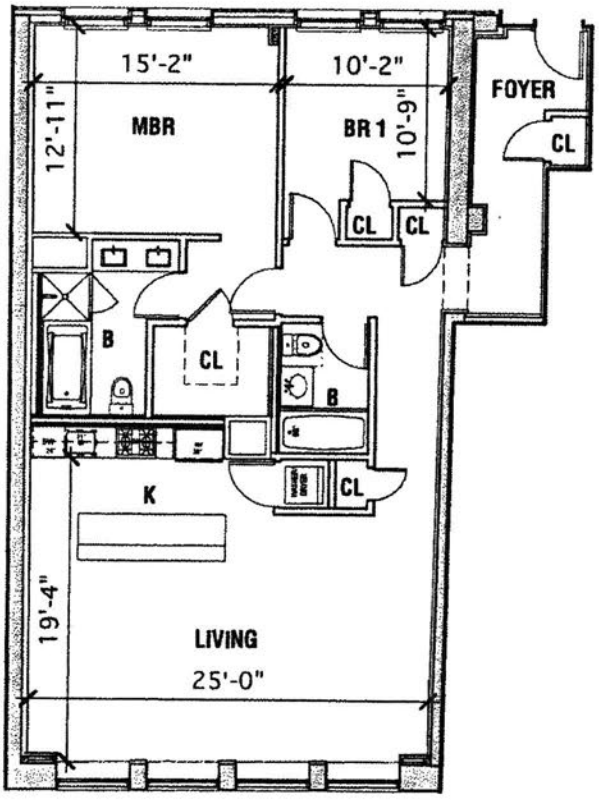
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FIFTH FLOOR UNIT E

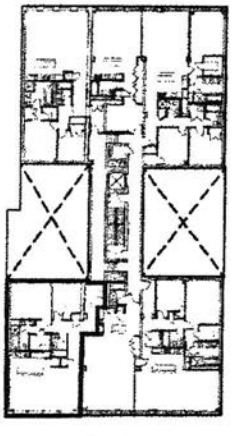
77 READE STREET

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KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

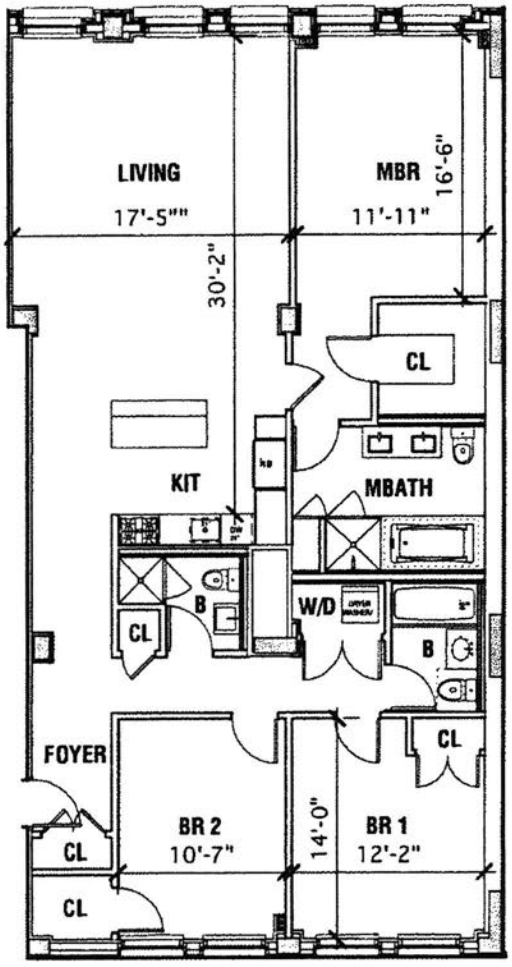
UNIT AREA	1,497 s.f.
STORAGE	100 s.f.

21-DEC-2007

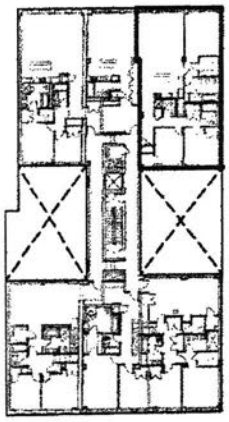
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FIFTH FLOOR UNIT F
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

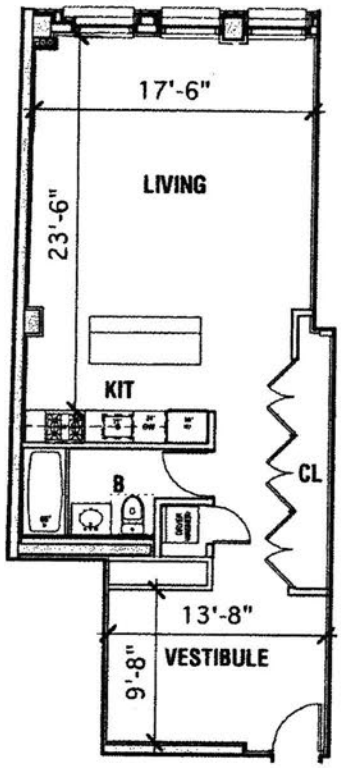
UNIT AREA	1,838 s.f.
STORAGE	100 s.f.

21-DEC-2007

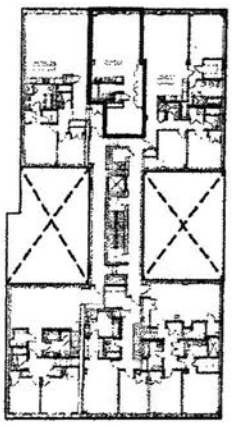
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SIXTH FLOOR UNIT A
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



NOT TO SCALE

UNIT AREA SUMMARY

UNIT AREA	853 s.f.
STORAGE	100 s.f.

21-DEC-2007

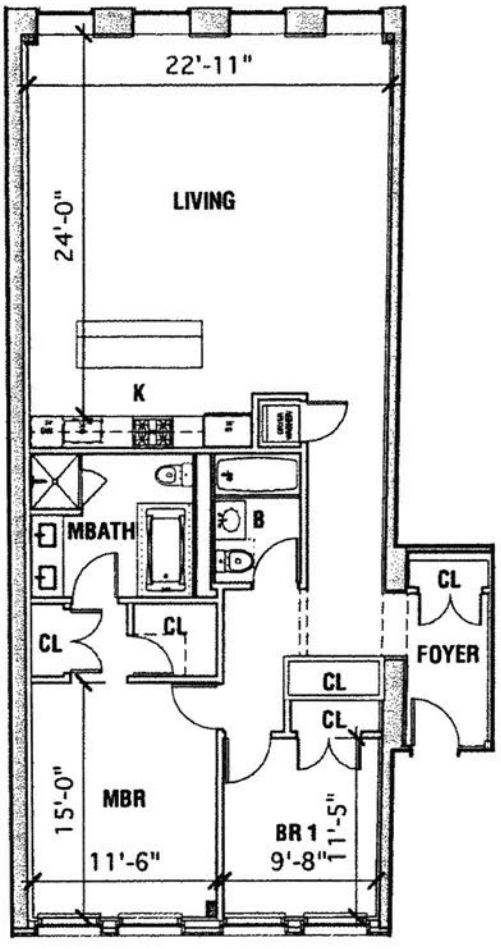
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SIXTH FLOOR UNIT C

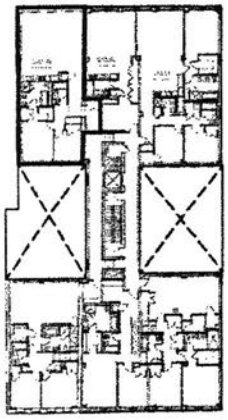
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

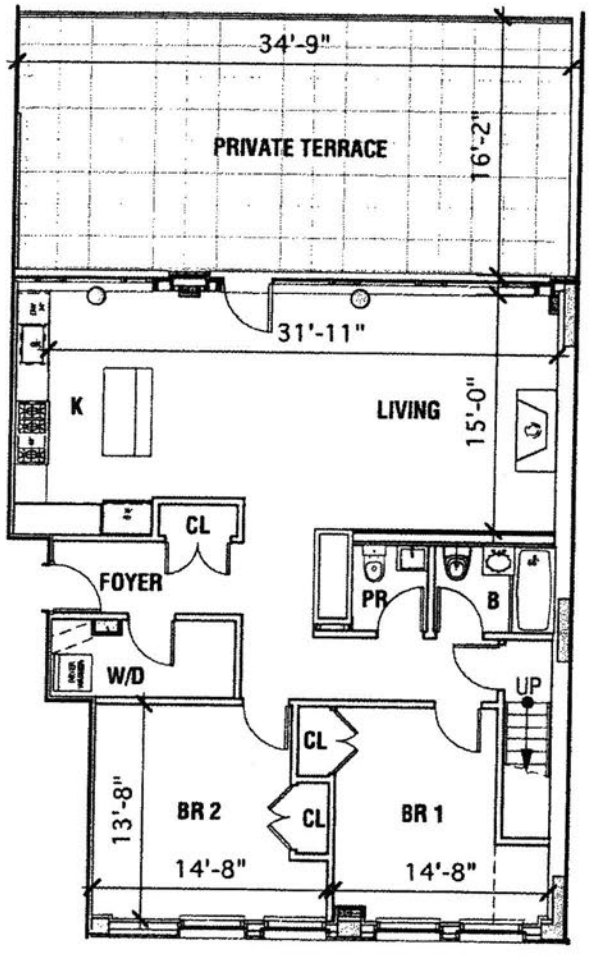
UNIT AREA	1,523 s.f.
STORAGE	100 s.f.

21-DEC-2007

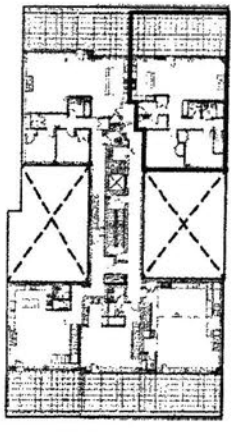
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SIXTH FLOOR UNIT E
77 READE STREET
NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



NDT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,393 s.f.
PH LEVEL	776 s.f.
UNIT TOTAL	**2,169 s.f.**
STORAGE	250 s.f.
TERRACE (PH)	635 s.f.
TERRACE (MEZZ)	481 s.f.
TERRACE TOTAL	**1,116 s.f.**

21-DEC-2007

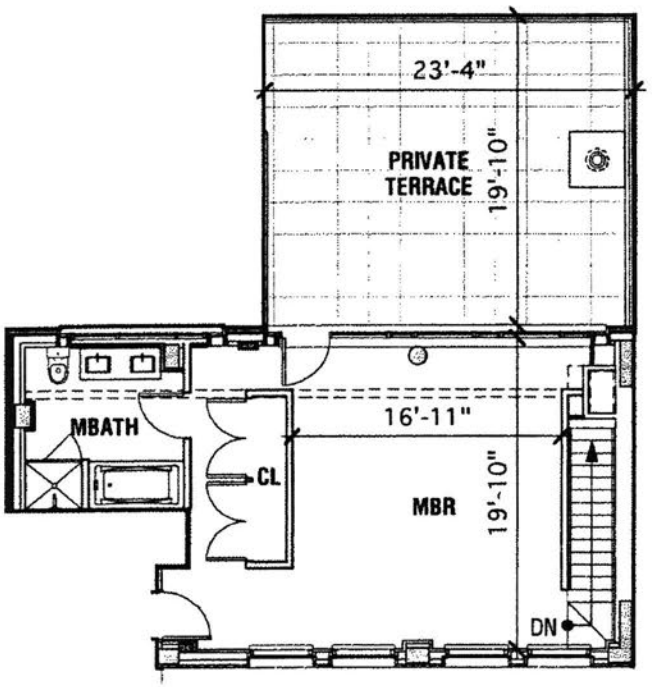
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PENTHOUSE - DUPLEX A

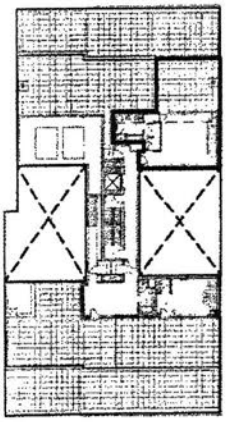
77 READE STREET

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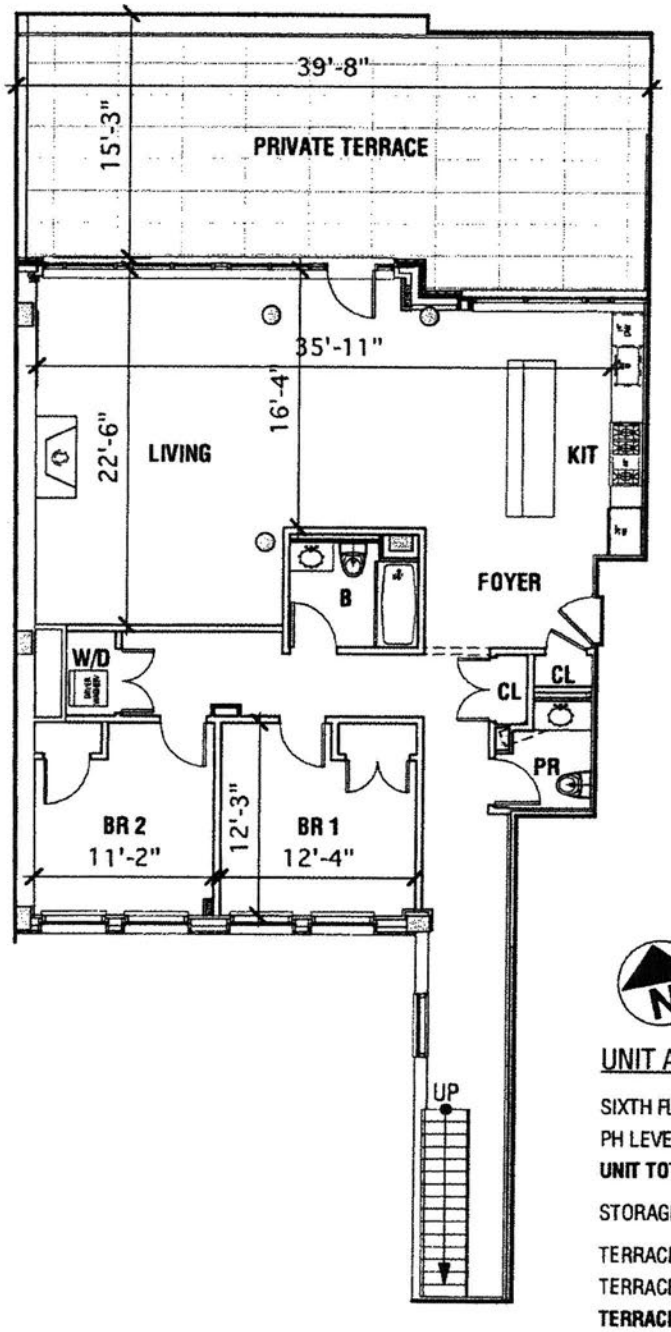
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PH MEZZANINE - DUPLEX A

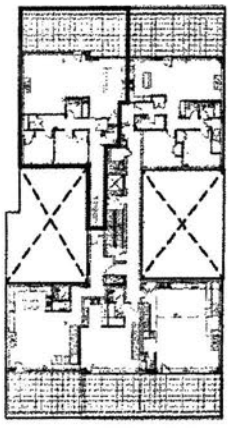
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,697 s.f.
PH LEVEL	692 s.f.
UNIT TOTAL	**2,389 s.f.**
STORAGE	250 s.f.
TERRACE (PH)	664 s.f.
TERRACE (MEZZ)	1023 s.f.
TERRACE TOTAL	**1,687 s.f.**

21-DEC-2007

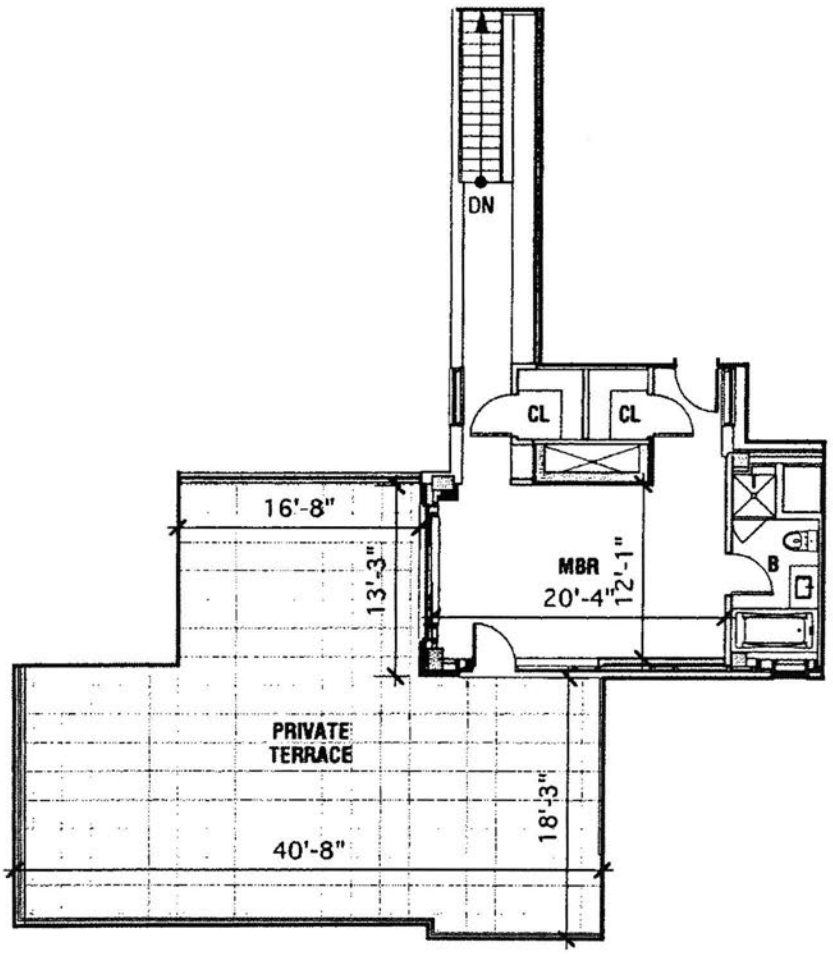
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PENTHOUSE - DUPLEX B

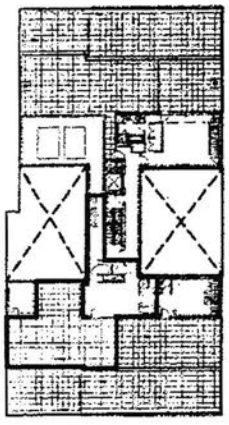
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



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TERRACE TOTAL	**1,687 s.f.**

21-DEC-2007

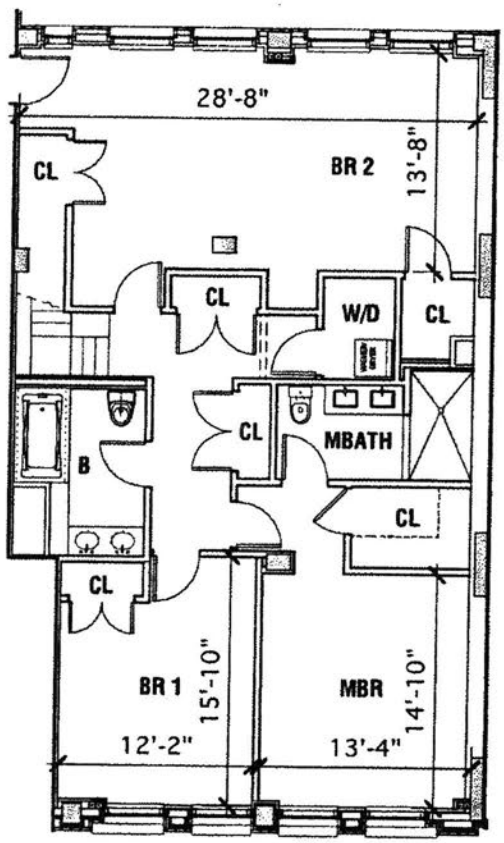
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

PH MEZZANINE - DUPLEX B

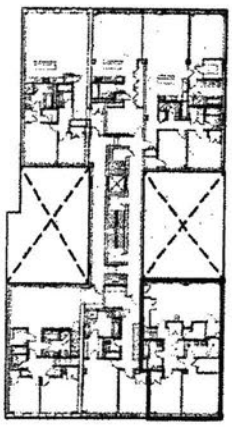
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,492 s.f.
PH LEVEL	1,070 s.f.
PH MEZZANINE	384 s.f.
UNIT TOTAL	**2,946 s.f.**
STORAGE	250 s.f.

21-DEC-2007

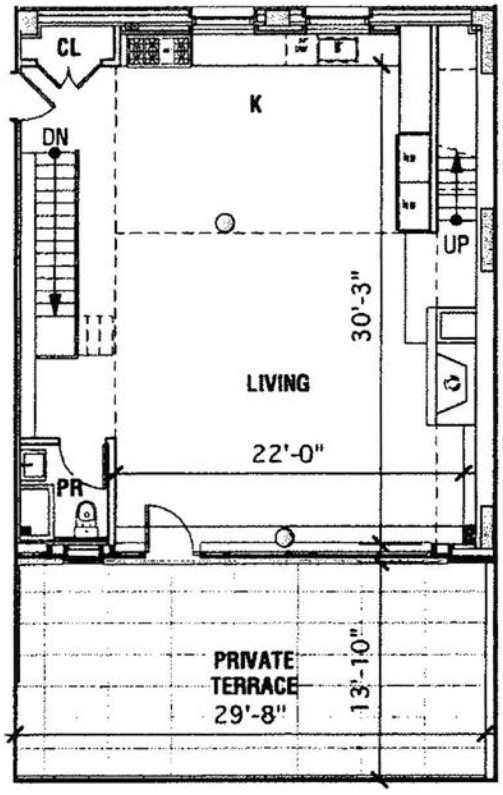
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SIXTH FLOOR TRIPLEX C

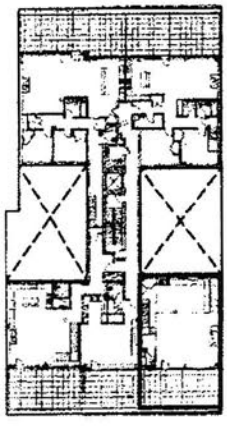
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KEY PLAN
NOT TO SCALE



NOT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,492 s.f.
PH LEVEL	1,070 s.f.
PH MEZZANINE	384 s.f.
UNIT TOTAL	**2,946 s.f.**
STORAGE	250 s.f.
TERRACE (PH)	476 s.f.
TERRACE (MEZZ.)	757 s.f.
TERRACE TOTAL	**1,233 s.f.**

21-DEC-2007

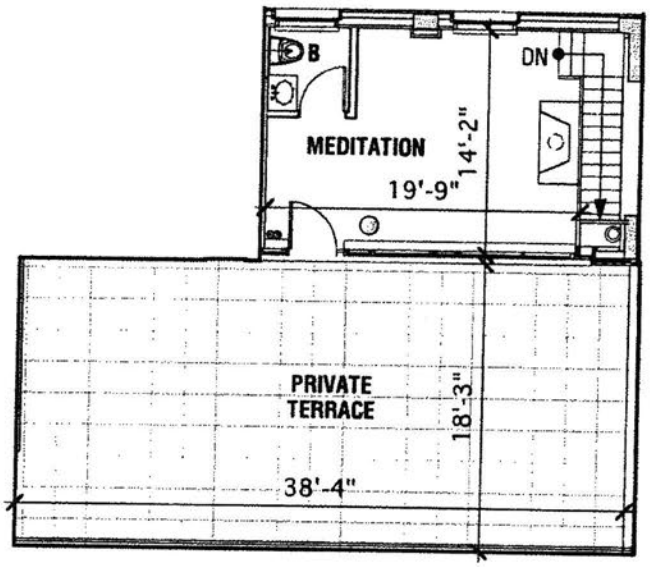
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PENTHOUSE - TRIPLEX C

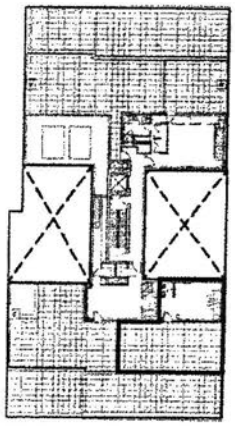
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
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N NOT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,492 s.f.
PH LEVEL	1,070 s.f.
PH MEZZANINE	384 s.f.
UNIT TOTAL	**2,946 s.f.**
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21-DEC-2007

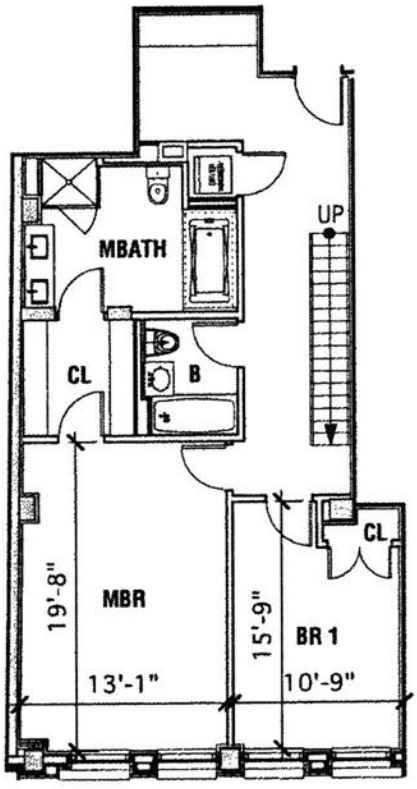
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PH MEZZANINE - TRIPLEX C

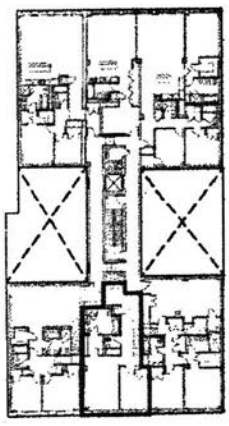
77 READE STREET

NEW YORK, NEW YORK

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KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,016 s.f.
PH LEVEL	631 s.f.
UNIT TOTAL	**1,647 s.f.**
STORAGE	250 s.f.

21-DEC-2007

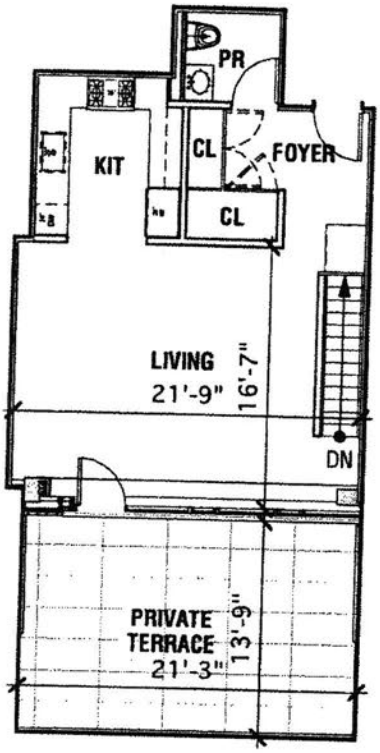
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SIXTH FLOOR DUPLEX D

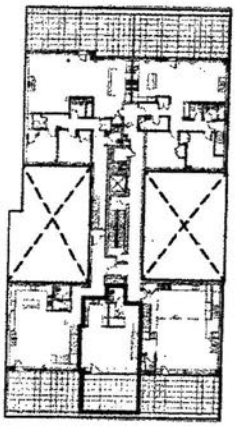
77 READE STREET

NEW YORK, NEW YORK

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KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,016 s.f.
PH LEVEL	631 s.f.
UNIT TOTAL	**1,647 s.f.**
STORAGE	250 s.f.
PRIVATE TERRACE	332 s.f.

21-DEC-2007

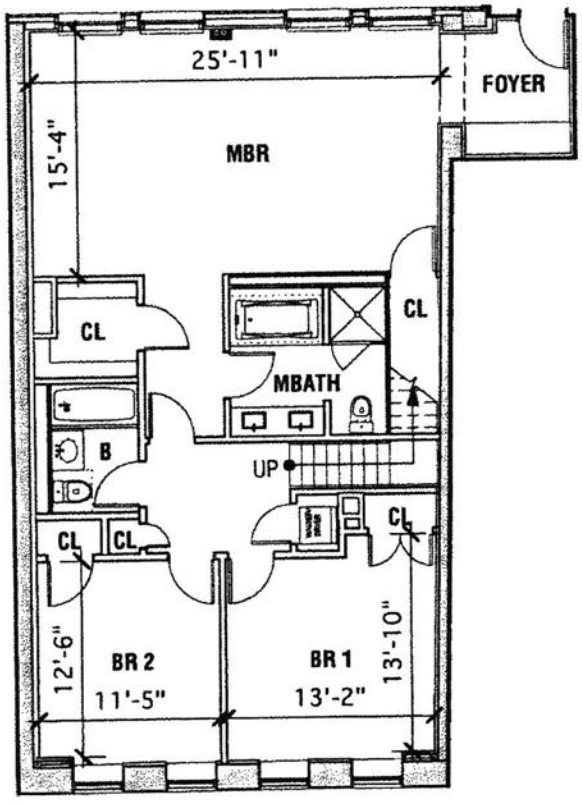
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PENTHOUSE - DUPLEX D

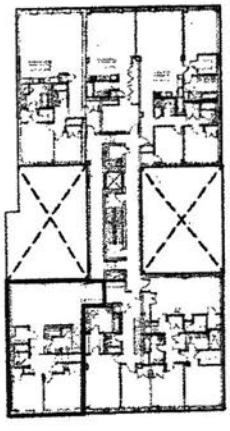
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,440 s.f.
PH LEVEL	1,111 s.f.
UNIT TOTAL	**2,551 s.f.**
STORAGE	250 s.f.

21-DEC-2007

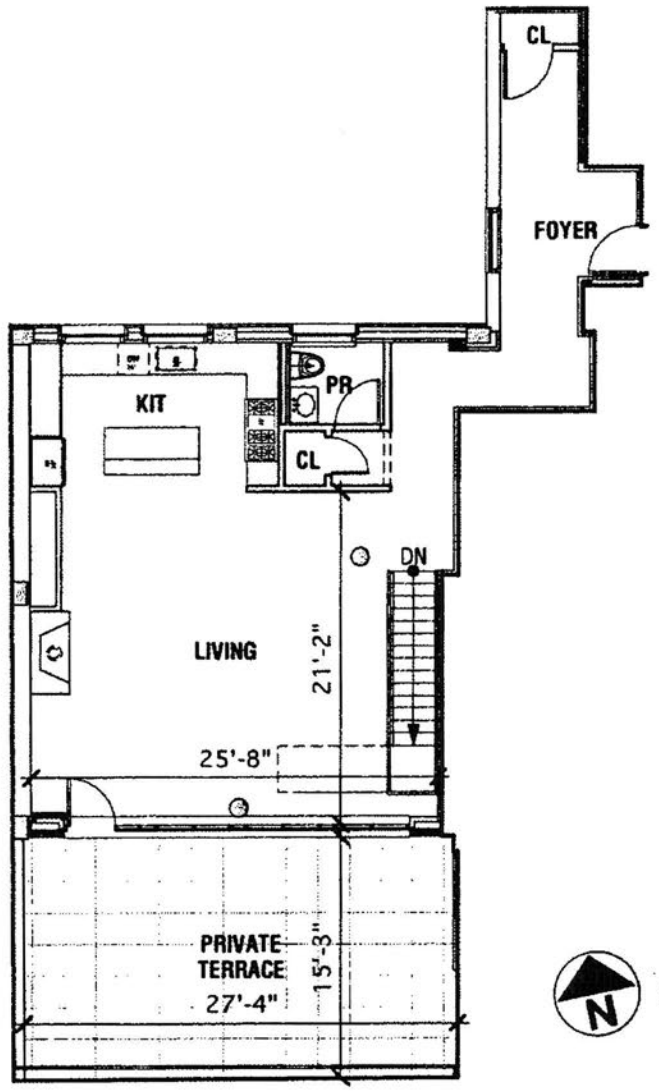
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SIXTH FLOOR DUPLEX E

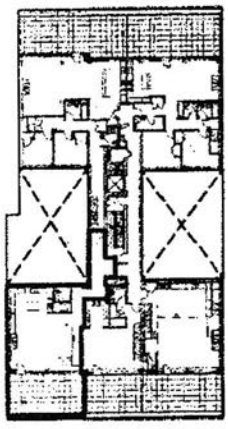
77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP



KEY PLAN
NOT TO SCALE



N NOT TO SCALE

UNIT AREA SUMMARY

SIXTH FLR LEVEL	1,440 s.f.
PH LEVEL	1,111 s.f.
UNIT TOTAL	**2,551 s.f.**
STORAGE	250 s.f.
PRIVATE TERRACE	474 s.f.

21-DEC-2007

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES. PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR

PENTHOUSE - DUPLEX E

77 READE STREET

NEW YORK, NEW YORK

BKSK ARCHITECTS, LLP

FEE TITLE DESCRIPTION

A "Residential and Commercial Unit" as hereinafter referred to shall be defined as follows:

> Each Residential/Commercial Unit shall consist of the area measured from the exterior of the exterior walls of the Building to the exterior of the interior walls and the center line of the demising walls separating one (1) Unit from another Unit. The doors and windows which open from the Residential/Commercial Unit shall be deemed part of the Residential/Commercial Unit. No Residential/Commercial Unit Owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines running through the Residential/Commercial Unit which are utilized for or serve more than one (1) Residential/Commercial Unit. The Description of Residential/Commercial Units set forth herein pertains to the location of the walls, floors and roof of the Residential/Commercial Units as they are finally set forth in the building plans to be filed simultaneously with the recording of the Declaration.

A "Garage Parking Space Unit" as hereinafter referred to shall be defined as follows:

> Each Garage Parking Space Unit shall consist of the area contained within the painted lines of the Parking Space.

A "Garage Storage Space Unit" as hereinafter referred to shall be defined as follows:

> Each Garage Storage Space Unit shall consist of the area horizontally from the inside face of all opposite walls forming the Garage Storage Space Unit and vertically from the upper surface of the floor to the lower surface of the ceiling forming the Garage Storage Space Unit.

SCHEDULE H

DECLARATION

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP
OF PREMISES LOCATED AT 77 READE STREET
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.

NAME: **77 READE STREET CONDOMINIUM**

DECLARANT: **77 READE, LLC**
636 Broadway
Suite 214,
New York, New York 10012

DATE OF DECLARATION:

CERTILMAN BALIN ADLER & HYMAN, LLP
Attorneys for the Sponsor
The Financial Center at Mitchel Field
90 Merrick Avenue
East Meadow, NY 11554

SCHEDULE I

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SCHEDULE A	
EXHIBIT A	Legal Description
EXHIBIT B	By-Laws of Condominium

PLAN OF CONDOMINIUM UNIT OWNERSHIP

DECLARATION OF 77 READE STREET CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE REAL
PROPERTY LAW OF THE STATE OF NEW YORK

In the Borough of Manhattan, County, City and State of New York on this _____day of _____, 20__, 77 Reade, LLC, a New York limited liability company, organized and existing under the laws of the State of New York, whose principal office is situated in New York, New York, hereinafter referred to as the "Declarant" or "Sponsor" represented in this Declaration by _____, who is fully empowered and qualified to execute this Declaration on behalf of the company does hereby state:

ARTICLE FIRST: SUBMISSION OF PROPERTY.

By this Declaration the Declarant submits the property described in this Declaration, including the land and the Building and all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith, to the provisions of Article 9-B of the Real Property Law of the State of New York.

ARTICLE SECOND: DESCRIPTION OF PROPERTY.

The Declarant owns all that certain plot, piece or parcel of land, with the Building and improvements thereon erected, situate, lying and being in the Borough of Manhattan, County, City and State of New York, and more particularly bounded and described on Exhibit A annexed hereto and made a part hereto.

ARTICLE THIRD: DEFINITIONS.

The following words as hereinafter referred to shall be defined as follows:

1. "Board of Managers" - The governing body of the Condominium responsible for its affairs.

2. "Board Member" or "Member" – Each individual representative elected, designated or appointed to the Board of Managers. The Board Members are described as follows:

   (a) "Residential Board Members" – The Board Members representing the Residential Unit Owners.

   (b) "Commercial Unit Board Member" – The Board Member representing the Commercial Unit Owners.

3. "Building" - The one (1) building including the Units and Common Elements of the Condominium.

4. "By-Laws" - The document governing the operation of the Condominium.

5. "Closing" or "Close Title" or "Closing of Title" – The consummation of the sale of the Unit transferring title via a deed from the Sponsor to the Purchaser.

6. "Closing Date" or "Date of Closing" – The date of Closing of Title.

7. "Commercial Area" – The area of the Condominium consisting of the Commercial Units and Commercial Units Limited Common Elements.

8. "Common Charges" - Each Unit Owner's proportionate share of Common Expenses of the Condominium.

9. "Common Elements" - All portions of the Condominium, other than the Units. The Common Elements are divided as follows:

   (a) General Common Elements which are Common Elements shared by all Unit Owners.

   (b) General Residential Units' Limited Common Elements which are Common Elements for the exclusive use of all Residential Unit Owners.

   (c) Individual Residential Unit Limited Common Elements which are Common Elements for the exclusive use of an individual Unit Owner or Owners.

   (d) Commercial Unit Limited Common Elements which are Common Elements which are for the exclusive use of a Commercial Unit Owner or Owners.

10. "Common Expenses" - (a) Expenses incurred by all Unit Owners for the purpose of paying costs of the Condominium in connection with the repair, maintenance, replacement, restoration or operation of, and any alteration, addition or improvement to the General Common Elements and General Residential Units' Limited Common Elements; and (b) All sums designated common expenses by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

11. "Community" or "Development" - As used herein is equivalent in meaning to the term "Condominium" as same is used in Article 9-B of the Real Property Law.

12. "Condominium" - 77 Reade Street Condominium which includes the Unit Owners, the Units and the Common Elements.

13. "Declarant" or "Sponsor" – 77 Reade, LLC, a New York limited liability company and its successors, assigns and designees.

14. "Declaration of Condominium" - The instrument by which the Property is submitted to the provisions of the Condominium Act, and such instrument as from time to time may be amended, consistent with the provisions of the Condominium Act and of the By-Laws.

15. "Limited Common Elements" - A Common Element appurtenant to a particular Unit or Units, the use of which is restricted to the Owners of such Unit or Units. Limited Common Elements may also be referred to as an Irrevocably Restricted Common Element.

16. "Residential Area" – The area of the Condominium consisting of the Residential Units of the Condominium, the General Residential Units' Limited Common Elements and Individual Residential Units Limited Common Elements.

17. "Rules and Regulations" – The Rules and Regulations contained in Article VIII of the By-Laws as the same may be amended, altered, waived or added to by the Board of Managers.

18. "Special Assessment" – A Common Expense of the Condominium that is not included in the monthly Common Charges applicable to a Unit.

19. "Unit" – A Unit includes all the Units in the Condominium. The Units are divided as follows:

    (a) "Residential Units" – The Units designated in the Declaration of Condominium for residential use.

(b) "Commercial Units" – A Unit designated as a Commercial Unit in Schedule A of the Declaration of Condominium to be used as Commercial Facilities as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York which includes retail stores, personal service establishments and offices.

(c) "Garage Parking Space Unit" – One (1) of the five (5) Garage Parking Space Units located in the Garage designated in the Declaration of Condominium for parking space use. Each Garage Parking Space Unit shall consist of the area contained within the painted lines of each parking space.

(d) "Garage Storage Space Unit"- The one (1) Storage Space Unit designated in the Declaration of Condominium for storage of household items.

20. "Unit Owner" – A Unit Owner includes all the Unit Owners in the Condominium. Unit Owners are described as follows:

(a) "Residential Unit Owner" – The Owner of a Residential Unit.

(b) "Commercial Unit Owner" – The Owner of a Commercial Unit.

(c) "Garage Parking Space Unit Owner" – The Owner of a Garage Parking Space Unit.

(d) "Garage Storage Space Unit" – The one (1) Storage Space Unit designated in the Declaration of Condominium for storage of household items.

21. "Unsold or Untitled Unit" - Any Unit in which title is retained by the Sponsor and any successors or assigns until such time as the same has been sold and title conveyed to a third party. It shall not include a Residential Unit which is used for personal occupancy of the Sponsor, any of its principals or any of its successors or assigns or designees.

ARTICLE FOURTH: COMMUNITY/MEASUREMENT OF UNIT.

A. Community - The Declarant is constructing on the described parcel a mixed use Condominium Community known as 77 Reade Street Condominium, according to the plans filed simultaneously with the recording of this Declaration in the Register's Office of the City of New York, County of New York, which Plans set forth a description of the Building stating the number of stories and number of Units.

The Condominium will consist of thirty (30) Residential Units, two (2) Commercial Units, five (5) Garage Parking Space Units and one (1) Garage Storage Space Unit.

The Building structure will be new cast-in-place reinforced concrete, mat slab foundation and walls, existing masonry with stone foundation, superstructure cast-in-place reinforced concrete at the new construction tied to existing load-bearing walls as set forth on the Plot Plan filed simultaneously herewith. Each of the Units has access to each other Unit or to any other portion of the Condominium or to a street upon which the Condominium abuts by means of a walk or hallway. For the purposes of describing the location of the Building, approximate area, type and number of rooms of each Unit and the Common Elements to which each Unit has immediate access, each Unit is described as shown on Schedule B annexed hereto. Each Unit will be sold to one or more Unit Owners, each Unit Owner obtaining fee ownership, together with an undivided interest in the Common Elements of the Condominium, as listed hereinafter in this Declaration and referred to as the "Common Elements," all of the above in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Unit Owner and the Unit Owner at the time of renovation of the Unit.

The aforesaid Condominium has a plot area of approximately 11,714 square feet.

B. Measurement of Units – The measurement of every Residential and Commercial Unit will consist of the area measured horizontally from the exterior face of the exterior walls of the Combined Building to the centerline of the partitions separating one Unit from another Unit and to the centerline of the walls separating one Unit from corridors, stairs, elevators and other mechanical spaces or any Common Elements (as herein after defined). Each Residential and Commercial Unit will consist of the area measured vertically from the top of the structural slab to the underside (of any fire protection) of the structural members above.

Each Garage Parking Space Unit shall consist of the area contained within the painted lines of each Garage Parking Space.

Each Garage Storage Space Unit shall consist of the area horizontally from the inside face of all opposite walls forming the Garage Storage Space Unit and vertically from the upper surface of the floor to the lower surface of the ceiling forming the Garage Storage Space Unit.

ARTICLE FIFTH: COMMON ELEMENTS.

The Common Elements will consist of the entire property, including all parts of the Condominium and improvements thereon, other than the Units, and will consist of the following:

A. General Common Elements - General Common Elements are those shared by all Unit Owners and include all portions of the Condominium except for the individual Units and the Limited Common Elements (irrevocably restricted in use to specified Units or Unit Owners) and include without limitation the following:

1. The land on which the Condominium is erected and all other land within the boundaries of the Property;

2. The roof of the Building;

3. All exterior walls of the Building;

4. All foundations, footings, columns, girders, beams, supports, floor slabs and ceilings that are not part of a Unit and any interior load bearing walls that are not part of a Unit and that service the entire Building;

5. Stairs, stairways, common hallways which are not located wholly within a Unit and entrances and exits to and from the Condominium other than entrances to the individual Units which service the entire Condominium;

6. All improved and unimproved areas of the Condominium located outside the boundaries of the Units that service the entire Condominium;

7. All central and appurtenant installations in the Common Elements for services such as power, light, telephone, television, gas, hot and cold water and heat (including all boilers, pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces that service the entire Condominium;

8. All drainage systems, sewers and/or storm sewer pipes, drywells or detention tanks or facilities that service the entire Condominium;

9. All mechanical equipment, refuse rooms, utility meters, storage areas, if applicable that service the entire Condominium;

10. Any heating, cooling or other mechanical system located in the Common Elements servicing the entire Condominium;

11. All telephone and cable rooms, meter rooms, compactor rooms, refuse rooms, equipment rooms and any other mechanical rooms or areas that service the entire Condominium;

12. Any compactor chute, compactor and compactor room that services the entire Condominium;

13. All tanks, pumps, motors, fans, compressors and control equipment that service the entire Building;

14. Any plantings, landscaping, gates, fences and garden walls servicing the entire Building and all the Units;

15. All pedestrian walkways and driveways intended for the common use of the entire Condominium;

16. The one (1) passenger elevator;

17. The lobby;

18. Any intercom system servicing the entire Building; and

19. All other parts of the Condominium and all apparatus and installations existing in the Building or Property for common use or necessary or convenient to the existence, maintenance or safety of the entire Condominium.

B. Irrevocably Restricted Areas/Limited Common Elements - Certain portions of the Common Elements are irrevocably restricted in use to specified Units or Unit Owners subject to the right of the Board of Managers of the Condominium to enter upon any restricted area for maintenance, repair or improvement of a Unit or the Common Elements and subject to the Rules and Regulations of the Board of Managers (see By-Laws, Article VIII). Said irrevocably restricted Common Elements are also referred to as a Limited Common Element. Any portion of the Common Elements which is not restricted in use may be used by any Unit Owner. Following are descriptions of the irrevocable restricted Limited Common Elements:

1. General Residential Units' Limited Common Elements- General Residential Units' Limited Common Elements are those shared by all Residential Unit Owners and include all portions of the Residential Area of the Condominium except for the individual Residential Units and the Individual Residential Unit Limited Common Elements (irrevocably restricted in use to a specified Residential Unit(s) or Residential Unit Owner(s) and include without limitation the following:

(a) Any portion of the roof that services exclusively the Residential Area of the Condominium;

(b) All foundations, footings, columns, girders, beams, supports, floor slabs and ceilings that are not part of a Residential Unit and any interior load bearing walls that are not part of a Residential Unit and that service exclusively the Residential Area of the Condominium;

(c) All parts of the exterior walls and facades that are for the exclusive use of the Residential Area of the Condominium;

(d) Stairs, stairways, common hallways which are not located wholly within a Residential Unit and entrances and exits to and from the Condominium other than entrances to the individual Residential Units which service exclusively the Residential Area of the Building;

(e) All improved and unimproved areas of the Condominium located outside the boundaries of the Residential Units that service exclusively the Residential Area of the Condominium;

(f) All central and appurtenant installations in the Common Elements for services such as power, light, telephone, television, gas, hot and cold water and heat (including all boilers, pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces that service exclusively the Residential Area of the Condominium;

(g) All drainage systems, sewers and/or storm sewer pipes, drywells or detention tanks or facilities that service exclusively the Residential Area of the Condominium;

(h) All mechanical equipment, refuse rooms, utility meters, storage areas, if applicable that service exclusively the Residential Area of the Condominium;

(i) Any heating, cooling or other mechanical system located in the Common Elements servicing exclusively the Residential Area of the Condominium;

(j) Any intercom system that services exclusively the Residential Units;

(k) The public recreation area located at the penthouse level;

(l) The exercise room located at the sub-cellar level;

(m) All telephone and cable rooms, meter rooms, compactor rooms, refuse rooms, equipment rooms and any other mechanical rooms or areas that service the Residential Area exclusively;

(n) All pedestrian walkways and driveways that service the Residential Area exclusively;

(o) Any plantings, landscaping, gates, fences and garden walls servicing the Residential Area exclusively; and

(p) All other parts of the Residential Area of the Condominium and all apparatus and installations existing in the Residential Area of the Condominium or Property for common use or necessary or convenient exclusively to the existence, maintenance or safety of the Residential Area of the Condominium.

2. Individual Residential Units Limited Common Elements - Individual Residential Units Limited Common Elements are irrevocably restricted in use to a specific Residential Unit or specific Residential Units. Following are descriptions of irrevocable restricted Limited Common Elements:

(a) Any balcony, terrace or courtyard appurtenant to a Residential Unit;

(b) Any heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements; and

(c) All apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit a Residential Unit exclusively.

All structural repairs and replacements to any balcony or terrace that is a Limited Common Element will be the responsibility of the Condominium and a Common Expense. All general maintenance and repairs of a balcony, terrace or courtyard that is a Limited Common Element, including cleaning, snow removal and all repairs not structural in nature, (including the repair of leaks and the repair or replacement of the surface of the balcony, terrace or courtyard), shall be the responsibility of the Residential Unit Owner whose balcony, terrace or courtyard is appurtenant to their Residential Unit and is a Limited Common Element of their Residential Unit.

3. Commercial Unit's Limited Common Elements - The following portions of the Common Elements shall be Limited Common Elements for the exclusive use of the owners of a Commercial Unit and are herein sometimes collectively referred to as the "Commercial Unit's Limited Common Elements":

(a) The entrances to and exits from a Commercial Unit;

(b) The equipment and facilities serving only a Commercial Unit if located outside the Commercial Unit and all other apparatus, installations, systems equipment and facilities in the Condominium (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Commercial Unit;

(c) Any portion of the roof that services exclusively a Commercial Unit;

(d) Stairs, stairways, hallways which service a Commercial Unit exclusively;

(e) All central and appurtenant installations in the Common Elements for services such as power, light, telephone, television, gas, hot and cold water and heat (including all pipes, ducts, wires, chutes, cables and conduits used in connection therewith located in the Common Elements) and all other mechanical equipment spaces that service a Commercial Unit exclusively;

(f) All drainage systems, sewer and/or storm sewer pipes, drywells or detention tanks and facilities that service a Commercial Unit exclusively;

(g) All mechanical equipment, refuse rooms, utility meters, storage areas, if applicable that service a Commercial Unit exclusively;

(h) Any heating, cooling or other mechanical system located in the Common Elements servicing a Commercial Unit exclusively;

(i) Any intercom system that services a Commercial Unit exclusively;

(j) All telephone and cable rooms, meter rooms, compactor rooms, refuse rooms, equipment rooms and any other mechanical rooms or areas that service a Commercial Unit exclusively;

(k) Any compactor chute, compactor and compactor room that services a Commercial Unit exclusively; and

(l) All other parts of the Condominium and all apparatus and installations existing in the Condominium for the exclusive use of a Commercial Unit.

C. Provisions Applicable to All Common Elements -

1. The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law.

2. The Common Elements are not subject to partition nor are they severable from the Units except in accordance with the Real Property Law.

3. The percentage of the undivided interest in the Common Elements established herein shall not be changed except with the consent of all of the Unit Owners affected expressed in a duly recorded amendment to this Declaration.

4. The undivided interest in the Common Elements shall not be separated from the Units to which it appertains and shall be deemed conveyed or encumbered with the Units even though such interest is not expressly mentioned or described in the conveyance or other instrument.

ARTICLE SIXTH: CHANGES TO A COMMERCIAL UNIT.

Except to the extent prohibited by law, the Declarant, its successor, assignee or designee and a Commercial Unit Owner(s) shall have the right, without the vote or consent of the Board of Managers to: (a) make alterations, additions or improvements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, in, to and upon a Commercial Unit; (b) change the layout of, or number of rooms in a Commercial Unit from time to time; (c) change the size and/or number by subdividing one or more Commercial Units into two or more separate Commercial Units, combining separate Commercial Units (including those resulting from such subdivision or otherwise) into one or more Commercial Units, altering the boundary walls between any Commercial Units, or otherwise; (d) if appropriate, reapportion among a Commercial Unit affected by such change in size or number pursuant to the preceding clause their percentages of interest in the Common Elements; provided, however, that the percentage of interest in the Common Elements of any other Commercial Units shall not be changed by reason thereof unless the owners of such Commercial Units shall consent thereto and, provided further, that the Declarant, its successor, assignee or designee and the Commercial Unit Owner(s) shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, including but not limited to the Landmarks Preservation Commission and shall agree to hold the Board of Managers and all other Commercial Unit Owner(s) harmless from any liability arising therefrom.

Nothing contained in this Declaration shall prohibit the division or consolidation of a Commercial Unit and common interest appurtenant thereto, including but not limited to a change in the number of rooms. In no case, however, may such division or consolidation result in a different percentage of common interest for the total of the new Commercial Unit than existed for the total of the original Commercial Units before division or consolidation. An amendment to this Declaration authorized by this paragraph of Article Sixth may be filed by the Declarant or Commercial Unit Owners without any consent of the Board of Managers or any other Unit Owner provided the percentage of common interest of all other existing Units is not affected thereby.

ARTICLE SEVENTH: EASEMENTS.

All pipes, sewers and/or drainage lines and wires, conduits and public utility lines located within each Unit and for the exclusive use of the Unit shall be owned and maintained by such Unit Owner. Any portion of such pipes, sewers and/or drainage lines and wires, conduits and public utility lines located in the Common Elements or in a Limited Common Element and servicing one or more other Units, will be owned in common by the respective Unit Owners. Every Unit Owner shall have an easement in common with the owners of other Units to maintain and use all pipes, sewers and/or

drainage lines, wires, conduits and public utility lines located in other Units and servicing such Unit Owner's Unit. Each Unit shall be subject to an easement in favor of the Unit Owners of other Units to maintain and use the pipes, sewers and/or drainage lines, wires, conduits and public utility lines servicing such other Units located in such Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvements to any pipes, sewers and/or drainage lines, wires, conduits and public utility lines located in any Unit and servicing any other Unit or causing damage to any other Unit. The cost of such repairs shall be a Common Expense. The Board of Managers shall have a right of access to all Common Elements for maintenance, repair or improvement whether such Common Elements are restricted or not.

The owner(s) of a Commercial Unit and any Units resulting from the subdivision and/or consolidation of a Commercial Unit shall have easements for (i) the installation, maintenance, repair and replacement of signs, flues, vents, air-conditioning, heating, ventilating, water and other mechanical lines and fixtures and equipment on the exterior walls, the roof and through the Common Elements of the Condominium, and in, through under and over any Commercial Unit and any Units resulting from the subdivision or consolidation of the Commercial Unit; (ii) through the Common Elements of the Condominium for access to the roof for the purpose of installing, repairing, maintaining and replacing any fixtures and equipment now or hereafter located on the roof, provided, however, that except in the case of an emergency, the right of access may be exercised only after prior notice to the Board of Managers. The Commercial Units and any Units resulting from the subdivision or consolidation of a Commercial Unit shall be subject to easements in favor of any other Unit(s) and any Unit resulting from the subdivision or consolidation of a Commercial Unit for the installation, maintenance, repair and replacement of gas, electricity, heating, air-conditioning, ventilating and water and other mechanical lines and fixtures and equipment serving a Commercial Unit and any Units resulting from the subdivision or consolidation of a Commercial Unit. The owner and tenants of a Commercial Unit shall have the right at their sole expense to install separate heating and cooling systems for a Commercial Unit and any Units resulting from the subdivision of a Commercial Unit and an easement is herewith granted in, over, under and through the applicable portions of the Condominium for (i) the installation, maintenance, repair and replacement of the heating and cooling systems and all necessary pipes, lines, conduits, ducts, water lines and flues in connection therewith if such right is exercised; (ii) for access to any equipment that services a Commercial Unit and which is located in the Residential Area of the Condominium and subject to the approval of the Board of Managers, which approval shall not be unreasonably withheld, through the General Residential Units Limited Common Elements and (iii) to erect, maintain and replace one or more signs on the property permitted by law and subject to any approvals from the Landmarks Preservation Commission for the purpose of advertising the operation of any business conducted therein. Any such signs shall be of reasonable size and shall not be located so as to unduly disturb the aesthetics of the Condominium.

The Board of Managers shall have the right to grant such additional electric, gas, water, sewer, drainage or other utility easements or relocate any existing utility easement in any portion of the Condominium as the Board of Managers shall deem necessary or desirable for the proper operation and maintenance of the Condominium, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of any Unit for its permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Unit for its permitted purposes by its owner, tenants or occupants.

The Board of Managers shall have an easement through the Units for access, installation, maintenance, repair and replacement of any flues, vents, air-conditioning, gas, heating, ventilating, water and other mechanical lines and fixtures and any other machinery, pipes, wires, conduits, equipment or meters servicing any portion of the Condominium.

The Declarant, its successors, assigns, and purchasers of undeveloped or unsold Units, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing construction, sale and rental of Units and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Declarant, its successors, assigns, and purchasers of undeveloped or unsold Units, also reserve the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along the streets and roads or other areas of the Common Elements. The Declarant, its successors and assigns, and purchasers of undeveloped or unsold Units, shall have an easement to erect and maintain general sales, leasing, business or administration offices and/or model Units, to erect, maintain, repair and replace from time to time one or more free-standing and other selling, directional and informational signs in/or on the Condominium as it deems necessary for the purposes of advertising the sale or lease of Units, and for the purpose of showing the Property to prospective Purchasers or lessees and for access to Units and Common Elements consistent with the purposes of the Declaration, as the same may be amended, and Declarant's rights and obligations thereunder, including, without limitation the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units, together with their interest in the Common Elements. Finally, the Declarant, its successors, assigns and purchasers reserve the right to continue to use the Common Elements and any facilities, sales offices, model Units and signs located on the Common Elements, in its efforts to sell and/or lease Units constructed in

the Condominium and to complete construction of the Condominium. This paragraph shall not be amended without the consent of the Declarant.

Each Unit Owner hereby grants a right of access to and through their Unit to Declarant or its designee, and any contractors, subcontractors, agents, and employees of the foregoing for the purposes of the repair and completion of any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed or to be performed by or on behalf of Declarant with respect to the Common Elements and/or the Units.

The Board of Managers will have and each Unit will be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the General Common Elements and General Residential Units' Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere in the Condominium and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements or General Residential Units' Limited Common Elements.

Each Unit will have an easement of support from all structural members (including, but not limited to, columns, footings, bracings, foundations, slabs, and exterior walls) supporting or serving the Building and any replacement thereof and additions thereto and an easement of necessity, and each Unit will be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

Each Unit will have an easement for lateral and vertical support among all adjoining Units and Common Elements.

Any easements granted to Declarant, the Board of Managers, any Unit or any Unit Owner under this Declaration and the By-Laws may be exercised by such Declarant's, Board of Managers or Unit Owner's employees, agents, contractors, suppliers, customers, guests, invitees, licensees, servants, tenants, subtenants, members, and visitors, members, tenants and/or tenant-shareholders, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by the Declarant, the Unit Owner or Board of Managers.

Each Unit Owner will have a right and easement to use its Unit and the Limited Common Elements appurtenant to such Unit or Units, and the General Common Elements, subject to and in accordance with the terms and conditions of this Declaration and By-Laws.

The Board of Managers will have an easement and unlimited access to any Limited Common Elements for the purpose of making inspections, repairs or rebuilding of the Condominium.

All emergency vehicles and personnel, including, but not limited to, police, fire and medical shall be granted an easement of ingress and egress over, upon and through all areas of the Condominium. This Paragraph may not be amended by the Unit Owners in the Condominium.

ARTICLE EIGHTH: SERVICE OF PROCESS:

Service of process on the Unit Owners in any action with relation to the Common Elements shall be made upon the Secretary of State as the agent of the Board of Managers of the Condominium. The post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon him as agent for service of this Condominium during the period the Declarant controls the Board of Managers is: 77 Reade, LLC, 636 Broadway, Suite 214, New York, New York 10012. Once the Declarant no longer controls the Board of Managers, the Board of Managers must notify the Secretary of State that the post office address to which the Secretary of State shall mail a copy of any process against this Condominium served upon the Board of Managers as agent of this Condominium is: Board of Managers, 77 Reade Street Condominium, 77 Reade Street, New York, New York or such other address as the Board of Managers of the Condominium selects.

ARTICLE NINTH: COMMON INTEREST.

Each Unit Owner shall have such percentage of interest in the Common Elements as is set forth in Schedule A attached hereto and shall bear such percentage of the Common Expenses of the Condominium except as otherwise described herein in reference to the Limited Common Elements. Each Residential and Commercial Unit Owner shall have one vote for each Residential and/or Commercial Unit owned by a Residential and/or Commercial Unit Owner for all voting purposes at any meeting of the Unit Owners. Garage Parking Space and Garage Storage Space Unit Owners shall not be entitled to any votes. The percentage of interest of each Unit in the Common Elements has been based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit. Said method of determining the percentage of common interest in a condominium complies with and is pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York.

ARTICLE TENTH: ADMINISTRATION.

The administration of the Condominium, and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto as Exhibit "B".

ARTICLE ELEVENTH: AMENDMENTS AND WITHDRAWAL.

A. The dedication of the property to Condominium ownership herein shall not be revoked or the property withdrawn from Condominium ownership unless eighty (80%) percent of the Unit Owners in number and in common interest and the first mortgagees, if any, of each of these same Units agree to such revocation or removal of the property from the Plan by duly recorded instruments.

B. The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-six and two-thirds (66⅔%) percent of the Unit Owners in number held at a duly-called meeting of the Unit Owners, provided however, that:

1. No amendment shall change any condominium parcel, nor a Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any Unit, unless all of record owner(s) in number and Common Interest thereof and the first mortgagees, if any, of each of these same Units agree to such revocation by recorded instrument.

2. No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

3. No amendment to the Declaration which shall affect the General Residential Units' Limited Common Elements may be adopted without the written consent of at least sixty-six and two-thirds (66 2/3%) percent in number of the Residential Unit Owners.

4. No amendment to the Declaration which solely affects the Commercial Units may be adopted without the written consent of at least two-thirds of the then Commercial Unit Owners.

5. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of, to or from this Declaration, the By-Laws or any rules and regulations shall be effective in any way against Declarant or its designee or any

Unsold Unit, as long as the Declarant owns an Unsold Unit in the Condominium unless the Declarant has given its prior written consent thereto. This provision is not subject to amendment.

There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the Unit owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the 60 day period such presumption will be deemed conclusive.

C. The Declarant, its successors, assigns and purchasers of undeveloped or unsold Units shall have the right without vote or consent of the Unit Owners, the Board of Managers or the holders of Unit mortgages to execute or (on its request) to require the Board of Managers to execute and record in the Register's Office of the City of New York, County of New York and elsewhere, if required by law, an amendment or amendments to this Declaration (together with such other documents, plan and maps as may be required to effectuate the same) to reflect (i) the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an amended Declaration are an accurate copy of portions of the plans of the Building and fully and fairly depict the layout, location, designation and approximate dimensions of the Units as built, or (ii) utility easements, or (iii) technical corrections to the Declaration to conform to other documents including but not limited to the Offering Plan or as-built plans (iv) to amend Schedule A of this Declaration to conform the model type, square footage and type and number of rooms and any other required information for a specified Unit, so long as the appurtenant percentage of common interest does not change for said Unit, or (v) to amend Schedule A of this Declaration to consolidate or subdivide Units subject to all necessary approvals by the City of New York, to revise the square footage and type and number of rooms and any other required information for a specified Unit and to change the appurtenant percentage of common interest so long as the new percentage of common interest equals the percentage of common interest of the Units that were consolidated or subdivided, or (vi) to effectuate permissible changes in unsold Units or (vii) to amend Schedule A to make technical corrections to said Schedule including, but not limited to, square footage of Units, assign or revise Limited Common Elements appurtenant to a Unit or to revise the number and description of rooms contained in a Unit or (ix) the carrying out of other provisions of the Offering Plan of the Condominium.

4. Any amendment to this Declaration shall not take effect until it is recorded in the Register's Office of the City of New York, County of New York.

Regardless of any other provision of this Declaration, no action for partition or division of the Common Elements shall be brought nor shall this plan of condominium ownership be terminated where such partition, division or termination will result in a violation of the then existing local zoning and building laws and codes.

ARTICLE TWELFTH: SUBJECT TO DECLARATION, BY-LAWS, ETC.

All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units of the Condominium or the mere act of occupancy of any of said Units shall signify that the provisions of this Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

ARTICLE THIRTEENTH: COMMON CHARGES.

All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid together with the maximum interest permitted in New York thereon, chargeable to any Unit Owner shall constitute a lien on his or her Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivisions of any governmental authority, including but not limited to State, County, City, and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys' fees and costs of collection (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a General Common Expense. However, where the holder of an institutional mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional mortgage, obtains title to the Unit as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall also be liable and the Unit shall also be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges will be charged to all other Unit Owners as a General Common Expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Declarant to a purchaser of a Unit or in which the Declarant participates with one of the above.

In addition to the Board's right to bring an action to foreclose a lien on a Unit Owner's Unit, the Board (on behalf of the Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board,

without foreclosing or waiving the lien securing such charges. In such an event, the Condominium shall be entitled to recover all costs of suit including reasonable attorneys' fees.

Every Unit Owner shall pay the Common Charges assessed against the Unit Owner when due as determined by the Board of Managers and no Unit Owner may be exempt from liability for the payment of the Common Charges assessed against the Unit Owner by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of a Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by the Unit Owner of such Unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

ARTICLE FOURTEENTH: UNITS ACQUIRED BY THE BOARD.

In the event any Unit Owner shall convey their Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article IX of the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners.

ARTICLE FIFTEENTH: POWER OF ATTORNEY.

A. In order to carry out the provisions of Article Fourteenth of the Declaration and Article XI of the By-Laws, each Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest to the Board of Managers and their successors to acquire title or lease any such Unit acquired by the Board of Managers under whatever terms the Board may in its sole discretion deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board in its sole discretion shall deem proper.

B. Each Residential Unit Owner shall upon becoming a Residential Unit Owner shall further grant an irrevocable power of attorney, coupled with an interest to the Board of Managers to nominate, designate, constitute and appoint the Members of the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Residential Unit Owner's Condominium Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium. This paragraph B of Article Fifteenth shall not apply to an owner of a Commercial Unit.

C. Each Unit Owner shall upon becoming a Unit Owner further grant an irrevocable power of attorney, coupled with an interest to the Board of Managers to exercise all rights and obligations pursuant to a Declaration recorded in the Register's Office of the City of New York, County of New York at Liber _____ Page ____ and to act in the Unit Owner's behalf for all modifications, amendments and/or cancellations of the aforesaid Declaration.

ARTICLE SIXTEENTH: ENCROACHMENTS.

The Unit Owners agree that if any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of original construction or settling of the Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as aforedescribed due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Building shall stand.

ARTICLE SEVENTEENTH: UNIT OWNERSHIP.

Upon the Closing of Title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain such until such time as the Unit Owner ceases to own the Unit for any reason.

ARTICLE EIGHTEENTH: USE OF UNITS.

A. Residential Units shall be restricted to Residential Occupancy in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium.

B. A Commercial Unit shall be used as commercial facilities as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York which includes retail stores, personal service establishments and offices. The following uses are not permitted veterinarian's office or pet shop; martial arts studio or school; machine shop or welding shop; dry cleaning or laundry service; chemical wholesaling, storage, retailing or manufacturing; heavy trucking, methadone clinic, drug or alcohol rehabilitation; extermination service; bicycle messenger center; bowling alley, manufacturer of tobacco products; leather dying or coloring;

motel/hotel/hostel/homeless shelter or any transient use; sweat shop; roller/ice skating rink; tattoo parlor; waste disposal/refuse center; amusement arcade; auditorium; billiard parlor; brewery; heavy manufacturing of any kind; adult bookstore or video shop or other adult entertainment facility; any other noxious use (as defined by the company); homeless shelter; no enterprise engaging in pornography and no restaurant and no commercial cooking.

C. Garage Parking Space Units may be used only for the purpose of parking automobiles and other permitted vehicles. In no event shall Garage Parking Space Units be converted into additional residential living space.

D. Garage Storage Space Units may be used only for general storage.

ARTICLE NINETEENTH: CONVEYANCE OF A UNIT.

In any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Unit shall be jointly and severally liable with the Grantor for any unpaid Common Charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charge against the Grantor and such Grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for any unpaid Common Charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

ARTICLE TWENTIETH: COVENANT OF FURTHER ASSURANCES.

Any party subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, or the occupant of a portion of a Unit, a Member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

If any Unit Owner or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within seven (7) days after request thereof, to take any action which the Unit Owner or such other party

is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, or other party and such document or action shall be binding on such Unit Owner or other party.

If any Unit Owner or the Board of Managers or any other party who is subject to the terms of this Declaration fails or refuses to execute, acknowledge or deliver any instrument, or fails or refuses within seven (7) days after request therefor, to take any action that the Board of Managers, any Unit Owner, or other party is required to take pursuant to this Declaration at the request of Declarant or Declarant's designee, then Declarant or Declarant's designee, as the case may be, is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other party, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other party, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other party, as the case may be.

Each Unit Owner will have the affirmative duty to maintain its respective Unit in such a manner so as to reasonably prevent and avoid inflicting harm to other Units, the Limited Common Elements, the General Common Elements or the Building. In the event any Unit Owner causes or permits any condition, or fails to take any action to prevent a condition, that has a deleterious effect on another Unit, any Limited Common Element, the General Common Elements or the Building, the Condominium Board will give written notice to such Unit Owner including a request that the Unit Owner take specific steps to ameliorate such a condition ("Remedy Notice"). If the Unit Owner fails to remedy the condition within seven (7) days of the receipt of the Remedy Notice, or, if the condition is such that it cannot be remedied within seven (7) days, fails to commence appropriate remedies, the Condominium Board may, upon ten (10) business days additional notice to the Unit Owner, enter into the Unit and effect a reasonable remedy, at the Unit Owner's sole cost and expense. In the event a Unit Owner reasonably believes another Unit Owner has caused, permitted, or failed to prevent a condition that has a deleterious effect on its Unit, the first Unit Owner may request that the Board of Managers send a Remedy Notice. If the Board of Managers fails or otherwise determines not to send the Remedy Notice, the Unit Owner will have all rights to enjoin, abate or remedy by appropriate legal proceedings against the other Unit Owner or the Board of Managers, either at law or in equity, the continuance of any such condition or breach and to seek reimbursement for any costs or expenses incurred in connection therewith.

The Board of Managers will not promulgate and/or enforce any rules or regulations, or otherwise act, in a discriminatory manner.

ARTICLE TWENTY-FIRST: COVENANTS AND RESTRICTIONS.

The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

(a) The Unit and area restricted to the Unit Owner's use shall be maintained in good repair and overall appearance.

(b) No alteration, addition, decoration or change to any part of the General Common Elements or General Residential Units' Limited Common Elements, may be made and no structure or other improvement may be built or placed on any portion of the General Common Elements or General Residential Units' Limited Common Elements, without the written consent of the Board of Managers. The provisions of this paragraph shall not apply to Declarant.

(c) No Residential Unit Owner shall make any structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Residential Unit, or any Limited Common Element, without the prior written approval of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed structural addition, alteration or improvement. No Residential Unit Owner shall make any structural addition, alteration or improvement in or to any Residential Unit or any Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done and (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all Residential Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from the City of New York, Landmarks Preservation Commission or any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed

by an independent architect or engineer, the Residential Unit Owner shall pay the charges of such architect or engineer. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements. Said provision requiring the written consent of the Board of Managers does not apply to the Sponsor or any principal of the Sponsor who acquires a Residential Unit in the Condominium for their own use.

Any application to any department of the City of New York or any other governmental authority for a permit to make a structural addition, alteration or improvement in or to any Residential Unit or Limited Common Element shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

These provisions shall not apply to Residential Units owned by the Declarant or its designee until such Residential Units shall have been transferred to a Residential Unit Owner by the Declarant or such designee or any principal of the Sponsor who acquires a Residential Unit in the Condominium for their own use.

(d) A Commercial Unit Owner shall be permitted to make a structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Commercial Unit, or any Limited Common Element for their exclusive use, without the prior written approval of the Board of Managers. However, a Commercial Unit Owner must notify the Board of Managers at least forty-five (45) days prior to any such structural addition, alteration or improvement and no Commercial Unit Owner shall make any structural addition, alteration or improvement in or to any Commercial Unit or any Limited Common Element for its exclusive use without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done and (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its Members and officers, and all Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining

all approvals, as necessary from the City of New York, Landmarks Preservation Commission, all applicable municipal departments, municipal agencies and any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Commercial Unit Owner shall pay the charges of such architect or engineer. A Commercial Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to any department of the City of New York or any other governmental authority, department or agency, for a permit to make a structural addition, alteration or improvement in or to any Commercial Unit or Limited Common Element for its exclusive use shall be completed by the Commercial Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

(e) The balconies and terraces are not permitted to be used for storage and are not permitted to be enclosed. All drains located on a balcony or terrace must be kept open at all times.

(f) Any interior alterations or improvements made to a Residential Unit shall be made in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof.

(g) Any Unit Owner who mortgages their Unit shall notify the Board of Managers providing the name and address of the mortgagee.

(h) The Board of Managers shall, at the request of the mortgagee of the Unit, report any unpaid Common Charges due from the Unit Owner of such Unit.

(i) No nuisances shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.

(j) No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(k) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the Unit Owners, provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.

(l) Garage Parking Space Units may be used only for the purpose of parking automobiles and other vehicles. In no event shall Garage Parking Space Units be converted into additional residential living space.

(m) The Common Charges shall be paid when due.

ARTICLE TWENTY-SECOND: AIR RIGHTS.

Notwithstanding anything to the contrary contained herein S. Myles Group, his successors or assigns shall have the sole and exclusive right to sell an easement for light and air to the owners of any buildings adjacent to the Property and to receive and retain all consideration received from the sale of such easement. This right shall remain in full force and effect prior to and subsequent to the Sponsor retaining the majority of the Members of the Board of Managers and prior to and subsequent to the Sponsor retaining any Unsold Unit.

ARTICLE TWENTY-THIRD: TRIBECA EAST HISTORIC DISTRICT.

Pursuant to the provisions of Section 3020 of the New York City Charter and Title 25, Chapter 3 of the Administrative Code of the City of New York ("Landmark Preservation Law") the Landmarks Preservation Commission (the "LPC") has designated an area, including the Condominium, as the Tribeca East Historic District. Pursuant to a certain Declaration dated _____, 200__, recorded in the Register's Office of the City of New York on ____, 200__ in Liber _____ page ___ the Board of Managers shall have the responsibility to carry out all of the Sponsor's obligations and the authority to exercise all of the Sponsor's right under the aforesaid Declaration and the Sponsor shall be released from its liability thereunder. The Board of Managers shall comply with the provisions of Article 3 of the aforesaid Declaration.

ARTICLE TWENTY-FOURTH: SPECIAL RIGHTS OF DECLARANT.

Notwithstanding anything to the contrary contained herein Declarant, its successors, assigns or designees shall have the right, without requiring the consent of either the Condominium or Board of Managers, and without charge or limitation, to:

(a) Have its employees, contractors, subcontractors and sales agents present on the properties described in Exhibit "A" and any Building erected thereon.

(b) Erect and maintain signs and other promotional materials (including, without limitation, "For Sale", and "For Rent" signs), in connection with the promotion, sale, leasing, management, or operation of the Units.

(c) Use any one or more Units as:

(i) model Units,
(ii) offices for the promotion, sale, rental, management and/or operation of any unsold Units,
(iii) offices in connection with any installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Declarant with respect to the Common Elements and/or the Units; or any unsold Units; and/or
(iv) for any other purpose.

(d) Use any office in the Condominium for its exclusive use until such time as Sponsor no longer owns any Units in the Condominium.

(e) Do and cause to be done all of the things that are necessary, desirable or appropriate (including, without limitation, the use of the Common Elements, the Units and any unsold Units) for the purpose of:

(i) the promotion, sale, rental, management and/or operation of any unsold Units,
(ii) the performance and completion of installation, construction, modification, alteration, renovation, maintenance, repair, restoration, replacement, or change being performed, or to be performed, by, or on behalf of, Declarant with respect to the Common Elements and/or
(iii) the exercise performance and discharge of Declarant's other rights and obligations under this Declaration, the By-Laws or the rules and regulations.

(f) Make any other changes required by the City of New York or other Municipal Agency.

In no event, however, shall Declarant or such designee be entitled to use any portion of the Common Elements in such a manner as will unreasonably interfere with the use of the same or of any Unit for its permitted purposes.

The provisions of this Article Twenty-Second cannot be amended without the written consent of the Declarant, or its successors or assigns.

ARTICLE TWENTY-FIFTH: INVALIDITY.

Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no wise affect any of the remaining part or parts hereof, and the same shall continue in full force and effect.

77 READE, LLC

By: _____

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

On the day of in the year 20 , 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 whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument the person or the entity upon behalf of which the person acted executed the instrument.

_____
NOTARY PUBLIC

EXHIBIT A

(TO BE COMPLETED PRIOR TO RECORDATION)

Exhibit A to the Declaration of Condominium

BY-LAWS

OF

77 READE STREET CONDOMINIUM

CERTILMAN BALIN ADLER & HYMAN, LLP
Attorneys for the Sponsor
90 Merrick Avenue
East Meadow, New York 11554

EXHIBIT B TO THE DECLARATION OF CONDOMINUM

SCHEDULE J

BY-LAWS
OF
77 READE STREET CONDOMINIUM

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BY-LAWS

OF

77 READE STREET CONDOMINIUM

ARTICLE I. PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Condominium Unit Ownership.

The property located at 77 Reade Street, Borough of Manhattan, County, City and State of New York , as specifically set forth in the Declaration and more commonly known as 77 Reade Street Condominium has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability.

The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and the Building and improvements thereon including the Condominium Units (hereinafter referred to as "Units"), and the Common Elements and the use and occupancy thereof. The definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise stated.

Section 3. Personal Application.

All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

ARTICLE II. CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium.

The Condominium shall be limited to Unit Owners. "Unit Owner" as referred to herein shall mean all of the owners of each Residential, Commercial Unit, Garage

Parking Space Unit and Garage Storage Space Unit. The owners of the Residential Units shall hereinafter be referred to as Residential Unit Owners. The owner of the Commercial Unit shall be referred to as the Commercial Unit Owner. The owners of the Garage Parking Space Units shall hereinafter be referred to as Garage Parking Space Unit Owners. The owners of the Garage Storage Space Unit shall be referred to as the Garage Storage Space Unit Owner.

Section 2. Voting.

Each Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Units), shall be entitled to cast one vote at all Unit Owners' meetings for each Residential or Commercial Unit owned by such Unit Owner subject to the restrictions contained herein, but in the event the Board of Managers acquires a Residential or Commercial Unit on behalf of the Condominium it shall not cast any of its votes appurtenant to such Residential or Commercial Unit, for the election of any Member to the Board. Garage Parking Space Unit Owners and the Garage Storage Space Unit Owner shall not be entitled to any vote other than in conjunction with the Residential and/or Commercial Unit they own.

Section 3. Quorum.

So many Unit Owners as shall represent at least fifty-one (51%) percent of the total authorized votes of all Residential and Commercial Unit Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting. At least five (5) days written notice of such adjourned meeting shall be given to the Unit Owners. At such adjourned meeting any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting so many Residential and Commercial Unit Owners as shall represent at least thirty-three and one-third (33⅓%) percent of the total authorized votes of all Residential and Commercial Unit Owners shall constitute a quorum. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called. At such adjourned meeting so many Residential and Commercial Unit Owners as shall represent at least thirty-three and one-third (33⅓%) percent of the total authorized votes of all Residential and Commercial Unit Owners shall constitute a quorum.

Section 4. Vote Required to Transact Business.

When a quorum is present at any meeting, the vote of a majority of the Residential and Commercial Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote.

At any meeting of Residential and Commercial Unit Owners, every Residential and Commercial Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. Garage Parking Space Unit Owners and Garage Storage Space Unit Owners shall not be entitled to any vote other than in conjunction with the Residential and/or Commercial Unit they own.

Section 6. Proxies.

All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent.

Whenever the vote of Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Residential and Commercial Unit Owners may be dispensed with if all Residential and Commercial Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings.

Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings/Control of Board of Managers by Declarant.

The initial Board of Managers will call for the first annual meeting of the Unit Owners to elect a new Board of Managers within one (1) year of the Closing of the first Residential Unit. At such meeting, Members of the Board of Managers shall be elected by the Residential and Commercial Unit Owners, other than the Members of the Board the Sponsor shall have the right to designate, and the former Members of the Board shall thereupon resign. Thereafter annual meetings shall be held on the anniversary of such date each succeeding year or such other convenient date as the Board of Managers may so designate. At such meetings there shall be elected by ballot of the Residential and Commercial Unit Owners a Board of Mangers in accordance with the requirements of Article III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them. The Sponsor will have voting control and may designate a majority of the Board of Managers so long as Sponsor owns at least one (1) Residential and/or Commercial Unit in the Condominium. At such time as Sponsor no longer owns a Residential and/or Commercial Unit in the Condominium, Sponsor may not hold a seat on the Board of Managers.

Section 10. Special Meetings.

It shall be the duty of the President to call a special meeting of the Condominium, if so directed by the Board of Managers, or upon the presentation to the Secretary of a petition signed by a majority of the Residential and Commercial Unit Owners. The secretary shall cause a notice of such special meeting stating the time, place and object thereof and the Officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 11 of this Article to each Unit Owner of the Condominium entitled to vote at such meeting not less than ten (10) nor more than thirty (30) days before such meeting. The date of the special meeting shall be determined by the Board of Managers and shall be held no later than sixty (60) days from receipt of any written request pursuant to this Section 10 unless a later date is agreed to in writing by the Unit Owners of the Condominium entitled to vote or the Board of Managers, requesting such meeting. No business other than that stated in such notice shall be transacted at such special meeting unless all Residential and Commercial Unit Owners of the Condominium are present in person or by proxy. Any or all of the Residential Members of the Board of Managers of the Condominium, other than those designated by the Declarant, may be removed without cause by vote of the Residential Unit Owners of the Condominium at a special meeting called pursuant to this section if the meeting is called for such purpose. The Commercial Unit Member representative of the Board of Managers of the Condominium may only be removed by the Commercial Unit Owner(s) and no special meeting for such purpose is necessary.

Section 11. Notice of Meetings.

It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least five (5) but not more than ten (10) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business.

The order of business at all meetings shall be as follows:

(a) Roll Call
(b) Proof of notice of meeting or waiver of notice
(c) Reading of minutes of preceding meeting
(d) Report of Officers
(e) Report of committees
(f) Election of inspectors of election (in the event there is an election)
(g) Election of Members (in the event there is an election)
(h) Unfinished business
(i) New business

ARTICLE III. BOARD OF MANAGERS

Section 1. Number and Term.

The affairs of the Condominium shall be governed by a Board of Managers. The initial Board of Managers shall consist of two (2) Members (hereinafter "Members") designated by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Unit Owners. Until succeeded by the Members elected at the first annual meeting of Unit Owners, Members need not be Unit Owners; thereafter, all Members shall be Unit Owners, other than designees or nominees of the Sponsor or designees or nominees of the Commercial Units. The Members shall be elected at the annual meeting of the Unit Owners.

At the first annual meeting of Unit Owners called pursuant to Section 9 of Article II, six (6) Members shall be elected by the Unit Owners. Five (5) Members shall be elected by the Residential Unit Owners and one (1) Member shall be appointed or elected by the Commercial Unit Owners.

The term of office of two (2) of the Residential Unit Owners' Members shall be fixed for three (3) years, the term of office of two (2) of the Residential Unit Owners' Members shall be fixed at two (2) years, and the term of office of the one (1) of the Residential Unit Owners' Members shall be fixed at one (1) year. Separate ballots shall

be conducted for each of the three (3) terms of office. Each Residential Unit Owner shall be entitled to cast one vote on each ballot for each Residential Unit they own for the Residential Unit Owner Members to the Board. The one (1) nominee on each of the ballots receiving the highest number of votes on their ballot shall constitute the duly elected Board of Managers. At the expiration of the initial term of office of each respective Member, their successor shall be elected to serve a term of three (3) years. The Members shall hold office until their successors have been elected and hold their first meeting.

The Commercial Unit Member representative to the Board of Managers shall be designated by the Sponsor as long as the Sponsor retains ownership of at least one (1) of the Commercial Units. In the event the Sponsor sells all the Commercial Units, the one (1) Commercial Unit Owners' Member to the Board of Managers shall be elected by the then Commercial Unit Owners. In the event the Commercial Unit Owners cannot decide on the one (1) Commercial Unit Member, the then Members of the Board shall vote and elect the Commercial Unit Member or Members being proposed. The Commercial Unit Owners' Member appointed or elected to the Board of Managers shall serve until such time as the Member resigns or is replaced by the Commercial Unit Owners at an annual meeting.

Notwithstanding the foregoing, the Sponsor shall have the right to designate four (4) of the five (5) Residential Members of the Board of Managers until all of the Residential Units have been sold and titled. At such time as all the Residential Units in the Condominium are sold and titled, the Sponsor shall not be entitled to any representation of the Residential Members to the Board of Managers.

In addition to the Residential Unit Owners' Members designated by the Sponsor, Sponsor may vote as Sponsor so determines for any other Residential Unit Owners' Members, so long as the Residential Unit Owners' Members are Residential Unit Owners and are not on Sponsor's slate of Residential Unit Owners' Members for the Board, Sponsor's payroll or as long as they did not receive other financial backing from the Sponsor other than a mortgage held by the Sponsor or affiliated entity of the Sponsor, if applicable.

In the event Sponsor is entitled to designate four (4) of the five (5) Residential Unit Owners' Members to the Board of Managers at the first annual meeting, two (2) Sponsor Members shall be appointed for a one (1) year term, and two (2) of the Sponsor Members shall be appointed for a two (2) year term. Sponsor Members shall thereafter be appointed to the same length of term until such time as Sponsor is required to relinquish the seat or Sponsor voluntarily resigns. At such time as a Sponsor designated Residential Member of the Board of Managers either relinquishes or resigns a position on the Board either (a) a special meeting of the Residential Unit Owners shall be held to elect a Residential Unit Owner to fulfill the balance of the term or (b) the remaining Residential Members of the Board of Managers shall appoint a Residential Unit Owner to fulfill the balance of the applicable term. At the expiration of

the applicable term an election shall be held to elect a Residential Unit Owner to the Board for a full three (3) year term.

This Section may not be amended without the written consent of the Sponsor.

Section 2. Vacancy and Replacement.

If the office of any Member or Members becomes vacant by reasons of death, resignation, retirements, disqualification, removal from office or otherwise, a majority of the remaining Members, though less than a quorum, at a special meeting of Members duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. In the event of the failure to hold any election of the Residential Members of the Board of Managers at the time designated for the annual election of the Residential Members of the Board of Managers or in the event that the Residential Members of the Board of Managers shall not have filled any such vacancy, a special meeting of the Residential Unit Owners to elect new Residential Members to the Board of Managers or to fill such vacancy or vacancies may be called in the manner generally provided for the calling of special meetings of the Unit Owners. If the vacancy occurs with respect to any Member of the Board of Managers who has been designated by the Sponsor, only the Sponsor shall have the right to choose such Member's successor to fill the unexpired portion of the term. If the vacancy occurs with respect to any Member of the Board of Managers who has been designated or elected by the Commercial Unit Owners, only the Commercial Unit Owners shall have the right to choose such Member's successor to fill the unexpired portion of the term of office. If the vacancy occurs with respect to any Member of the Board of Managers who has been elected by the Residential Unit Owners, only the Residential Unit Owner's remaining Member(s) on the Board of Managers shall have the right to choose such Member's successor to fill the unexpired portion of the term of office.

The Board of Managers shall also have the right to call for a special meeting in accordance with Article II, Section 10 to elect the Member's successor to fill the unexpired portion of the term of office.

Section 3. Removal.

Members, other than Sponsor designees, may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Member other than the Commercial Unit Member on the Board of Managers or a Member designated by the Sponsor shall continue to serve on the Board if, during their term of office, they shall cease to be a Unit Owner.

Section 4. Resignation.

Any Member may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

Section 5. First Board of Managers.

The first Board of Managers shall consist of three (3) Members appointed by the Sponsor who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. Any or all of said Members shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 6. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws, directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special Common Charges in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro-rata according to their respective common interest.

2. To collect, use, and expend the assessments collected to maintain, care for and preserve the General Common Elements, the General Residential Units' Limited Common Elements, and any Individual Residential Unit's Limited Common Elements for which the Condominium is responsible to repair, replace and maintain and any other Common Expenses of the Condominium.

3. To make repairs, restore or alter any Unit or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings.

4. To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the maintenance, care, and preservation of the property, including any inspection or repairs necessitated by mold. No prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium. Any repairs required as the result of negligence of a Unit Owner will be at the expense of the Unit Owner.

5. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts.

6. To insure and keep insured the Common Elements and Units in accordance with Article VII of these By-Laws.

7. To collect delinquent Common Charges by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the property for violations of the Declaration, By-Laws or the Rules and Regulations of the Condominium.

8. The Residential Members of the Board of Managers shall be empowered to make reasonable Rules and Regulations applicable to the Residential Units and the Residential Unit Owners and to amend the same from time to time, and such Rules and Regulations and amendments shall be binding upon the Residential Unit Owners when the Residential Members of the Board have approved them in writing. A copy of such Rules and Regulations and all amendments thereto shall be delivered to each Residential Unit. The Board of Managers shall not be able to pass or adopt any Rule or Regulation affecting a Commercial Unit without the written consent of the Commercial Unit Member of the Board of Managers.

9. The entire Board of Managers shall be empowered to make reasonable Rules and Regulations applicable to all Units and all Unit Owners and to amend the same from time to time, and such Rules and Regulations and amendments shall be binding upon all the Unit Owners when the Board has approved them in writing. A copy of such Rules and Regulations and all amendments shall be delivered to each Unit Owner. In no event however, may any Rule or Regulation prevent a Commercial Unit Owner from engaging in the practice or operation of their business unless such practice is a violation of the law or applicable zoning. Further, the Board of Managers may not pass any Rule or Regulation which interferes with or affects the operation of a Commercial Unit or a Commercial Unit Limited Common Element, without the Commercial Unit Owner's consent, unless it

affects the General Common Elements, General Residential Units' Limited Common Elements or the structural integrity of the Building and/or is a violation of any municipal or state code or statute.

10. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of a manager in connection with the matters herein above set forth.

11. To bring and defend actions by or against one or more Unit Owner and pertinent to the operation of the Condominium and to levy special assessments to pay for the cost of such litigation.

12. To acquire a Unit in foreclosure or as a result of abandonment and to take any or all steps necessary to repair or renovate any Unit so acquired and to vote as a Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers.

13. To make additions, alterations, or improvements to the General Common Elements and the General Residential Units' Limited Common Elements. Any addition, alteration or improvement to the General Residential Units' Limited Common Elements shall be paid for solely by the Residential Unit Owners based upon their Residential Unit's square footage as reflected in Schedule A of the Declaration in relation to the total square footage of all the Residential Units as reflected in Schedule A of the Declaration.

14. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the General Residential Units' Limited Common Elements and General Common Elements, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owners of said Unit.

15. To act as an agent for one (1) or more Unit Owners to file a single complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax assessments of their Unit pursuant to Section 339-y(4) of the New York Real Property Law. In such event, the Board could retain counsel on behalf of such Unit Owners and charge each Unit Owner for whom it is acting a pro-rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Unit. The Board of Managers is not obligated to perform such services and it is necessary to obtain the written authorization of the Unit Owners it will perform such service for.

16. To grant utility or other easements over or to the Common Elements as may, at any time, be required for the benefit of the Condominium and the Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Unit Owners who have the right to use such Common Elements to the exclusion of any other Unit Owners, the consent of all such affected Unit Owners shall be required in writing before such easement shall be granted);

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least two (2) Members or Unit Owners one of whom shall be a Member, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws, for a period ending not more than five (5) years after the Closing of Title to the first Unit or whenever the unsold Units constitute less than twenty-five (25%) percent of the Common Interest, whichever is sooner, the Board of Managers may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the General Common Elements or General Residential Units' Limited Common Elements or to any Unit, costing cumulatively more than $25,000, the foregoing not to include necessary repairs and maintenance work, (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, (iii) hire any employee in addition to the employees referred to in the Budget for the first year of operation of the Condominium, (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first Closing, (v) borrow money on behalf of the Condominium, (vi) reduce the services or maintenance set forth in the Condominium budget for the first year of operation, (vii) charge any Special Assessment for a non-budgeted item unless required by law, municipal agency, emergency or for the health and safety of the Condominium, (viii) increase the Common Charges of the Condominium more than ten (10%) percent from the prior year's budget, unless documentation is provided to the Sponsor in the nature of a financial statement, bids from contractors or verified increases in utility rates, evidencing the need for an increase greater than ten (10%) percent, or (ix) utilize Condominium funds or assess the Sponsor in order to commence a lawsuit against the Sponsor or any of its principals. The provisions of this paragraph may not be amended without the written consent of the Sponsor.

(d) Notwithstanding Article III, Section 6(c) of these By-Laws Sponsor may not exercise veto power over expenses described in the proposed first year budget, as described in the Offering Plan, or over expenses required:

(i) to comply with applicable laws or regulations; or

(ii) to remedy any notice of violation; or

(iii) to remedy any work order by an insurer.

The provisions of this paragraph may not be amended without the written consent of Sponsor.

Section 7. Repairs and Maintenance.

Except as hereinafter provided, all maintenance, painting, repairs and replacement of the General Common Elements and General Residential Units' Limited Common Elements including but not limited to exterior walls, roof and roof members of the Building, as well as painting, repair and/or maintenance of the exterior surfaces, roof, windows and doors which open from the Building, as well as all maintenance, repairs and replacements of foyers and stairways of the Building, and of any pipes, wires, conduits and utility lines, or any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and utility lines as are located in the General Common Elements or General Residential Units' Limited Common Elements but serve two (2) or more Units shall be contracted for by the Board of Managers and the cost thereof shall be a General Common Expense except if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of a Unit Owner or the prior alteration of the Unit by a Unit Owner, in which event the cost thereof shall be assessed individually and paid by the applicable Unit Owner.

All maintenance (including electrical repairs and plumbing stoppages and repairs in the Residential Units and Commercial Units, cleaning of interior of windows and painting and decorating of the interior of the Residential Units and Commercial Units), repairs and replacements to the Residential Units and Commercial Units including doors which open from a Residential Unit and Commercial Units on which painting is performed by the Board of Managers, and repairs to pipes, wires and conduits located in and servicing an individual Residential Unit or Commercial Unit, other than as set forth above shall be made by the respective Residential or Commercial Unit Owner at their own expense. This would include but not be limited to all painting and decorating to the interior of the Residential and Commercial Units, individual appliances, individual heating and cooling for the Residential and Commercial Units and the interior side of all entrance doors.

All maintenance and repair to the interior portion of the window area and doors which open from a Unit are the responsibility of the Unit Owner. All maintenance, repair and any replacement to the external portion of the window area, the actual window and external portion of the doors which open from a Unit will be the responsibility of the Condominium, unless the maintenance, repair or replacement of the external portion of the window, the actual window and external portion of the doors which open from a Unit are caused as a direct result of the negligence or act of a Unit Owner. In such an event it shall be the Condominium's responsibility to repair or replace the external portion of the window, the window or the external portion of the doors which open from a Unit and the cost of such repair or replacement shall be charged to the Unit Owner as an additional Common Charge.

All exterior glass windows or walls initially installed by the Sponsor that are either opaque in appearance or that are sealed and enclosed on the interior with construction material may not be altered or changed by a Unit Owner for any reason.

All structural repairs and replacements to any balcony or terrace that is a Limited Common Element of an individual Residential Unit will be the responsibility of the Condominium and a Common Expense of the Condominium. All general maintenance and repairs of a balcony, terrace or courtyard that is a Limited Common Element of an individual Residential Unit, including cleaning, snow removal and all repairs not structural in nature, shall be the responsibility of the Residential Unit Owner whose balcony, terrace or courtyard is appurtenant to their Residential Unit and is a Limited Common Element of their Residential Unit.

All repairs, maintenance and any replacement of any heating, cooling or other mechanical system servicing an individual Residential Unit that is located in or on the Common Elements and/or all apparatus, installations, systems equipment and facilities in the Common Elements (including pipes, wire, ducts, vents, cables, conduits and lines) which will serve or benefit exclusively a Residential Unit shall be the responsibility of the Residential Unit Owner for such equipment services, etc.

The balconies, terraces and courtyards are not permitted to be used for storage and are not permitted to be enclosed. No barbequing is permitted in any courtyard or any terrace on the 2nd floor. Barbequing will be permitted on the penthouse terraces as long as it is not a violation of any New York City or other municipal, State or agency code or health, safety or fire requirement. All drains located on a balcony or terrace must be kept open at all times.

All repairs and maintenance to Garage Parking Space Units shall be the responsibility of the Condominium and a Common Expense of the Condominium.

All structural repairs of the Garage Storage Space Unit shall be the responsibility of the Condominium and a General Expense of the Condominium. All general

maintenance and repairs of the Garage Storage Space Unit shall be the responsibility of the Garage Storage Space Unit Owner.

The Unit Owners will not be permitted to store any combustible material or other items in Garage Storage Space Unit that may be illegal or cause the Condominium insurance to be increased or is not in compliance with the building code of the City of New York.

All repairs and replacement of windows, and any snow removal from the General Common Elements and General Residential Units' Limited Common Elements shall be contracted for by the Board of Managers and the cost thereof shall be a Common Expense of the Condominium payable by all Unit Owner's based on their percentage of Common Interest except that the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Unit Owner or prior alteration of a Unit shall be assessed to and paid by the applicable Unit Owner.

The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the General Common Elements and General Residential Units' Limited Common Elements and the cost thereof shall be a Common Expense of the Condominium except that the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Unit Owner or prior alteration of a Unit shall be assessed to and paid by the applicable Unit Owner.

All maintenance, repairs and replacements to the Commercial Unit and Commercial Unit Limited Common Elements, whether structural or non-structural, ordinary or extraordinary, will be made by the Commercial Unit Owner at its/their sole expense.

The Board of Managers and their agents, employees and contractors shall have the right of access to any Unit for the purpose of making any repairs or replacements to any Common Elements no matter how classified contained therein or elsewhere in the Condominium or to remedy any condition which would result in damage to any other Unit or any other Common Element no matter how classified, or which would violate the provisions of any mortgage covering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Units but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or its property, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

All repairs, painting or maintenance, whether made by the Unit Owner or the Board of Managers, to the doors, windows, or the exterior surface of the Building or to

any generally visible portion of the General Common Elements or General Residential Units' Limited Common Elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless varied by the Board of Managers.

In the event that a Unit Owner fails to maintain, repair or replace its Unit or any Limited Common Element for the Residential or Commercial Unit Owner's exclusive use, which maintenance, repair or replacement is necessary to protect any of the General Common Elements, General Residential Units' Limited Common Elements, any other portions of the Building or any other Unit, the Board of Managers shall have the right to make the necessary maintenance, repair or replacement (after the failure of said Residential or Commercial Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge said Residential or Commercial Unit Owner for the cost of all such repairs and/or maintenance and/or replacement. In the event that the Board of Managers charges a Residential or Commercial Unit Owner for repairs, maintenance and/or replacement to their Residential or Commercial Unit or for repairs to any Common Elements restricted in use to such Residential or Commercial Unit Owner, and the Residential Unit or Commercial Unit Owner fails to make prompt payment, the Board of Managers shall be entitled to bring suit thereon and, in such event, the Residential or Commercial Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

Section 8. Compensation.

Members and Officers, as such, shall receive no compensation for their services.

Section 9. Meetings.

(a) The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners meetings, and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall take place.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each Member either personally or by mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) Members.

(d) At all meetings of the Board, a majority of the Members shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Members present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of Members, the Members present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(f) Members of the Board may participate in a meeting by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting.

Section 10. Annual Statement.

The Board of Managers shall furnish all Unit Owners and shall present annually (at the annual meeting, but in no event later than four (4) months after the close of the fiscal year) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owner and a notice of the holding of the annual Unit Owners meeting.

Section 11. Fidelity Bonds.

The Board of Managers shall require that all Officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Expense of the Condominium.

Section 12. Management Agent.

The Board of Managers may employ for the Condominium a management agent under a term contract or otherwise at compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the delegable duties of the Board listed in this Article.

Section 13. Liability of the Board of Managers, Officers and Unit Owners.

No Member of the Board of Managers or Officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as a Member of the Board or Officer, provided that this provision does not eliminate or limit the liability of a Member of the Board or Officer if a judgment or other final adjudication adverse to the Member establishes (a) that the Member's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that the Member personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Condominium, through the Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member of the Board or Officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that he, his testator or intestate, was a Member of the Board or Officer or the joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member of the Board or Officer if a judgment establishes that the Member's 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 the Member or Officer personally gained in fact a financial profit or the advantage to which he or she was not legally entitled.

The Unit Owners shall indemnify and hold harmless each of the Members and Officers of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Members of the Board of Managers and Officers of the Condominium shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Unit Owners). It is understood and permissible for the original Board of Managers, who may be members of or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the Member of the Board of Managers shall be limited to such proportion of the total liability thereunder as the Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by a Member or on behalf of the Condominium shall provide that the Members of the Board of Managers, or the managing agent, or the Member, as the case

may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners).

Each Unit Owner's liability pursuant to this Section shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

ARTICLE IV. OFFICERS

Section 1. Elective Officers.

The Officers of the Condominium shall be chosen by the Board of Managers and shall be a president, a vice president, a secretary and a treasurer. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers and such other Officers as in their judgment may be necessary. All Officers must be Unit Owners or Members of the Board of Managers except for the Commercial Unit Owner's Member to the Board of Managers and any assistant secretaries or assistant treasurers. Two (2) or more offices may be held by the same person, except the President, who can only hold the office of President.

Section 2. Election.

The Board of Managers at its first meeting after each annual Unit Owners Meeting shall elect a president, a vice president, a secretary and a treasurer. Only the president must be a Member of the Board.

Section 3. Appointive Officers.

The Board may appoint such other Officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term.

The Officers shall hold office until their successors are chosen and qualify in their stead. Any Officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any Officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President.

The President shall be the chief executive Officer of the Condominium; shall preside at all meetings of the Unit Owners and Members, the President shall be an exofficio member of all standing committees, shall have general and active management

of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation of the State of New York.

Section 6. The Vice President.

The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary.

The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision he shall be.

Section 8. The Treasurer.

The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the condominium in such depositories as may be designated by the Board of Managers.

The Treasurer shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Members, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc.

All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V. NOTICES

Section 1. Definition.

Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Member or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, such Member or Unit Owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice Waiver.

Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI. FINANCES

Section 1. Checks.

All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other Officer or Officers or such other person or persons as the Board of Managers may from time to time designate.

Section 2. Assessments.

The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and supplement to the budget to every Unit Owner. They shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the General Common Elements, General Residential Units' Limited Common Elements and other Common Expenses as well as charges to cover any deficits from prior years.

The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the provisions of Section 8 hereof.

Said assessments shall be payable monthly or such other manner as ordered by the Board of Managers and shall be referred to as Common Charges. Special Assessments, should such be required, shall be levied and paid in the same manner as herein above provided for regular Common Charges.

The Unit Owner agrees to pay promptly when due the monthly Common Charges and all Special Assessments assessed against the Unit. In the event any Unit Owner fails to make payment of the Unit Owner's Common Charge payment, the Unit Owner who owns such Unit shall be obligated to pay (a) a "late charge" of $.15 for each $1.00 of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of two (2%) percent per month (but in no event in excess of the maximum rate theretofore collected on such amounts) computed from the due date thereof, and (c) all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by any Managing Agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit Owner's Unit arising from said unpaid Common Charges in the manner permitted by applicable law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner.

In addition, in the event of a default in payment of Common Charges by any Unit Owner, the Board, at its sole option, may declare the Common Charge assessment on said Unit Owner's Residential Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default the Board shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit giving the Unit Owner a five (5) day grace period in which to make the late payment.

The Board may take action to collect any Common Charges due from any Unit Owner which remains unpaid ninety (90) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law or otherwise.

No Unit Owner shall be liable for any Common Charges which accrue against the Unit Owner's Unit subsequent to a sale, transfer or other conveyance of the Unit Owner in accordance with these By-Laws and the Declaration. A purchaser of a Unit shall be liable for the payment of all future Common Charges assessed against the Unit, as well as unpaid Common Charges assessed against the Unit at the time of the purchase.

However, where the holder of an institutional mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional mortgage, obtains title to the Unit as a result of foreclosure, or the institutional mortgage holder obtains title by

conveyance in lieu of foreclosure, such acquiree of title, its successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquiree. In such event, the unpaid balance of Common Charges will be charged to all other Unit Owners as a Common Expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender or a mortgage granted by the Declarant to a purchaser of a Unit or in which the Declarant participates with one of the above.

Section 3. Foreclosures of Liens for Unpaid Common Charges.

The Board shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Unit because of unpaid Common Charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, vote, sell or otherwise deal with the Unit. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Unit. In either event the Unit Owner shall be liable for all costs of suit, including reasonable attorney's fees.

Section 4. Statement of Common Charges.

Upon the written request of any Unit Owner or their mortgagee, the Board shall promptly furnish such Unit Owner or their mortgagee with a written statement of the unpaid Common Charges due from such Unit Owner.

Section 5. Liability for Utilities.

Any utility, including electricity and gas, individually consumed and individually metered in an individual Unit shall be an expense of each individual Unit Owner.

Section 6. Operating Account.

There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all monthly Common Charges and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general need of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of a Unit.

Section 7. Other Accounts.

The Board shall maintain any other accounts it shall deem necessary to carry out its purpose.

Section 8. Determination of Common Expenses and Fixing of Common Charges.

The Board of Managers shall from time to time, and at least annually, prepare a budget for the operation of the General Common Elements and the General Residential Units' Limited Common Elements and Common Expenses of the Condominium, determine the amount of the Common Charges payable by the Unit Owner(s) to meet the Common Expenses of the General Common Elements and the General Residential Units' Limited Common Elements and other expenses for, and allocate and assess such Common Charges and Common Expenses among all the Unit Owners in proportion to their respective Common Interests in the Condominium as reflected in Schedule A of the Declaration of Condominium.

The Common Expenses of the Condominium shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Article VIII and the fees and disbursements of the Insurance Trustee. The Common Expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the General Common Elements and the General Residential Units' Limited Common Elements, and other Building wide obligations of the Condominium contained herein, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose Owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale.

Any addition, alteration or improvement to the General Residential Units' Limited Common Elements shall be paid for solely by the Residential Unit Owners based upon their Residential Unit's square footage as reflected in Schedule A of the Declaration in relation to the total square footage of all the Residential Units as reflected in Schedule A of the Declaration.

The portion of any increase in any insurance premium which may result from the specific use of a Commercial Unit shall be borne by the respective Commercial Unit Owner pursuant to Section 339-bb of the Real Property Law of the State of New York.

The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based, to all Unit Owners.

The Sponsor or its designee shall be responsible for the Common Charges assessed against each Unit owned by it until such Unit is sold to a bona fide purchaser.

ARTICLE VII. INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board.

The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring all of the Units in the Building in the Condominium and the bathroom and kitchen fixtures initially installed by the Sponsor, (but not including wall, ceiling or floor decoration, furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all heating, air conditioning and other service machinery, contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if $40,000 or less, shall be payable to the Board of Managers, and if more than $40,000 shall be payable to the Insurance Trustee.

The fire insurance will commence with the Closing of Title to the first Unit in an amount as required by the mortgagee of such Unit and such amount will be increased upon the Closing of Title to all Units. Until the first meeting of the Board of Managers following the first Unit Owners meeting, such amount shall be at least in the sum as provided for in the estimated first year budget contained in the Offering Plan upon completion of the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Unit. Duplicate originals of all policies of physical damage insurance and of all renewals thereof together with proof of payment of premiums, shall be delivered to all mortgagees of a Unit at least ten (10) days prior to expiration of then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building, including all of the Common

Elements appurtenant thereto for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each Member and Officer of the Board of Managers, the managing agent and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners meeting, such public liability insurance shall be a minimum of $1,000,000 covering all claims for bodily injury and property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Unit.

The portion of any insurance premium which results from the specific use of a Commercial Unit shall be borne by the Commercial Unit Owner pursuant to Section 339-bb of the Real Property Law of the State of New York.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 2. The Insurance Trustee.

The Insurance Trustee shall be a bank or trust company located in the State of New York, designated by the Board of Managers and costs associated with the Insurance Trustee shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York. The Insurance Trustee shall have a capital, surplus and undivided profits of $50,000 or more.

Section 3. Restoration or Reconstruction After Fire or Other Casualty.

In the event of damage to or destruction of the Building as a result of fire or other casualty (unless seventy-five [75%] percent or more of the Units are destroyed or substantially damaged and seventy-five [75%] percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Unit, and any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the

proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceed of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to the irrespective common interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

If the proceeds of physical damage insurance or condemnation awards on account of a Taking are less than $40,000 and the loss is limited solely to the Commercial Units or a Commercial Unit's Limited Common Elements, such proceeds shall be paid (i) entirely to the owner of the Commercial Units, if no part of the General Common Elements, General Residential Units' Limited Common Elements, or other Units are involved or (ii) to the owner of the Commercial Units and the Board of Managers if the General Common Elements and the Commercial Unit's Limited Common Elements are involved. In the latter case the net insurance proceeds or condemnation awards shall be shared by the Commercial Unit Owners and the Board of Managers in proportion to the cost of repairing and restoring the Commercial Units (and/or a Commercial Unit's Limited Common Elements), the General Common Elements, the General Residential Units' Limited Common Elements and the other Units, respectively.

Notwithstanding the foregoing, if only a Commercial Unit (including a Commercial Unit's Limited Common Elements) is destroyed or damaged by fire or other casualty or taken in a Taking, the owner of the Commercial Unit will alone make all arrangements for the prompt repair and restoration thereof, and if the net insurance proceeds or condemnation awards are insufficient to cover, or exceed, the cost, the Commercial Unit Owner will bear the entire amount of the deficit or shall receive all of the excess.

Similarly, if only the Residential and Commercial Units and/or the General Residential Units' Limited Common Elements are damaged or destroyed by fire or other casualty or taken in a Taking and the insurance proceeds or condemnation awards are not sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or

surplus will be borne or shared entirely by all the Residential and Commercial Unit Owners in proportion to their respective Common Interest in the Building.

ARTICLE VIII. RULES AND REGULATIONS

Section 1. General

In addition to the other provisions of these By-Laws, the following house rules and regulations together with such additional rules and regulations as may hereafter be adopted by the Board of Managers shall govern the use of the Unit and the conduct of all residents and occupants thereof.

Section 2. Rules and Regulations Applicable to All Unit Owners.

(a) Use.

(i) All Residential Units shall be used for residential purposes only in accordance with municipal regulations.

(ii) A Commercial Unit shall be used as commercial facilities as permitted pursuant to Use Group 6 of the zoning regulations of the City of New York which includes retail stores, personal service establishments and offices. The following uses are not permitted veterinarian's office or pet shop; martial arts studio or school; machine shop or welding shop; dry cleaning or laundry service; chemical wholesaling, storage, retailing or manufacturing; heavy trucking, methadone clinic, drug or alcohol rehabilitation; extermination service; bicycle messenger center; bowling alley, manufacturer of tobacco products; leather dying or coloring; motel/hotel/hostel/homeless shelter or any transient use; sweat shop; roller/ice skating rink; tattoo parlor; waste disposal/refuse center; amusement arcade; auditorium; billiard parlor; brewery; heavy manufacturing of any kind; adult bookstore or video shop or other adult entertainment facility; any other noxious use (as defined by the company); homeless shelter; no enterprise engaging in pornography and no restaurant and no commercial cooking.

(iii) Garage Parking Space Units may be used only for the purpose of parking automobiles and other vehicles and for such other related purposes as the Board of Managers shall from time to time in writing permit. In no event shall Garage Parking Space Units be converted into additional residential living space.

(iv) Garage Storage Space Units may be used for general storage.

(b) Owners, members of their families, their employees, guests and their pets, if permitted, shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other said owners, or in such a way as to be injurious to the reputation of the Condominium.

(c) The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

(d) Every Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Unit Owner or such other person for whose conduct the Unit Owner is legally responsible.

(e) Maintenance.

(i) Every Unit Owner must perform promptly all maintenance and repair work to their own Unit and any Limited Common Element for the Unit Owner's exclusive use which is their sole responsibility and, if omitted would affect the Condominium in its entirety or in a part belonging to other Unit Owners, or the Building of which the Unit forms apart, the Unit Owner being expressly responsible for the damages and liabilities that the failure to do so may engender.

(ii) All the repairs to internal installations of the Unit located in and servicing only that Unit, such as telephones and sanitary installations shall be at the Unit Owner's expense.

(f) Structural Changes.

(i) No Residential Unit Owner shall make any structural addition, alteration or improvement (of either a temporary or permanent nature) in or to their Residential Unit, or any Limited Common Element for its exclusive use, without the prior written approval of the Board of Managers. In addition, no structural addition, alteration or improvement to any balcony or terrace which is a Limited Common Element shall be permitted unless required as part of the general maintenance, repair or replacement of said balcony or terrace. The Board of Managers shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural addition, alteration or improvement in such Residential Unit Owner's Residential Unit within forty-five (45) days after such request is received, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers of the proposed structural addition, alteration or

improvement. No Residential Unit Owner shall make any structural addition, alteration or improvement in or to any Residential Unit or any Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its Members and Officers, and all Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from the City of New York, Landmarks Preservation Commission or any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Residential Unit Owner shall pay the charges of such architect or engineer. The Residential Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements. Said provision requiring the written consent of the Board of Managers does not apply to the Sponsor or any principal of the Sponsor who acquires a Residential Unit in the Condominium for their own use.

Any application to any department of the City of New York, Landmarks Preservation Commission or any other governmental authority for a permit to make a structural addition, alteration or improvement in or to any Residential Unit or Limited Common Element for its exclusive use shall be completed by the Residential Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

These provisions shall not apply to Residential Units owned by the Sponsor or its designee until such Residential Units shall have been initially conveyed by the Sponsor or such designee.

(ii) No alteration, addition or change to any part of the General Common Elements or General Residential Units' Limited Common Elements may be made and no structure or other improvement (including landscaping) may be built or placed on any portion of the Common Elements or Limited Common Elements without the written consent of the Board of Managers and subject to any approvals required from the City of New York, Landmarks Preservation Commission or any other governmental agency.

(iii) A Commercial Unit Owner shall be permitted to make a structural addition, alteration or improvement (of either a temporary or permanent nature) in or to a Commercial Unit, or any Limited Common Element for its exclusive use, without the prior written approval of the Board of Managers. However, a Commercial Unit Owner must notify the Board of Managers at least forty-five (45) days prior to any such structural addition, alteration or improvement and no Commercial Unit Owner shall make any structural addition, alteration or improvement in or to the Commercial Unit or any Limited Common Element for its exclusive use without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its Members and Officers, and all Unit Owners of the Condominium from and against any liability, cost or expense arising out of or connected to such work and (4) obtaining all approvals, as necessary, from the City of New York, Landmarks Preservation Commission or any other governmental agency. In the event the Board of Managers chooses to have the proposed structural addition, alteration or improvement reviewed by an independent architect or engineer, the Unit Owner shall pay the charges of such architect or engineer. A Commercial Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from the structural alterations, additions or improvements.

Any application to any department of the City of New York, Landmarks Preservation Commission, or any other governmental authority for a permit to make a structural addition, alteration or improvement in or to any Commercial Unit or Limited Common Element for its exclusive use shall be completed by the Commercial Unit Owner and executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialmen on account of such structural addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom.

At the request of a Commercial Unit Owner, the Board will execute any application or other document required to be filed with Landmarks Preservation Commission or any governmental agency having or asserting jurisdiction in connection with any addition, alteration, improvement, or repair of the Commercial Unit or the operation thereof. The respective Commercial Unit Owner shall indemnify and hold the Board and the Unit Owners harmless from any liability resulting therefrom.

The Board of Managers will not have any right to restrict or limit the method of operation, use or appearance of any Commercial Unit which are permitted by law. No rules affecting the operation of the Commercial Unit maybe adopted or modified by the Board of Managers without the consent of the Commercial Unit Owner.

(g) It is prohibited to hang garments, rugs, etc., from the windows, or from the Building or to string clothes lines on or over the Common Elements (including any Limited Common Element) or to use any of the Common Elements for storage purposes except if specifically designated for such purposes. No storage of combustible material shall be stored in the Garage Storage Space Unit. All provisions for safety shall be the sole responsibility of the Garage Storage Space Unit Owner and the Garage Storage Space Unit Owner should have their own insurance covering the Garage Storage Space Unit.

(h) No Unit Owner shall paint the exterior surfaces of the windows, walls or doors opening out of their Unit.

(i) No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior of the Building without the prior written consent of the Board of Managers.

(j) Each Unit Owner shall keep their Unit and its appurtenant Limited Common Element in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

(k) Garage Parking Space Units may be used only for the purpose of parking automobiles and other vehicles and for such other related purposes as the Board of Manager shall from time to time in writing permit. In no event shall Garage Parking Space Units be converted into additional residential living space.

(l) No structural additions, alterations or improvements to a Garage Parking Space Unit will be permitted.

(m) The entrances, passages, public halls, vestibules, corridors and stairways of the Condominium may not be obstructed or used for any other purpose other than ingress to and egress from the Units.

(n) No article (including, but not limited to, garbage cans, bottles or mats) may be placed in any of the passageways, public halls, vestibules, corridors or stairways of the Condominium, nor may any fire exit be obstructed in any manner.

(o) Neither Unit Owners, residents, occupants, tenants, agents, servants, licensees or their guests are permitted to play in, exercise or use for any unintended purposes, the entrances, passageways, public halls, vestibules, corridors and stairways of the Condominium.

(p) No public hall of the Condominium is permitted to be decorated or furnished by any Unit Owner in any manner.

(q) The following shall be applicable to the elevator in the Building:

(i) The elevator of the Condominium may not be obstructed or used for any other purpose other than ingress to and egress from the Units or halls and floors of the Condominium.

(ii) No article (including, but not limited to, garbage cans, bottles or mats) may be placed in the elevator.

(iii) Neither Unit Owners, residents, guests, tenants, clients, employees, licensee or occupants are permitted to play in, exercise or use for any intended purposes the elevator of the Condominium.

(iv) No elevator or elevator cab of the Condominium is to be decorated or furnished by any Unit Owner in any manner.

(v) The Board of Managers shall have the right to charge a move in – move out fee, which fee shall be determined by the Board at its sole

discretion.

(vi) The Board of Managers may make such other rules and regulations regarding the elevator in the Building.

Section 3. Rules and Regulations for the Residential Units and General Residential Units' Limited Common Elements.

(a) The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of or appurtenant to the Residential Area of the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Residential Units. No vehicle belonging to a Residential Unit Owner, to a family member of a Residential Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Residential Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from the Building.

(b) No baby carriages, bicycles, scooters, or similar vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

(c) No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases of the Building, nor shall any fire exit thereof be obstructed in any manner.

(d) Nothing shall be hung or shaken from any doors, windows, balconies or terraces, or placed upon the exterior window sills, of the Building, and no Residential Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance there from. The Common Elements, General Residential Units' and Individual Unit's Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

(e) There shall be no playing or lounging in the elevators, entrances, passageways, public halls, vestibules, corridors, or stairways, of the Building, except in any designated recreational areas, if any, or other areas designated as such in the Declaration or by the Board.

(f) The Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements and/or General Residential Units' Limited Common Elements that may be devoted to storage, recreation, or service purposes in the Building.

(g) Nothing shall be done or kept in any Residential Unit or in the Limited Common Elements that are designated for the exclusive use of an individual Residential Unit that will increase the rate of insurance of the Building or the contents thereof, without the prior written consent of the Board. No Residential Unit Owner shall permit anything to be done or kept in their Residential Unit or in the Limited Common Elements that are designated for the exclusive use of an individual Residential Unit, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Residential Unit Owner or any of the Residential Unit Owner's family members, tenants, agents, servants, employees, licenses, or visitors shall, at any time, bring into or keep in their Residential Unit or Common Areas any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Residential Unit or the Limited Common Elements that are designated for the exclusive use of an individual Residential Unit.

(h) 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 their Residential Unit or the Limited Common Elements that are designated for the exclusive use of an individual Residential Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Residential Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a Compact Disk Player, Ipod, computer, phonograph, radio, television set, or other similar equipment in such Residential 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 Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or approved by the Board of Managers.

(i) No Residential Unit Owner shall install any plantings in the Common Elements or the Individual Residential Limited Common Elements that are for the exclusive use of an individual Residential Unit without the prior written approval of the Board. It shall be the responsibility of the Residential Unit Owner to maintain all plantings in the Residential Units and Individual Residential Unit's Limited Common Elements to prevent any damage to floors, walls or any other part of the Building. Residential Unit

Owners shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

(j) 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 and applicable zoning, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

(k) The balconies, terraces and courtyards designated as Individual Residential Unit's Limited Common Elements, are not permitted to be used for storage and are not permitted to be enclosed. No barbequing is permitted in any courtyard or any terrace on the 2nd floor. Barbequing will be permitted on the penthouse terraces as long as it is not a violation of any New York City or other municipal, State or agency code or health, safety or fire requirement. All drains located on a balcony or terrace must be kept open at all times.

(l) No ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

(m) No sign, notice, advertisement, or illumination (including, without limitation, "For Sale," "For Lease", or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or By-Laws or shall have been approved in writing by the Board or the Managing Agent. Nothing shall be projected from any window of a Residential Unit without similar approval.

(n) All radio, television, or other electrical equipment of any kind or nature installed or used in each Residential Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

(o) No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior of a Residential Unit without the prior written consent of the Board of Managers. The Board of Managers may adopt such rules and regulations pertaining to antenna so as to comply with the Federal Communications Commission rules adopted on October 14, 1996.

(p) Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no

sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Residential Unit shall be repaired and paid for by the owner of such Residential Unit.

(q) Each Residential Unit Owner shall keep their Residential Unit and any Individual Residential Limited Common Elements that are for the exclusive use of an individual Residential Unit in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

(r) The agents of the Board or the Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent, may enter any room in a Residential Unit at any reasonable hour of the day, on at least one day's prior notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

(s) The 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 Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to their Residential Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board or the Managing Agent, then the 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 Residential Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

(t) If any key or keys are entrusted by a Residential Unit Owner, by any family member thereof, or by their agent, tenant, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Residential 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 Residential Unit Owner, and neither the Board nor the Managing Agent shall (Except as provided in Rule (r) above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

(u) No Residential Unit Owner of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

(v) Any Residential Unit Owner who mortgages or sells their Residential Unit shall immediately notify the Board of Managers, providing the name and address of the new mortgagee or new Residential Unit Owner within thirty (30) days of the closing of the mortgage, within thirty (30) days of the execution of the Purchase Agreement of the sale of the Residential Unit for the new Purchaser or thirty (30) days prior to any tenant occupying the Residential Unit, whichever is applicable.

(w) Any Residential Unit Owner who sells their Residential Unit shall notify the Board of Managers, providing the name and address of the new Residential Unit Owner, within thirty (30) days of the execution of the Purchase Agreement of the sale of the Residential Unit for the new Purchaser.

(x) The Board of Managers shall, at the request of the mortgagee of the Residential Unit, report any delinquent assessments due from the Owner of such Residential Unit.

(y) Every Residential Unit Owner shall be liable for any and all damage to the Common Elements, which shall be caused by said Residential Unit Owner, the Residential Unit Owner's permitted lessees and occupants of Residential Units, their respective family members and guests and such other person for whose conduct the Residential Unit Owner is legally responsible.

(z) Residential Unit Owners will faithfully observe the procedures established from time to time by the Board of Managers or the Managing Agent with respect to services provided and the management of the Building.

(aa) Residential Unit Owners will be limited to two (2) domestic pets per Residential Unit. The foregoing notwithstanding no breed or mix of dog, including American Pit Bulls, Terrier or Rottweiler, deemed to be dangerous to the safety of the residents of the Condominium shall be permitted to be kept or harbored in the Condominium or any Residential Unit. No exceptions will be permitted unless the same in each instance be expressly permitted in writing by the Board of Managers of the Condominium. The Board of Managers may require the permanent removal of any animal kept in a Residential Unit that is not in compliance with the above as well as any animal causing or creating a nuisance or unreasonable disturbance or noise upon ten (10) days written notice from

the Board of Managers. In no event shall any pet be permitted in any of the public corridors or lobbies of the Condominium unless carried or on leash. All Residential Unit Owners shall be responsible for picking up and disposing of their pets' waste and for any damage caused by their pets to any Common Elements of the Condominium and shall comply with the local and municipal rules and regulations regarding pets.

(bb) All Residential Unit Owners shall keep their thermostats at a minimum of 60 degrees Fahrenheit to prevent freezing of pipes. Any Residential Unit Owner failing to adhere to this requirement shall be responsible for any damage done to the Common Elements of the Condominium and/or any other Residential Unit.

(cc) No window guards or window decorations (other than curtains and window treatments which conform to the By-Laws) are permitted to be used in or about any Residential Unit, unless otherwise required by law, except such as will have been approved in writing by the Board of Managers. The Board of Managers shall have the right to designate or approve a contractor to do any of such work at the Residential Unit Owners' sole expense. In no event however, shall any exterior glass surface of any windows of a Residential Unit be colored or painted. In the event window guards are required in a Residential Unit, the cost of installing the window guards shall be the sole responsibility of the Residential Unit owner.

(dd) Corridor doors are required to be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

(ee) Except as permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees are not permitted at any time or for any reason whatsoever to enter upon or attempt to enter upon the roofs of the Building.

(ff) No group tour or exhibition of any Residential Unit or its contents may be conducted, nor will any auction sale or other sale of contents be permitted to be held in any Residential Unit, without the prior consent of the Board of Managers.

(gg) Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Residential Members of the Board. Any such consent or approval may, in the discretion of the Residential Members of the Board or the Managing Agent, be conditional in nature.

(hh) The Residential Members of the Board of Managers reserves the right to rescind, alter, waive or add, as to one or more or all Residential Unit Owners, occupants, lessees, guests and any other person residing in the Building, any rule or regulation at any time prescribed for the Condominium when, in the reasonable judgment of the Residential Members of the Board of Managers, the Residential Members of the Board of Managers deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, or the preservation of good order therein, or for the operation or maintenance of the Condominium or the equipment thereof, or the comfort of Residential Unit Owners, occupants or others in the Condominium. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Residential Unit Owner or other occupant will operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

(ii) Complaints regarding the service of the Condominium shall be made in writing to the Board of Managers or to the Managing Agent.

Section 4. Rules and Regulations for the Commercial Units Limited Common Elements.

(a) The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of or appurtenant to the Building for the exclusive use of a Commercial Unit shall not be obstructed or used for any purpose other than ingress to and egress from the Commercial Units. No vehicle belonging to a Commercial Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, agent, customer or client of a Commercial Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to or exit from the Building.

(b) No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases of the Condominium servicing the Commercial Unit, nor shall any fire exit thereof be obstructed in any manner.

(c) Nothing shall be hung or shaken from any doors, windows, or placed upon the exterior window sills, of the Commercial Unit, and the Commercial Unit Owner shall not sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance there from.

(d) Nothing shall be done or kept in any Commercial Unit or a Commercial Unit's Limited Common Element for the exclusive use of an individual Commercial Unit that is not used in conjunction with the operation of the Commercial Unit's business or practice that will increase the rate of

insurance of the Building or the contents thereof, without the prior written consent of the Board. No Commercial Unit Owner shall permit anything to be done or kept in their Commercial Unit or a Commercial Unit Limited Common Element for the exclusive use of an individual Commercial Unit, 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 Commercial Unit Owner or any of its tenants, agents, servants, employees, licenses, visitors, clients, patients or customers shall, at any time, bring into or keep in their Commercial Unit or a Commercial Unit's Limited Common Element for the exclusive use of an individual Commercial Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or a Limited Common Element for the exclusive use of an individual Commercial Unit.

(e) All construction, repair work, or other installation involving noise shall be conducted in any Commercial Unit only on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or approved by the Board of Managers.

(f) No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in a Commercial Unit.

(g) No patients, clients, or other invitees of the Commercial Unit Owner or its tenant shall be permitted to wait in any lobby, public hallway, or vestibule used for the Residential portion of the Building.

(h) All radio, television, or other electrical equipment of any kind or nature installed or used in a Commercial 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 Commercial Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

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

(j) Each Commercial Unit Owner shall keep their Commercial Unit and the Commercial Unit's Limited Common Elements designated to a Commercial Unit for the Commercial Unit's exclusive use in a good state of

preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

(k) The agents of the Board or the Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent, may enter any room in a Commercial Unit at any reasonable hour of the day, on at least one day's prior notice to the Commercial Unit Owner, for the purpose of inspecting such Commercial Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Commercial Unit for its permitted purposes.

(l) Complaints regarding the service of the Condominium shall be made in writing to the Board of Managers or to the Managing Agent.

(m) The Board of Managers shall not interfere with the business operation of a Commercial Unit unless it affects the General Common Elements, General Residential Units' Limited Common Elements or the structural integrity of the Building and/or is a violation of any municipal or state code or statute.

(n) Each Commercial Unit Owner and/or their tenants shall have an easement to erect, maintain and replace one (1) or more signs on the property permitted by law for the purpose of advertising the operation of any business conducted therein. Any such signs shall be of reasonable size and shall not be located so as to unduly disturb the aesthetics of the Building.

(o) Each Commercial Unit Owner shall have the right, without the payment of any fees or charges to the Board, to sell or lease the Commercial Unit without interference by the Board. All sale or rental proceeds shall belong solely to the applicable Commercial Unit Owner.

(p) A Commercial Unit will not be permitted to install any finished floor exceeding one (1") inch above the concrete slab, unless prior approval is provided by Sponsor's architect as long as the Sponsor continues to retain at least one (1) Unit in the Condominium and, thereafter, by an architect approved by the Board of Managers of the Condominium.

These Rules and Regulations applicable to the Commercial Units may not be amended, modified, added to, or repealed without the written consent of the Member of the Board of Managers representing the Commercial Units.

Section 5. Violations of Rules and Regulations.

(a) Upon receipt, by the President of the Board of Managers or by the Managing Agent, of a signed written complaint alleging violation of any of the Rules and Regulations or other provisions of the By-Laws as herein established or hereafter established or adopted by the Board of Managers, the President of the Board, or in the President's absence, the Vice President together with a minimum of two (2) other Members of the Board, without a formal meeting of the Board, shall make a determination as to the validity of the complaint. Any Unit Owner accused of a violation of the Rules and Regulations or other provisions of the By-Laws shall be entitled to receive written notice by registered mail of such accusation. The written notice shall contain the following statements:

i) A copy of the Rule and Regulation the Unit Owner has violated and a description of the manner in which the Unit Owner violated the Rule and Regulation.

ii) A time and place at which the Unit Owner shall be given the opportunity to present a defense before final action is taken.

(b) If, after said notice and hearing it is determined that the complaint is valid and justified the Managing Agent shall be directed to send written notice to the violator. If the violation is not corrected or eliminated within a period of three (3) days from the date of receipt of such notice, another notice will be sent levying a fine of up to two hundred and fifty ($250) dollars upon the violator; such fine is to be considered as an additional Common Charge to the account of the violator and shall be treated as such regarding late penalties and a lien upon the property as elsewhere provided for in the Declaration of Condominium or By-Laws. If after imposition of a fine the violation is not corrected or eliminated, the Board of Managers may assess additional fines of up to two hundred and fifty ($250) dollars each after serving written notice upon the violator as provided for above. If the violation results in loss of or damage to property classified as a Common Element, the Board of Managers shall itself or direct the Managing Agent, if employed, to have said loss or damage repaired or replaced and the actual cost of said repair or replacement shall be assessed to the violator as an additional Common Charge.

(c) During the period the Sponsor or its designee own at least one (1) of the Commercial Units any complaint alleging a violation of any Rule or Regulation applicable to a Commercial Unit shall require the vote of one (1) Commercial Unit Member of the Board of Managers shall be one (1) of the three (3) Board Members hearing the complaint. At such time as the Sponsor no longer owns any of the Commercial Units the procedure

regarding a violation of a Rule or Regulation applicable to a Commercial Unit Owner shall be as provided for in Article VIII Section 5(b) above except that the Commercial Unit Owner Member of the Board is required to be one (1) of the Board Members hearing the complaint.

Section 6. Costs.

Any costs incurred by the Board of Managers to remedy or cure any violation of these By-Laws, the Rules and Regulations as herein or hereafter established, shall be an additional Common Charge charged to the violator in addition to the Two Hundred Fifty ($250) Dollar fine(s) levied upon the violator. Fines may be levied against a Unit Owner's tenant, and the Unit Owner shall be jointly and severally liable with the Unit Owner's tenant for the payment of same.

In the event the Condominium institutes legal action for the collection of any fines or the enforcement of any of the provisions of the Declaration, By-Laws and/or Rules and Regulations of the Condominium, then the Defendant shall be responsible for payment of reasonable attorney's fees of the Condominium, plus interest and costs of suit.

Section 7. Board of Managers Right to Change Rules and Regulations.

Except as provided in Sections 3 and 4 of this Article VIII, the Board of Managers reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Condominium when, in the reasonable judgment of the Board of Managers, the Board of Managers deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, or the preservation of good order therein, or for the operation or maintenance of the Condominium or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Condominium. 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.

Section 8. Sponsor.

The above provisions shall not apply to the Sponsor unless required: (a) to comply with applicable laws or regulations, or (b) to remedy any notice of violation.

ARTICLE IX. DEFAULT

In the event a Unit Owner does not pay any sums, charges or assessments required to be paid when due, as determined by the Board of Managers, the Board of

Managers, acting in behalf of the Board shall notify the Unit Owner and the mortgagee, if any, of such Unit. If such Common Charges, Special Assessment or any other sum, charge or assessment shall remain unpaid for ninety (90) days after the giving of such notice, the Board may foreclose the lien encumbering the Unit as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the owner of a Unit does not pay the Common Charge assessment required to be paid by the Unit Owner on its due date, the Board of Managers may collect said fees and take such action as is provided in Article VI, Section 2 of these By-Laws and said Unit Owner shall be liable for the Condominium's reasonable costs and a reasonable attorney's fee incurred by it incident to the collection or enforcement of such lien.

In addition to the Board's right to bring an action to foreclose a lien on a Unit Owner's Unit, the Board (on behalf of the Unit Owners) shall have the right to bring suit to recover a money judgment for unpaid Common Charges at the option of the Board, without foreclosing or waiving the lien securing such charges. In such an event the Unit Owner shall be liable for the reasonable costs and reasonable attorney's fee incurred by it incident to the collection of the delinquent Common Charges.

ARTICLE X. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Unit Owners meeting; provided: (a) that the notice of the meeting shall contain a full statement of the proposed amendment; (b) that the amendment shall be approved by sixty-six and two-thirds (66⅔%) percent of the Unit Owners in number and common interest and (c) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Unit Owners' interest and the interests of holders of a mortgage encumbering a Unit or Unit. In addition the following shall apply to amendments to the By-Laws:

(i) Notwithstanding any provision contained herein to the contrary an Amendment in the By-Laws which solely affects the Residential Unit(s) may only be adopted by a vote of at least 66 2/3rds% of only the Residential Unit Owners.

(ii) No amendment to the By-Laws which solely affects the Commercial Unit may be adopted without the written consent of the Commercial Unit Owner.

(iii) Notwithstanding any provision contained herein to the contrary, no amendment to the By-Laws shall be passed which shall impair or prejudice the rights and priorities of the mortgagees or the Sponsor.

ARTICLE XI. SELLING, MORTGAGING AND LEASING UNIT

Section 1. **Selling and Leasing Units.**

Any Unit may be conveyed or leased, subject to the leasing requirements contained in Section 7, subject to local zoning ordinances, by its Unit Owner free of any restrictions except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease their Unit unless and until all unpaid Common Charges assessed against the Unit Owner's Unit shall have been paid to the Board of Managers of the Condominium and subject to the right of first refusal of the Board of Managers as provided for in Section 2 hereof. However, such unpaid Common Charges can be paid out of the proceeds of the sale of a Unit, or by the Grantee. Notwithstanding the above any Unit Owner who wishes to enter into a lease for the Unit Owner's Unit shall be required to provide the Board of Managers of the Condominium with a copy of the lease prior to its execution. Notwithstanding the above any Unit Owner who wishes to enter into a lease for the Unit Owner's Unit shall be required to provide the Board of Managers of the Condominium with a copy of the lease, name of the proposed tenant, terms of the lease, credit and background check, a minimum of two (2) referrals and any other information that may be requested by the Board of Managers at least thirty (30) days prior to its execution. All leases must comply with all the requirements contained in Section 7 below. Failure to comply will be deemed an automatic violation of the By-Laws of the Condominium. Further, any Unit Owner may convey the Unit Owner's Unit and common interest appurtenant thereto, to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any Common Charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this section shall be voidable at the election of the Board of Managers.

Whenever the term "Unit" is referred to in this section, it shall include the Unit, the Unit Owners undivided interest in the Common Elements and the Unit Owners interest in any Units acquired by the Board of Managers.

Section 2. **Right of First Refusal.**

No Unit Owner (hereinafter "Unit Owner"), other than Sponsor, its successors, assigns or designees, may sell or lease their Unit except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer to (a) purchase his or her Unit together with (i) the undivided interest in the Common Elements appurtenant thereto, and (ii) the interest of such Unit Owner in any Unit theretofore acquired by the Board of Managers or its designee on behalf of all Unit Owners, or his or her interest in the proceeds of sale or lease of such Unit, if any, or (b) lease his or her Unit (such an offer to purchase or lease a Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror" and the Unit Owner to

whom the Outside Offer is made is called the "Offeree Unit Owner"), which he or she intends to accept, shall give notice by certified or registered mail to the Board of Managers of the receipt of such Outside Offer. Said notice shall state the name and address of the Outside Offeror, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require. The giving of such notice to the Board of Managers shall constitute an offer by such Unit Owner to sell his or her Unit or Lease his or her Unit to the Board of Managers or its designee, corporate or otherwise, on behalf of all other Unit Owners, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a warranty and representation by the Offeree Unit Owner who has received such Outside Offer to the Board of Managers, on behalf of all Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Board of Managers may reasonably request. Not later than ten (10) days after the later of the receipt of such notice or such further information as may have been requested by the Board of Managers, the Board of Managers may elect, by sending written notice to such Offeree Unit Owner before the expiration of said ten (10) day period, by certified or registered mail, return receipt requested, to purchase such Unit or to lease such Unit, as the case may be, or to cause the same to be purchased or leased by its designee (corporate or otherwise), on behalf of all Unit Owners on the same terms and conditions as contained in the Outside Offer and stated in the notice from the Offeree Unit Owner.

In the event the Board of Managers shall timely elect to purchase any such Unit or to Lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or lease shall be executed at the office of the attorneys for the Condominium, in accordance with the terms of the Outside Offer, within forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. If, pursuant to such Outside Offer to purchase such Unit, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board of Managers may purchase the Unit and assume to take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-O of the Real Property Law of the State of New York, with all tax and other documents and/or documentary stamps affixed at the expense of such Unit Owner, who shall also pay all the taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interests, if any, and the Common Charges shall be apportioned between the Offeree Unit Owner and the Board of Managers, or its designee (corporate or otherwise), as of the closing date. In the event such Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board of Managers, or to its designee (corporate or otherwise), a lease between the Offeree Unit Owner, as Landlord, and the Board of Managers, or its designee (corporate or otherwise), as Tenant, covering such Unit for the rental and terms contained in such Outside Offer.

In the event the Board of Managers or its designee shall fail to accept such offer within ten (10) days after receipt of such notice, as aforesaid, or in the event the Board of Managers shall, prior thereto, waive such right of first refusal in accordance with Section 4 of this Article, the Offeree Unit Owner shall be free to accept the Outside Offer within a sixty (60) day period after (i) notice of refusal is sent or (ii) the expiration of the period in which the Board of Managers or its designee might have accepted such offer, as the case may be. In the event the Offeree Unit Owner shall not, within such sixty (60) day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such sixty (60) day period, but such sale or lease, as the case may be, shall not be consummated, then should such Offeree Unit Owner thereafter elect to sell such Unit or lease such Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and conditions of this Section.

Any deed to an Outside Offeror shall provide that the acceptance thereof by the Grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time.

Any lease executed in connection with the acceptance of an Outside Offer to lease a Unit shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended, or assigned without the prior written consent of the Board of Managers; the tenant shall not assign his or her interest in such Lease or sublet the demised premises or any part thereof without the prior written consent of the Board of Managers; and the Board of Managers 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 (i) a default by the tenant to perform its obligations under such lease or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

Except as herein above set forth, the form of any such lease executed by the Board of Managers, or an Outside Offeror, shall be the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain such other modifications as shall be approved in writing by the Board of Managers. Any lease executed by the Board of Managers, as tenant, shall provide that the Board may enter into a sublease of the premises without the consent of the landlord.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers and, if the Board of Managers shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board of Managers to commence legal proceedings to evict the purported tenant (in the case of an unauthorized leasing) in the name of the said Unit Owner as the purported landlord. Said Unit Owner shall reimburse the Board of Managers for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

The foregoing restrictions of Section 2 of this Article XI shall not apply to Sponsor-owned Units, or any mortgagee acquiring title to a Unit, in a foreclosure or otherwise. The Sponsor, its successors, assignees or designees; any mortgagee acquiring title to a Unit in a foreclosure or otherwise shall have the right to freely sell their Unit or to freely lease all or any part thereof without first having to offer the same for sale or lease to the Board of Managers.

Section 3. Release by Board of Managers of the Right of First Refusal.

The right of first refusal contained in Section 2 of this Article XI may be released or waived by the Board of Managers only in the manner provided in Section 3 of this Article XI. In the event the Board of Managers shall release or waive its right of first refusal as to any Unit, such Unit may be sold, conveyed or leased free and clear of the provisions of said Section 2 and all other restrictions, except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his or her Unit unless and until all unpaid Common Charges assessed against his or her Unit shall have been paid to the Board of Managers. Further, a Unit Owner may convey his or her Unit and his or her Common Interest appurtenant thereto to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners, and upon such conveyance such Unit Owner shall not be liable for any Common Charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this section shall be voidable at the election of the Board of Managers.

Section 4. Certificate of Termination of Right of First Refusal.

A certificate executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 2 of this Article XI have been met by a Unit Owner or stating that the Right of First Refusal contained therein has been duly released or waived by the Board of Managers, and that as a result thereof the rights of the Board of Managers thereunder shall terminate, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely upon such certificate in good faith. The Board of Managers shall furnish, without charge, such certificate upon request to any Unit Owner with respect to whom the provisions of such section have, in fact, terminated.

Section 5. Financing of Purchase of Unit by Board of Managers.

The purchase of a Unit by the Board of Managers or its designee, on behalf of all Unit Owners, may be made from funds deposited in the capital and or expense account of the Condominium. If the funds in such accounts are insufficient to effectuate any such purchase, the Board of Managers may levy an assessment against each Unit Owner, in proportion to the Unit Owner's interest in the Common Elements, as a Common Charge, and/or the Board of Managers may in its discretion finance the acquisition of the Unit; provided, however, that no such financing may be secured by an

encumbrance, or an hypothecation of any portion of the Property other than the Unit to be purchased.

Section 6. Exceptions.

The provisions of Section 2 of this Article XI shall not apply with respect to any lease, sale or conveyance of a Unit by (a) the Unit Owner thereof to his spouse, adult children, parents, parents-in-law, adult siblings, or any one or more of them, (b) the Sponsor or its designee, (c) the Board of Managers, or (d) any proper officer conducting the sale of the Unit in connection with the foreclosure of a mortgage or other lien covering such Unit, or delivering a deed in lieu of such foreclosure; provided, however, that the new Unit Owner shall be bound by, and his Unit subject to, the provisions of this Article. The provisions of Section 2 of this Article XI shall not apply to a Retail Unit.

Section 7. Leasing Requirements for Residential Units.

In addition to the Right of First Refusal detailed in Section 2 above and except as noted in Sections 11 and 12, every lease on every Residential Unit in the Condominium is subject to the following rules and regulations, regardless of whether in the lease:

(a) the lease must be in writing;
(b) the lease must be for the entire Residential Unit;
(c) the lease must be for a minimum and maximum of twelve (12) months. Renewals shall be for a one (1) year term and are subject to review by the Board of Managers of the Condominium;
(d) the use of the premises is subject to the Declaration and the By-Laws of the Condominium and the rules and regulations of the entire Condominium;
(e) within thirty (30) days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the Managing Agent or if no Managing Agent to a Member of the Board of Managers of the Condominium;
(f) within forty-five (45) days of any renewal of a lease of a tenant, the name and telephone number of the tenant, together with a clear and complete copy of the renewal lease, must be furnished to the Managing Agent or if no Managing Agent to the Board of Managers of the Condominium for review;
(g) all leases and tenants are subject to all municipal requirements applicable to leasing, if any;
(h) the Residential Unit cannot be used as a motel or hotel or otherwise for transient tenants;

(i) if any Residential Unit Owner (landlord) or tenant is in violation of any of the provisions of the Declaration or By-Laws, or both, including any rules and regulations, the Board of Managers of the Condominium may bring an action in its own name or in the name of the Residential Unit Owner, or both, to have the tenant evicted or to recover damages, or both.

In order to carry out the provisions of this Article XI and pursuant to the provisions of Article Fifteenth of the Declaration of Condominium each Residential Unit Owner shall upon becoming a Residential Unit Owner grant an irrevocable power of attorney, to nominate, designate, constitute and appoint the members of the Board of Managers of the Condominium and their successors, jointly, their true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in their name and on their behalf, the right to act in their behalf to take any and all action necessary against any tenant(s) that may be residing in a Residential Unit Owner's Condominium Residential Unit including but not limited to, the right to seek an eviction in a court of law for failure to adhere to any of the provisions of the Declaration of Condominium, By-Laws and/or Rules and Regulations of the Condominium. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies available to the Board of Managers of the Condominium. If permitted by present or future law, the Condominium may recover all of its costs, including court costs and reasonable attorney's fees, and these costs shall be a continuing lien on the Residential Unit that shall bind the Residential Unit in the hands of the then Residential Unit Owner and the Residential Unit Owner's successors and assigns. The Board of Managers of the Condominium shall give the tenant and the Residential Unit Owner written notice of the nature of the violation of the rules, and thirty (30) days from the mailing of the notice in which to cure the violation before the Board of Managers of the Condominium may file for eviction.

The foregoing restrictions of Sections 1, 2 and 7 of this Article XI shall not apply to Sponsor-owned Residential Units or any mortgagee acquiring title to a Unit, in a foreclosure or otherwise. The restrictions of Section 7 shall not apply to a Commercial Unit Owner. The Sponsor, its successors, assignees or designees; any mortgagee acquiring title to a Unit in a foreclosure or otherwise and the Commercial Unit Owner shall have the right to freely sell their Unit or to freely lease all or any part thereof without first having to offer the same for sale or lease to the Board of Managers as long as the lease and use by a tenant is in compliance with the permitted use of the applicable Unit under New York City zoning and occupancy requirements.

Section 8. Waiver of Partition Rights.

The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 9. Gifts, etc.

Any Unit Owner may convey or transfer their Unit by gift during their lifetime or devise their Unit by will or pass the same by intestacy, without restriction.

Section 10. Tenant Bound by Declaration.

By becoming a tenant, each tenant agrees to be bound by the Declaration, the By-laws and the other Rules and Regulations of the Condominium, and recognizes and accepts the right and the power of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the other Rules and Regulations of the Condominium.

Section 11. Lenders.

To protect first mortgage lenders and to encourage first mortgage lenders to make loans on Residential Units in the Condominium, only subsections (b), (d), (e), (f), (g) and (h) of Section 7 of this Article XI shall apply to a first mortgage lender who has title to the Residential Unit through (a) foreclosure of its first mortgage on the Residential Unit; or (b) a deed in lieu of foreclosure of its first mortgage on the Residential Unit. Any subsequent purchaser from the first mortgage lender is subject to all the terms of Article XI. This provision does not apply to any Retail Unit Owner who rents their Retail Unit.

Section 12. Sponsor.

The terms of Sections 1, 2, 3, 4, 5, 6 and 7 of this Article XI shall not be applicable to the Sponsor, its successors or assigns.

Section 13. Section 339-kk of the Real Property Law

Pursuant to the provisions of Section 339-kk of the Real Property Law of the State of New York, any non-occupying Residential Unit Owner who rents any Residential Unit in the Condominium to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Unit within sixty (60) days of the expiration of any grace period after they are due is subject to the following: Upon notice in accordance with the statute, all rental payments from the tenants shall thereafter be directly payable to the condominium association. The provisions of Section 339-kk of the Real Property Law shall control any dispute pursuant to this provision of the By-Laws. This provision does not apply to any Retail Unit Owner who rents their Retail Unit.

ARTICLE XII. ARBITRATION

Section 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 New York City, New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City, New York before one arbitrator appointed, upon the application of any party by the Real Estate Board of New York.

Section 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 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. Binding Effect.

The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. Costs and Expenses.

The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE XIII. CONDEMNATION

In the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than $50,000 and to the Board of Managers if the award is $50,000 or less, to be distributed in accordance with Section 3 of Article VII but in the following amounts:

(a) So much of the award as is applicable to the General Common Elements, to the Unit Owners pro rata according to the respective common interest appurtenant to the Unit owned by such Unit Owners.

(b) So much of the award as is applicable to a Limited Common Element to the Unit Owner having general use of such Limited Common Element.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to General Common Elements and to each Limited Common Element. In the event the award does not set forth such allocation then the question of such allocation shall be submitted to the arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XIV. SPONSOR RIGHTS

Section 1. Sales/Rentals.

The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sales and rental offices in and about the Condominium, including any model Units located within the Condominium Building or elsewhere throughout the project, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective purchasers or tenants, to utilize the Common Elements, and without limitation, to do any and all things necessary incident to the sale or rental of the Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

Section 2. Signs/Ingress/Egress.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to construct, sell and lease the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the

Condominium. This Article XIV may not be modified or amended without the written consent of the Sponsor so long as the Sponsor continues to own one (1) or more unsold Units.

ARTICLE XV. MISCELLANEOUS

Section 1. Insurance.

Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in a Unit Owner's Unit which will increase the insurance rates on the Unit or any other Unit or on the common elements.

Section 2. Severability.

Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium.

A Unit Owner who mortgages his Unit, shall notify the Condominium through the management agent, if any, or the President of the Board of Managers in the event there is no management agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Unit".

Section 4. Notice of Unpaid Assessments.

The Board of Managers shall at the request of a mortgagee of a Unit, report any unpaid assessments due from the Unit Owners of such Unit.

Section 5. Examination of Books and Records.

Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board but not more often than once a month.

Section 6. Construction.

Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural; wherever the context so requires.

Section 7. Compliance with Article 9-B.

These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWNPAYMENTS

(Send this application to the reviewing attorney assigned to the subject plan.)

Re:_____
Address of Building or
Name of Project

File Number:_____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name_____
of Applicant

2. Address_____
of Applicant

3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____

4. This is an application for

( ) return of down payment.
( ) 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:_____

SCHEDULE K

7. Name and Address of Sponsor: _____

8. Name and Address of Escrow Agent: _____

9. If downpayments are maintained in an escrow account:

   (a) Name of account _____

   (b) Name and address of bank _____

   _____

   (c) Account number (if known) _____

   (d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

    (a) Name and address of bond issuer or surety: _____

    (b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:

    _____

    _____

    _____

    _____

11. If downpayments have been secured by a letter of credit:

    (a) Name and address of bank which issued the letter of credit:

    _____

    (b) Date of expiration of the letter of credit, if known:

    _____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

( ) has been declared effective. Approximate date: _____

( ) has not been declared effective.

(c) If effective, the plan

( ) has closed or the first unit has closed.
(Approximate date) _____

( ) has not closed.

( ) don't know.

(d) Downpayments are secured by

( ) escrow account.

( ) bonds.

( ) letter of credit.

13. Contract information:

(a) Copy of contract and if all riders or modification letters are attached. (DO NOT SEND ORIGINALS).

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date (s) of downpayment (s): _____

(d) Total amount of downpayment (s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____
_____
_____
_____
_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application. I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: Date:

Name(Printed):

Telephone:(Home) (Business)

Mailing Address:

ESCROW AGREEMENT

AGREEMENT made this 27th day of June, 2007 between 77 Reade, LLC ("SPONSOR") as Sponsor of the offering plan for 77 Reade Street Condominium and CERTILMAN BALIN ADLER AND HYMAN, LLP with an address at 90 Merrick Avenue, East Meadow, New York, ("ESCROW AGENT") as ESCROW AGENT.

WHEREAS, 77 Reade LLC, is the SPONSOR of an offering plan to develop a condominium for the premises located at 77 Reade Street, New York, New York which premises are known as 77 Reade Street Condominium; and

WHEREAS, CERTILMAN BALIN ADLER AND HYMAN, 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:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with Capital One, N.A. (depository bank) at its branch located at 275 Broad Hollow Road, Melville, New York. The account number is [redacted]

1.2 The name of the account is "Certilman Balin Adler and Hyman, LLP/77 Reade Street Escrow Account".

1.3 A member or members of the ESCROW AGENT are the sole signatories on the account.

1.4 The escrow account is an Interest Bearing Account .

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 Certilman BALIN ADLER AND HYMAN, LLP, as ESCROW AGENT for 77 Reade Street Condominium 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; or (e) the ESCROW AGENT is changed pursuant to the terms of the Escrow Agreement in connection with the transfer of funds to the new escrow agent; or (f) funds which were deposited prior to the acceptance of the contract are returned to the purchaser because of rejection of the contract by the SPONSOR; or (g) any governmental authority imposes a ban on the construction or completion of residential dwellings or imposes restrictions on the manufacture, sale, distribution and/or use of materials from SPONSOR's regular suppliers or from using same in the construction and/or completion of the Home making the construction or completion of the Development unlikely; or (h) SPONSOR is unable to obtain materials from its usual sources due to labor troubles, lockouts, war, military operations and requirements, civil unrest, acts of God or national emergencies making the construction or completion of the Development unlikely; or (i) the installation of public utilities is restricted or curtailed making the construction or completion of the Development unlikely; or (j) until released in accordance with paragraphs 3.3 and 3.4. Funds deposited in escrow for upgrades and extras to the Unit may be released from the escrow account without the requirements outlined herein provided SPONSOR uses the funds for such upgrades and extras and notifies the ESCROW AGENT in writing of such fact.

3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made 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. RECORDKEEPING

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

4.2 Upon the dissolution of a law firm which was 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 acknowledges 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 pro se, 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 AGENT'S 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 purchasers'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 Service 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 herein above set forth with a copy of any such notice by regular mail to the attorney for such party as follows:

IF TO ESCROW AGENT:
Certilman Balin Adler & Hyman, LLP
The Financial Center at Mitchel Field
90 Merrick Avenue
East Meadow, NY 11554
Attn: Richard Herzbach Esq.

IF TO SPONSOR:
77 Reade, LLC
C/O Imagine Design Group
636 Broadway, Suite: 214
New York, NY 10012

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:
Certilman Balin Adler & Hyman, LLP

By: _____

Richard Herzbach, Partner
Print Name and Title

SPONSOR: 77 Reade, LLc

By: _____

S.Myles Group.
Managing Member,
77 Reade,LLc

TENDER OF ESCROW DEPOSIT

Date: _____

Tender of Deposit of $_____, for Unit _____at _____

_____ located at _____, New York.

Purchaser(s) named below has/have tendered on _____, 20 __, 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: _____

EXHIBIT "A"

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO 13 NYCRR 20.4 (b)

Date: 10/4/01

State of New York
Department of Law
120 Broadway
23rd Floor
New York, NY 10271

RE:**77 READE STREET CONDOMINIUM**

Gentlepeople:

We are the Sponsor and principals of Sponsor of the Condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

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

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

77 READE LLC

By: _____
S. Myles Group, Member

SPONSOR'S PRINCIPALS:

_____
S. Myles Group

_____
Harshad Lakhani

Sworn to before me this
2nd Day of October, 2007

_____
NOTARY PUBLIC

KHAMWATTIE KALLU
Notary Public, State of New York
No. 01KA6099770
Qualified in New York County
Commission Expires October 6, 2007

Sworn to before me this
4th day of October, 2007.

_____
NOTARY PUBLIC

TIMOTHY L. PAULSON
Notary Public, State of New York
No. 01PA6155908
Qualified in Westchester County
Commission Expires November 20, 20 10
New York



BKSK ARCHITECTS LLP

PARTNERS
Stephen Byrns
Harry Kendall
George Schiefendecker
Joan Krevlin
Julia Nelson
Todd Peisson

ASSOCIATES
Paul Capece
David Kubik
Keith Pitocchi
Francisco Ramirez

SPONSOR'S ENGINEER OR ARCHITECT CERTIFICATION
PURSUANT TO 13 NYCRR 20.4 (c)

Date: June 5, 2008

State of New York
Department of Law
120 Broadway
23rd Floor
New York, NY 10271

RE: **77 Reade Street Condominium**

Gentlepeople:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We examined the building plans and specifications that were prepared by BKSK Architects LLP dated December 7, 2007 and we prepared the Report dated June 5, 2008, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect in the State in which the property is located.

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

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the description of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

28 W. 25 STREET NY, NY 10010 TEL 212-807-9600 FAX 212-807-6405 www.bkskarch.com

BKSK

(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 representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,

BKSK ARCHITECTS LLP

By: _____

Name: Joan Krevlin, AIA
Title: Partner



(Architect's Seal)

Sworn to before me this
5th day of June, 2008.

_____
Notary Public

LISA M. MACK
Notary Public, State of New York
No. 01MA6174314
Qualified In Kings County
Commission Expires 9-17-2011

CERTIFICATION OF ADEQUACY OF OPERATING BUDGET PURSUANT TO 13 NYCRR 20.4 (d)

Date: October 4, 2007

State of New York
Department of Law
120 Broadway - 23rd Street
New York, NY 10271

RE: **77 Reade Street Condominium**

Gentlepeople:

The Sponsor of the Condominium Offering Plan for the captioned property retained me/our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. My/or our experience in this field includes:

Midboro Management, Inc had managed Cooperatives and Condominiums since 1963 and currently manages 74 buildings Gary Ziprin, a Certified Public Accountant, has over 20 years of experience in Cooperative and Condominium finance, including budget preparation.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

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

I/we certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I/we certify that the Schedule:

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

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

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

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

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

(vii) does not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I/we further certify that I am/we are not owned or controlled by the Sponsor. I/we understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____

Gary Ziprin, Midboro Mangement, Inc. CFO

Sworn to before me this
4th day of October 2007.

_____
Notary Public

Kimberly K. McDowell
Notary Public, State of New York
No. 01MC6041686
Qualified in New York County
Commission Expires May 15, 20__

CERTIFICATION OF ADEQUACY OF COMMON CHARGES PAYABLE BY NON-RESIDENTIAL UNIT OWNERS PURSUANT TO 13 NYCRR 20.4(e)

Date: October 4, 2007

State of New York
Department of Law
120 Broadway - 23rd Street
New York, NY 10271

Re: **77 Reade Street Condominium**

Gentlepeople:

The sponsor of the condominium offering plan for the captioned property retained me/our firm to review or prepare Schedule B which includes projections of common charges payable by the owners of the Non-Residential Units. My/or our experience in this field includes:

Midboro Management, Inc. had managed Cooperatives and Condominiums since 1963 and currently manages 74 buildings. Gary Ziprin, a Certified Public Accountant, has over 20 years of experience in Cooperative and Condominium finances, including budget preparation.

I/we understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to the Non-Residential Units listed in Schedule B.

I/we have reviewed Schedule B as it impacts upon the Non-Residential Units and investigated the facts underlying it with due diligence in order to form a basis for this Certification. I/We also have relied on my/our experience in managing residential buildings.

I/we certify that the projections in Schedule B for common charges payable by the owner of the Non-Residential Units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such Non-Residential Units for the projected first year of condominium operation, and that the allocation of common charges attributable to the Non-Residential Units also reflects special or exclusive use or availability or exclusive control of particular common areas.

I/we certify that the estimates in Schedule B for the common charges payable by the owner of the Non-Residential Units:

(i) set forth in detail the projected common charges for the Non-Residential Units for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the Non-Residential Units;

(iii) do not omit any material fact;

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

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

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

(vii) do not contain any representation or statement which is false, where I/we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I/we further certify that I am/we are not owned or controlled by the sponsor. I/We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the Non-Residential Units for the first year of condominium operation.

This Certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

By: _____

Gary Ziprin, Midboro Mangement, CFO

Sworn to before me this
4th day of October, 2007

_____
Notary Public

Kimberly K. McDowell
Notary Public, State of New York
No. 01MC6041686
Qualified In New York County
Commission Expires May 15, 2010

The Real Property Law is amended by adding a new Section 339-kk to read as follows:

"§ 339-kk. Rents. (a) For the purposes of this section, "non-occupying owner" shall mean a unit owner in a condominium association who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the condominium association.

(c) If the common charges, assessments or late fees due for any unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the board of managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the board of managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the board of managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of unit owners or of the board of managers existing under any other law or agreement.

(e) Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent."

This act may be enforced by any party by means of a special proceeding brought pursuant to Article 4 of the Civil Practice Law and Rules.

SCHEDULE N

77 READE LLC
c/o
Imagine Design Group
636 Broadway, Suite 214
New York, New York 10012

DECLARANT

DECLARATION

Dated: March 4, 2008

Location: Block 149, Lots 9 & 11
New York County, New York

Record & Return to:

Greenberg Traurig, LLP
200 Park Avenue
New York, New York 10166
Attention: Deirdre A. Carson, Esq.

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DECLARATION OF RESTRICTIONS

This DECLARATION OF RESTRICTIONS (the "Declaration") made as of the 4th day of March, 2008 by 77 READE, LLC, a New York limited liability company having an address at c/o Hanley & Goble LLP, 233 Broadway Ste 2701, New York, New York 10279 (the "Declarant"):

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of certain real property located in the Borough of Manhattan, City, County and State of New York, which property is designated as Block 149, Lots 9 and 11 on the Tax Map of the City of New York and by the street address 91-95 Chambers Street, a/k/a 73-77 Reade Street, and is more particularly described on Exhibit A attached hereto (the "Subject Property") and on which is located the building known by said address (the "Designated Structure");

WHEREAS, Declarant proposes to renovate the Designated Structure by, inter alia, making interior and exterior alterations to the Designated Structure;

WHEREAS, the Subject Property together with the Designated Structure constitutes the Subject Premises (the "Subject Premises"); and

WHEREAS, First American Title Insurance Company ("Title Company"), has certified as of January 21, 2008 that Declarant and Midfirst Bank are the sole Parties-In-Interest (individually, a "Party-In-Interest" and, in the case of more than one, "Parties-In-Interest"), as that term is defined in the zoning lot definition in Section 12-10 of the Zoning Resolution of the City of New York (the "Zoning Resolution"), to the Subject Premises, other than those Parties-In-Interest who have waived their right to execute the Declaration, a copy of said certification and waivers being attached hereto as Exhibit B and made a part hereof; and

WHEREAS, all Parties-In-Interest to the Subject Property have executed this Declaration or waived their rights to execute this Declaration; and

WHEREAS, as of the date hereof, the Title Company has determined there has been no change in the certification attached as Exhibit B and Declarant represents and warrants that to the best of its knowledge, the Parties-In-Interest listed in Exhibit B are the only Parties-In-Interest in the Subject Premises as of the date hereof; and

WHEREAS, pursuant to the provisions of Section 3020 of the New York City Charter and Title 25, Chapter 3 of the Administrative Code of the City of New York (the "Landmark Preservation Law"), the Landmarks Preservation Commission (the "LPC") has designated an area which includes the Designated Structure as the Tribeca East Historic District (the "District") because of its special character or historical or aesthetic interest or value; and

WHEREAS, Declarant at the public hearings on October 10 and November 14, 2006 requested the LPC issue a report to the City Planning Commission of the City of New York (the "CPC") for an application under Section 74-711 of the Zoning Resolution for a

special permit to modify (a) the provisions of Z.R. § 23-533 to permit a rear yard equivalent on a through lot of less than 60 feet; and (b) the provisions of § 23-581 of the Zoning Resolution with respect to the minimum required dimensions of inner courts, both in connection with the proposed construction of a horizontal enlargement of the Designated Structure that is otherwise as of right with respect to bulk and use; and

WHEREAS, at the public hearing on November 14, 2006, the LPC voted to issue the report to the CPC as requested for the special permit application, to grant a Certificate of Appropriateness ("COA" dated March 7, 2007) for the horizontal and vertical enlargement of the Designated Structure and, pursuant to its regulations for restorative façade permits, on September 25, 2007 to grant a Certificate of No Effect ("CNE") which allows the alteration of the Designated Structure in the District in accordance with Section 25-307 of the Administrative Code of the City of New York. Copies of the COA and CNE are annexed hereto as Exhibit C; and

WHEREAS, Section 74-711 requires, inter alia, that a program has been established for continuing maintenance (the "Continuing Maintenance Program") that will result in preservation of the Designated Structure by Declarant; and

WHEREAS, Declarant has agreed to certain obligations and restrictions contained in this Declaration for the protection, preservation, repair and maintenance of the Designated Structure; and

WHEREAS, Declarant desires to restrict the manner in which the Subject Premises may be developed, restored, and operated in order to assure the protection, preservation, repair and maintenance of the Designated Structure; and

WHEREAS, Declarant represents and warrants that there are no restrictions, liens, obligations, covenants, easements, limitations or encumbrances of any kind, the requirements of which have not been waived or subordinated, which would prevent or preclude, presently or potentially, the imposition of the restrictions, covenants, obligations, casements and agreements of this Declaration.

NOW, THEREFORE, Declarant does hereby declare and agree that the Subject Promises shall be held, sold, transferred, conveyed and occupied subject to the following restrictions, covenants, obligations, easements, and agreements, all of which are for the purpose of protecting the Subject Premises, which shall inure to the benefit of the City of Now York, and which shall run with the Subject Premises and bind Declarant and its heirs, successors and assigns so long as they have a right, title or Interest in the Subject Premises or any part thereof,

ARTICLE I
DEFINITIONS

The following words, when used in this Declaration, shall have the following meanings:

"Application" shall mean the application to the City Planning Commission for the Special Permit.

"Buildings Department" shall mean the New York City Department of Buildings, or any successor to the jurisdiction thereof.

"Chairperson of the CPC" shall mean the Chairperson of the City Planning Commission of the City of New York or any successor to the jurisdiction thereof,

"Chairperson of the LPC" shall mean the Chairperson of the Landmarks Preservation Commission of the City of New York or any successor to the jurisdiction thereof.

"City" shall mean the City of New York.

"City Council" shall mean the New York City Council or any successor to the jurisdiction thereof.

"CPC" shall mean the New York City Planning Commission, or any successor to the jurisdiction thereof.

"Declarant" shall mean the named Declarant and the heirs, successors and assigns of the named Declarant including, without limitation, any owner of a condominium unit within the Designated Structure, except that Declarant shall not be deemed to include (i) a mortgagee of all or any portion of the Subject Property until it succeeds to the interest or obligation of Declarant by purchase, assignment, foreclosure or otherwise, or (ii) a tenant of the Subject Premises, unless such tenant holds a lease to all or substantially all of the Subject Premises,

"DCP" shall mean the New York City Department of City Planning or any successor to the jurisdiction thereof,

"Designated Structure" shall mean the building known by the street addresses 91-95 Chambers Street a/k/a 73-77 Reade Greene Street located on Tax Block 149, Lots 9 and 11 in the Borough of Manhattan, which contain a contributing structure in the Tribeca East Historic District.

"Force Majeure" shall mean (i) strike, lockout or labor dispute(s); (ii) inability to obtain materials or reasonable substitutes therefor unless due to any act or failure to act by Declarant; (iii) acts of God; (iv) unforeseen governmental restrictions, regulations, omissions or controls; (v) enemy or hostile government actions; (vi) civil commotion, insurrection, revolution or sabotage; (vii) fire or other casualty; (viii) inclement weather of such a nature as to make performance or completion of the Landmark Work not feasible unless due to any act or failure to act by Declarant (ix) any damage to the Subject Promises of such a nature as to make completion of the Landmark Work not feasible; (x) a taking of the Subject Premises, or a portion thereof, by condemnation or eminent domain (xi) failure of a public utility to provide power, heat or light; (xii) unusual delay in transportation; (xiii) material delays by the City, State or United States Government, or any agency or instrumentality thereof in the performance of any work or processing or approval of any applications required in order to permit Declarant to carry out its obligations pursuant to this Declaration unless due to any act or failure to act by Declarant; (xiv) denial to Declarant by any owner of an enforceable interest in adjoining real property, including any private fee

owner or ground lessee of adjoining real property, or any agency of the City or State having an enforceable interest in adjoining real properly, including sidewalks or streets, of a right to access to such adjoining real property, if such access is required to accomplish the obligations of the Declarant pursuant to this Declaration; (xv) the pendency of a litigation not initiated by Declarant or similar proceeding which suspends or materially and adversely affects the ability of the Declarant to accomplish the obligations of' the Declarant pursuant to this Declaration; or (xvi) other conditions similar in character to the foregoing which are beyond the control of Declarant. No event shall constitute a Force Majeure unless Declarant complies with the procedures set forth in Sections 2.1 and 6.2 hereof.

"Landmark Work" shall refer to the restoration work on the Designated Structure as described in the COA and CNE which are attached hereto as Exhibit C.

"LPC" shall mean the Landmarks Preservation Commission of New York City or any successor to the jurisdiction thereof.

"Mortgagee" shall mean (a) the institutional first mortgagee of all or substantially all of the Subject Premises listed in Exhibit B, or (b) the first mortgagee of a condominium unit within the Designated Structure.

"Party(ies) in Interest" shall mean any party-in-interest listed in Exhibit B and any other party-in-interest to the Subject Promises who has given written notice of its name and address to the CPC' and the LPC.

"Special Permit' shall mean the requested actions to modify the rear yard equivalent provisions of Z.R. §23-533, the lot coverage provisions of Z.R. §23-145, and the loft dwelling requirements of Z.R.-111-111(b).

"Special Permit Use" shall mean permission to occupy any portions of the Designated Structure above the level of the first story for residential uses that require the light and air created pursuant to the bulk modifications of the Zoning Resolution enumerated in the "Special Permit" definition, above.

"Zoning Resolution" shall mean the Zoning Resolution of the City of Now York.

ARTICLE II
DEVELOPMENT, PRESERVATION, REPAIR AND MAINTENANCE OF THE SUBJECT PROPERTY

2.0 Declarant covenants and agrees to develop the Subject Premises in accordance with the following drawings prepared by BKSK Architects, LLP, attached hereto as Exhibit D (collectively referred to as the "Plans"):

Plan Number	Plan Title	Last Revised Date
A001	Cover Sheet and Location Plans	02.05.08
A002	Zoning Calcs and Site Plan	02.05.08
A200	Proposed Site Plan	10.24.07

A204	Proposed Plan Second Floor	07.11.07
A205	Proposed Third Floor Plan	07.11.07
A206	Proposed Fourth Floor Plan (Typical Plan for Fourth and Fifth Floors @ New Building	07.11.07
A207	Proposed Plan Top Floor Fifth Floor Plan (Exist.) Sixth Floor Plan (New)	07.11.07
A208	Proposed Plans Penthouse	07.11.07
A209	Proposed Plans Penthouse Mezzanine	07.11.07
A402	Proposed Section	07.11.07
A403		07.11.07

2.1 Certificate of Occupancy. (a) The issuance of the Special Permit is premised on, inter alia, the performance or the construction of the following restoration work on the Designated Structure in conformity with the COA and the CNE and the requirements thereof. Such restoration work shall be referred to as the "Landmark Work."

(i) Brick Masonry (Reade Street Elevation): Remove paint from brick surfaces; removing soiling from brick masonry; clean all brick masonry; repair minor cracked and spalled brick with restoration patching mortar to match existing clean brick color, strength and texture; replace severely cracked and spalled brick masonry in kind; removal all metal embeds and conduit and patch with restoration patch mortar to match existing clean brick color, strength and texture or replace in-kind as necessary; rake and repoint open and non-matching joints with mortar matching original

(ii) Brownstone Masonry (Reade Street Elevation): provide new cast-stone lintels to match original profile; remove cement plaster from sill fascias; remove patches from brownstone cornice, severely exfoliated sections of brownstone and metal embeds and conduit from brownstone surface; replace and fill voids where necessary with stone restoration patching compounds to match original in color, strength, texture and profile; rake and repoint open joints with mortar matching original color;

(iii) Cast Iron Storefront (Reade Street Elevation): install new storefront infill and treatment for missing cast-iron details based on historic research; prepare and paint storefront with historically appropriate paint, as determined by paint analysis, in color approved by LPC;

(iv) Wood Windows (Reade Street Elevation): replace all windows with new double hung wood, four-over-four windows to match original in configuration, glazing area and profile; prepare and paint windows with historically appropriate paint, as determined by paint analysis, in color approved by LPC;

(v) Sheet Metal Cornice (Reade Street Elevation): remove large patch from eastern section; determine structural stability of cornice; restore and repair cornice structure; prepare and patch all pinholes, small tears and voids with appropriate patching material to prevent water penetration; seal all open seams with pop rivets and sealant; prepare and paint cornice in historically appropriate color, as determined by paint analysis and approved by LPC;

(vi) Iron Fire Escape (Reade Street Elevation): remove fire escape and replace all bricks at points of attachment in kind or patch resulting voids with restoration patching mortar matching existing clean brick masonry in strength, texture and color;

(vii) Granite and Limestone Masonry (Chambers Street Elevation): remove signs from granite and limestone masonry; repair sound units of stone with stone restoration patching compounds to match existing clean limestone in color, strength and texture and replace cracked or severely spalled units in kind; remove all metal embeds and anchors from granite and limestone masonry and patch spalled and cracked granite and limestone with stone restoration patching compounds to match existing;

(viii) Storefront (Chambers Street Elevation): install new storefront based on original storefront design;

(ix) Brick Masonry (Chambers Street Elevation): clean soiling from brick; remove all signage and metal embeds, repair all cracks and patch and repair resulting voids with restoration matching mortar to match existing brick in strength, color and texture;

(x) Copper Cornices and Wrought Iron Railing (Chambers Street Elevation): clean soiling and rust stains from cornices; remove all rusted fasteners from copper seams and replace with copper or brass; replace non-original cornice cap and flashing with new copper sheets to match original; repair pinholes, tears or voids with appropriate patching material; replace railing to match original; prepare and paint railing in historically appropriate color, as determined by paint analysis and approved by LPC.

(xi) Wood Windows and Mullions (Chambers Street Elevation): install all new wood sash and sills to match original in profile and glazing area; repair and restore existing original wood frames; treat splits and checks in original frames with fungicide to prepare for patching; patch all areas of deterioration with wood putty; identify and eliminate source of moisture penetration at lintel of fourth floor window; prepare and paint new windows in historically appropriate color, as determined by paint analysis and approved by LPC.

(xii) Roof (Chambers Street Elevation): Remove coping from south and east elevation parapet walls and install cast stone units with joints; replace all spalled and eroded brick of east parapet; rake and repoint all open joints.

(b) Written notice that the Declarant is seeking a temporary certificate of occupancy ("TCO") or a permanent certificate of occupancy ("PCO) shall be given to the LPC seven (7) days prior to Declarant's making actual application for such TCO or PCO.

No TCO or PCO which permits a Special Permit Use shall be granted by the Buildings Department or accepted by Declarant until the Chairperson of the LPC shall have given written notice to the Buildings Department that (i) the Landmark Work described in the Declaration, the COA and in the CNE has been satisfactorily completed by Declarant or (ii) the Chairperson of the LPC has certified in writing, as provided in Section 2.1(d) hereof, that (a) a Force Majeure has occurred and (b) the Chairperson of the LPC has no objection to the issuance of a TCO or PCO for, as appropriate, all or part of the Subject Property. The Chairperson of the LPC shall issue any such notice reasonably promptly after Declarant has made written request to the Chairperson of the LPC and has provided documentation to support such request, and the Chairperson of the LPC shall in all events endeavor to issue such written notice to the Buildings Department, or inform Declarant in writing of the reason for not issuing said notice, within twenty-one (21) calendar days after Declarant has requested such written notice. Upon receipt of the written notice from the Chairperson of the LPC that (i) the Landmark Work has been satisfactorily completed as aforesaid or (ii) the Chairperson of the LPC has certified that a Force Majeure has occurred and that the Chairperson of the LPC has no objection to the issuance of a TCO or PCO, the Buildings Department may grant, and Declarant may accept, a TCO or PCO for the portion of the Designated Structure and the Special Permit Use to which the notice pertains.

(c) Declarant shall permit inspection of the Designated Structure by the Chairperson of the LPC and representatives designated by the Chairperson of the LPC in connection with the notices described in Section 2.1(b) hereof.

(d) (i) Upon application by Declarant, notwithstanding anything contained in any other provision of this Declaration, the Chairperson of the LPC, in the exercise of his or her reasonable judgment, may certify that the performance or completion of the Landmark Work is delayed due to a Force Majeure as provided in paragraph (ii) below.

(ii) In the event that Declarant reasonably believes that full performance of its obligations to complete the Landmark Work has been delayed as a result of a Force Majeure, Declarant shall so notify the Chairperson of the LPC as soon as Declarant learns of such circumstances. Declarant's written notice shall include a description of the condition or event, its cause (if known to Declarant), its probable duration, and in Declarant's reasonable judgment, the impact the condition or event is reasonably anticipated to have on completion of the Landmark Work. The Chairperson of the LPC shall, within twenty-one (21) calendar days of its receipt of Declarant's written notice (A) certify in writing that a Force Majeure has occurred, including a determination of the expected duration of such delay (the "Delay Notice"), and grant Declarant appropriate relief for such delay, including certifying in writing to the Buildings Department that the Chairperson of the LPC has no objection to the issuance of a TCO or PCO for the Special Permit Use, or (B) notify Declarant that it does not reasonably believe a Force Majeure has occurred. With respect to any claim that a Force Majeure has delayed the Declarant's performance or completion of the Landmark Work, the LPC may require that Declarant post a bond or other security in a form and amount acceptable to the Chairperson of the LPC in order to ensure that the Landmark Work is completed. Such alternative security could include, without limitation, alternative or additional conditions on the issuance of any PCO or TCO. Any delay caused as the result of a Force Majeure shall be deemed to continue

only as long as the Declarant shall be using reasonable efforts to minimize the effects thereof. Upon cessation of the events causing such delay, the Declarant shall promptly recommence the Landmark Work.

(e) Notwithstanding anything else to the contrary contained heroin, this Declaration shall not be deemed to prohibit or restrict Declarant from (i) applying for or receiving a TCO or a PCO for any floor area in the Designated Structure which is not to be used for a Special Permit Use or (ii) obtaining permits or building notices from the Building's Department to perform work, including tenant work, in the Designated Structure prior to the completion of the Landmark Work; or (iii) entering into agreements affecting all or any portions of the space in the Designated Structure prior to completion of the Landmark Work.

2.2 Preservation and Maintenance.. Declarant hereby covenants and agrees to preserve, repair and maintain the Designated Structure in sound first-class condition, at its own cost and expense, in accordance with this Declaration, the COA, the CNE and the Landmarks Preservation Law. It is understood that certain obligations and duties set forth in this Declaration are above and beyond the requirements of the Landmarks Preservation Law and do not in any way diminish Declarant's obligation and responsibility to comply with all provisions of the Landmarks Preservation Law.

2.3 Continuing Maintenance Program. Declarant shall comply with the obligations and restrictions of the continuing maintenance program (the "Continuing Maintenance Program") as set forth below:

(a) Periodic Inspections. Declarant shall establish and carry out a cyclical inspection and maintenance program for the Designated Structure which shall include, without limitation, the following;

(i) At Declarant's expense, an Inspection (the "Periodic Inspection") shall be made every five (5) years on or within thirty (30) days of the anniversary date of the issuance by the LPC of the Notice of Compliance pursuant to the COA and the CNE (collectively, the "Approvals"), and thereafter shall be made on or within every five (5) years from the date of such initial inspection. In the event that Declarant has accepted a TCO or a PCO that permits a Special Permit Use without having first received the Notice of Compliance, the first periodic inspection shall be made on or within the fifth anniversary date of the issuance of such TCO or PCO and every five years thereafter. The Periodic Inspection shall be done by a preservation architect, engineer or other qualified person knowledgeable about the preservation of historic structures (the "Preservation Architect") selected by Declarant from a list prepared by Declarant and approved by the Chairperson of the LPC as to their credentials, which approval shall not be unreasonably withheld or delayed. Declarant shall update such listing upon the request of the Chairperson of the LPC. In addition, Declarant may periodically supplement the list of Preservation Architects, subject to the approval of the Chairperson of the LPC as to their credentials. The Preservation Architect shall make a thorough inspection of the exterior of the Designated Structure and those portions of the interior, which, if not properly maintained, could affect the condition of the exterior. The Periodic Inspection shall include (but not be limited to) the following portions of the Designated Structure:

Brick Masonry of Chambers and Reade Street Facades
Brownstone Masonry of Reade Street Façade
Cast-iron Elements of Reade Street Façade
Sheetmetal Cornice of Reade Street Façade
Granite and Limestone Masonry of Chambers Street Façade
Copper Cornices and Wrought Iron Railing of Chambers St. Facade
Ground Floor Windows and Doors of Front Façade
Windows of Chambers and Reade Street Facades
Roof and Flashing

(ii) The Preservation Architect shall, at the expense of Declarant, submit a report on each Periodic Inspection (the "Periodic Report") to Declarant and the LPC within forty-five (45) days after each Period Inspection. The Periodic Report shall outline the existing conditions of the Designated Structure and detail the work which should be performed in order to maintain the Designated Structure, including all architectural features and elements, in a sound first-class condition, including but not limited to caulking, painting, cleaning, repair of architectural features and elements, checking for rust and repointing of masonry.

(iii) Submission of Local Law 10 & 11 Façade Inspection Report. If the Designated Structure is subject to the Façade Inspection Report requirements of Title 1 RCNY §32-03 et seq., a copy of any such Façade Inspection Report which is submitted to the New York City Department of Buildings, shall also be provided at the same time to the Landmarks Preservation Commission. In the event that the building is found to be unsafe pursuant to such inspection, the Declarant shall simultaneously notify the Landmarks Preservation Commission and the Department of Buildings, pursuant to Title 1 RCNY §32-03(b)(2)(vii).

(iv) Except as set forth below, Declarant shall perform all work which a Periodic Report, Façade Inspection Report or Emergency Incident Report (as defined below) identifies as necessary to maintain the Designated Structure, including architectural features and elements, in sound first-class condition. No work shall be performed except pursuant to a permit from the LPC if a permit is required under the Landmarks Preservation Law. If the LPC determines that a specific item of work or method of work as set forth in a Periodic Report, Façade Inspection Report or Emergency Incident Report would be inappropriate or inadequate, the determination of the LPC shall control and Declarant need not and shall not have such specific item performed. Declarant shall have the right to contest in a hearing before the LPC any work called for in a Periodic Report or Emergency Incident Report. Declarant's obligation to perform such contested work or to perform it by a method acceptable to the LPC shall be stayed pending a decision in any such proceeding at the LPC. Declarant shall proceed with all work which is uncontested during the stay pursuant to a permit.

(v) Unless Declarant has notified the LPC in writing that it contests any work as set forth in the preceding paragraph, Declarant shall apply for all necessary permits or certificates from the LPC within forty-five (45) days of receiving the completed report from the Preservation Architect. Declarant shall use its best efforts to assure that all repairs, rehabilitation, repointing and restoration work detailed in the Periodic

Report or Emergency Incident Report shall be completed at the earliest possible date, but no later than within nine (9) months of the date of issue of the certificate or permit from the LPC, or, if no such certificate or permit is required, within nine (9) months of the date of the Periodic Report or Emergency Incident Report. If for reasons beyond Declarant's control, as determined by the Chairperson of the LPC, such work cannot be completed within nine (9) months, Declarant shall apply to the LPC for an extension of time within which to complete such work. Such extensions shall be for a stated additional period of time to be related to the period of delay and shall not be unreasonably withheld.

(b) Emergency Protection Program. Declarant shall establish and be prepared to carry out an emergency protection program for the Designated Structure which shall include at the minimum the following:

(i) If a fire, the elements or any other cause whatsoever damages or destroys the Designated Structure or any part thereof (the "Emergency Incident"), Declarant shall use all reasonable means to save, protect and preserve the Designated Structure at the time of and following the Emergency Incident, including, but not limited to, acting with an approval from the Chairperson of the LPC or his or her designated representatives to stabilize and prevent further damage to or deterioration of the structure, and to secure the Subject Premises from unauthorized access. Declarant shall not remove from the Subject Premises any debris consisting of exterior features of the Designated Structures without an approval from the Chairperson of the LPC or his or her designated representative. Unless necessitated as a safety precaution as ordered by the Departments of Buildings, Health, Fire or Police, or as an action taken in response to a life-threatening situation, the Declarant shall not remove any other debris or otherwise clear the Subject Premises without the approval of the LPC or its Chairperson.

(ii) Declarant shall give immediate written notice of such Emergency Incident to the LPC. Declarant shall also give timely notice to the LPC of the time or times when the New York City Departments of Buildings, Health and/or Fire will inspect the Subject Premises following the Emergency Incident, in order that the LPC may have a representative present during such inspections.

(iii) Within sixty (60) days of such Emergency Incident, a Preservation Architect shall, at the expense of Declarant, make a thorough inspection of the Designated Structure and submit a report (an "Emergency Incident Report") to Declarant and to the LPC outlining the condition of the structure, assessing the extent of damage, and recommending (A) work, if any, which must be undertaken immediately, upon receipt of proper permits, in order to stabilize and prevent further damage to the Designated Structure, and (B) work that should be performed to repair and restore the Designated Structure to a sound, first-class condition or, alternatively to (A) and (B), that Declarant make an application to the LPC for permission to demolish the remaining portions of the Designated Structure.

(iv) With regard to the work to be performed pursuant to subparagraph (iii)(A), Declarant shall immediately upon receipt of the Emergency Incident Report request and vigorously pursue all necessary permits and upon their issuance, shall

undertake all such work with alacrity. If no permits are required, work shall be undertaken as soon as possible after receipt of the Emergency Incident Report.

1) With regard to the work to be performed pursuant to subparagraph (iii)(B), within ninety (90) days of receiving the report of the Preservation Architect, Declarant shall apply for all necessary permits and certificates from the LPC to repair and restore or to demolish. No work on the exterior of the Designated Structure, and no work on the interior of the Designated Structure which would affect the exterior or which would require the issuance of a permit from the Department of Buildings shall be performed except pursuant to a permit from the LPC. If the LPC determines that a recommendation to demolish or to perform a specific item of work or method of work set forth in the report would be inappropriate, using the criteria set forth in the Landmarks Preservation Law, the determination of the LPC shall control and the Declarant shall not have such specific work performed or be entitled to have the Designated Structure demolished unless Declarant is obligated to perform such work or demolish the structure in accordance with an "Unsafe Building Notice" issued by the Department of Buildings. All repair, restoration, rehabilitation, repointing and other work provided for in a certificate or permit shall be completed within nine months of the date of issue of such certificate or permit by the LPC. If such work cannot be completed within nine months for reasons beyond the Declarant's control, as determined by the Chairperson of the LPC, Declarant shall apply in writing to the LPC for an extension of time within which to complete such work. Such extensions shall be for a stated additional period of time which is related to the period of the delay and shall not be unreasonably withheld.

2.4 Access to Designated Structures. Declarant agrees to provide access to the Designated Structure to the LPC and its designated representatives at reasonable times and upon reasonable written notice, except in cases of emergency, in which event LPC or its representatives shall have access, if feasible, immediately and without notice, in order to insure that the preservation, repair and maintenance of the Designated Structure is carried out in accordance with this Declaration.

2.5 Failure to Perform. In the event that the preservation, repair or maintenance of the Designated Structure is not performed in accordance with the provisions of this Article, the LPC shall give written notice of such failure to perform to the Declarant. In the event the Declarant, its successors or assigns fail after sixty (60) days from receipt of written notice from the LPC to perform or shall commence to perform but fail diligently to prosecute to completion, any such repair and/or maintenance, or any obligations of Declarant set forth in this Declaration, the City of New York may perform all of the necessary work at the sole cost and expense of the Declarant and shall have the right to enter onto the Subject Property and to charge said Declarant for all the actual cost of such work, together with actual administrative and legal fees incurred in the collection thereof. Such actual costs shall include, but not be limited to, payments by the City of New York to any lawyers, consultants, contractors, painters, engineers, architects and skilled artisans required to be hired to perform or supervise such work. To the extent such actual costs are expended by the City of New York, the LPC shall have a lien on the Subject Premises as if a lien had been filed, perfected and enforced for materials and labor under Article 2 of the Lien Law of the State of New York. Notwithstanding the foregoing, in the event that the Designated Structure is converted to a condominium, Declarant's right to notice and cure provided in

this subsection shall apply only to the condominium board and to any owner of space occupied by retail uses in the Designated Structure; provided that the LPC has received notice by said parties in accordance with Section 6.2.

ARTICLE III
CONDOMINIUM BOARD

3.1 General. In the event that the Designated Structure is converted to a condominium in accordance with Article 9B of the New York State Real Property Law ("RPL"), the condominium board ("Board") shall have the responsibility to carry out all of Declarant's obligations and the authority to exercise all of the Declarant's rights under this Declaration and upon such assumption, Declarant shall be released from its liability thereunder.

The following provisions of this Article 3 shall be operative only in the event that the Board is formed as described in this Section 3.1.

3.2 Board. Declarant or the Board, as the case may be, shall require that each owner of a condominium unit (each, a "Unit Owner") appoint the Board as his Attorney-in-Fact with respect to modification, amendment, or cancellation of the Declaration.

3.3 Condominium Declaration. Every deed conveying title to, or a partial interest in, the Subject Premises and every lease of all or substantially all of the Subject Premises shall contain a recital that the grantee is bound by the terms of the Condominium Declaration and By-laws which shall incorporate an obligation by the Board to comply with the provisions of Article 3 of this Declaration.

ARTICLE IV
EFFECT AND ENFORCEMENT

4.1 Effective Date.

(i) Except as provided in paragraph (iii) of this Section 4.1, this Declaration shall have no force and effect unless and until the occurrence of one of the following, to be referred to as the "Effective Date": (a) the expiration of 21 days after the Special Permit has been approved if no review is undertaken by the City Council pursuant to Section 107-d of the New York City Charter or (b) final approval of the Special Permit pursuant to Section 197-d of the New York City Charter. The Declaration shall become immediately effective upon the Effective Date. If, before the Effective Date, Declarant requests or causes the application for the Special Permit to be withdrawn or abandoned, or if final action has been taken having the effect of denying the Special Permit, then, upon notice to CPC and LPC, this Declaration shall not become effective, shall be automatically canceled and shall be of no force and effect.

(ii) If the Special Permit is at any time declared invalid or is otherwise voided by final judgment of any court of competent jurisdiction from which no appeal can be taken or for which no appeal has been taken within the applicable statutory period provided for such appeal, then, upon entry of said judgment or the expiration of the applicable statutory period for such entry, as the case may be, this Declaration shall be

automatically canceled without further action by Declarant and shall be of no further force or effect and the CPC shall, if requested by Declarant, provide Declarant with a letter or other instrument in recordable form stating that the Declaration has been so canceled and is of no further force and effect. In the event that Declarant has obtained a certificate of occupancy allowing any Special Permit Use in the Designated Structure, Declarant shall promptly, after receipt of such letter, obtain a revised certificate of occupancy from the Buildings Department reflecting the cessation of any such Special Permit Use in the Designated Structure.

4.2 Filing and Recording. Declarant shall file and record at its sole cost and expense this Declaration in the Register's Office, indexing it against the Subject Property, immediately upon the Effective Date. Declarant shall promptly deliver to the CPC and the LPC duplicate executed originals, promptly following the Effective Date and, following recordation, a true copy of this Declaration as recorded, as certified by the Register. If Declarant fails to so record this Declaration, the City may record this Declaration, at the sole cost and expense of Declarant, who shall promptly pay to the City such costs together with fees for purchase of a reasonable number of certified copies of the recorded Declaration.

4.3 Additional Remedies. Declarant acknowledges that the City is an interested party to this Declaration, and consents to enforcement by the City, administratively or at law or equity, of the restrictions, covenants, easements, obligations and agreements contained herein. Declarant also acknowledges that the remedies set forth in this Declaration are not exclusive, and that the City and any agency thereof may pursue other remedies not specifically set forth herein including, but not limited to, the seeking of a mandatory injunction compelling Declarant, its heirs, successors or assigns, to comply with any provision, whether major or minor, of this Declaration.

4.4 Notice and Cure. (a) Before any agency, department, commission or other subdivision of the City of New York institutes any proceeding or proceedings to enforce the terms or conditions of this Declaration because of any violation hereof, it shall give Declarant forty-five (45) days written notice of such alleged violation, during which period Declarant shall have the opportunity to effect a cure of such alleged violation. If Declarant commences to affect a cure during such forty-five (45) day period and proceeds diligently towards the effectuation of such cure, the aforesaid forty-five (45) day period shall be extended for so long as Declarant continues to proceed diligently with the effectuation of such cure. In the event that title to the Subject Premises, or any part thereof, shall become vested in more than one party, the right to notice and cure provided in this subsection shall apply equally to all parties with a fee interest in the Subject Property, or any part thereof, including ground lessees; provided the LPC has received notice by said parties in accordance with Section 6.2. Notwithstanding the foregoing, in the event that the Designated Structure is converted to a condominium, the right to notice and cure provided in this subsection shall apply only to the condominium board and to any owner of spaces occupied by Use Group 6 uses in the Designated Structure; provided that the LPC has received notice from said parties in accordance with Section 6.2.

(b) If Declarant fails to observe any of the terms or conditions of this Declaration, and the Declarant fails to cure such violation within the applicable grace period provided in subparagraph 4.4(a) of this Declaration, then prior to the institution by any

agency or department of the City, including the LPC, of any action, proceeding, or proceedings against Declarant in connection with such failure, a Mortgagee who has given written notice of its name and address to the CPC and the LPC shall be given thirty (30) days written notice of such alleged violation, during which period such Mortgagee shall have the opportunity to effect a cure of such alleged violation. If such Mortgagee commences to effect a cure during such thirty (30) day period and proceeds diligently towards the effectuation of such cure, the aforesaid thirty (30) day period shall be extended for so long as such Mortgagee continues to proceed diligently with the effectuation of such cure.

(i) If after due notice as set forth in this Section 4.4, Declarant and the Mortgagee fail to cure such alleged violations, the City may exercise any and all of the rights, including those delineated in this Section and may disapprove any amendment, modification, or cancellation of this Declaration on the sole grounds that Declarant is in default of any material obligations under this Declaration.

4.5 Acknowledgment of Covenants. Declarant acknowledges that the restrictions, covenants, easements, obligations and agreements in this Declaration, which are an integral part of the Special Permit, will protect the value and desirability of the Subject Premises as well as benefit the City of New York and all City-owned property within a one-mile radius of the Subject Premises. Those restrictions, covenants, easements, obligations and agreements shall be covenants running with the land, and shall bind Declarant and its successors, legal representatives and assigns.

4.6 No Other Enforceable Restrictions. Declarant represents and warrants that there are no enforceable restrictions of record on the use of the Subject Property or the Designated Structure, nor any present or presently existing future estate or interests in the Subject Property or the Designated Structure, nor any lien, obligation, enforceable covenant, limitation or encumbrance of any kind which precludes, directly or indirectly, imposition on the Subject Premises of the restrictions, covenants, easements and obligations of this Declaration.

4.7 Governance. This Declaration shall be governed by and construed in accordance with the laws of the State of New York.

4.8 Severability. In the event that any provision of this Declaration shall be deemed, decreed, adjudged or determined to be invalid or unlawful by a court of competent jurisdiction and the judgment of such court shall be upheld on final appeal, or the time for further review of such judgment on appeal or by other proceeding has lapsed, such provision shall be severable, and the remainder of this Declaration shall continue to be of full force and effect.

4.9 Applicability to other City Agencies. Declarant covenants to include a copy of this Declaration as part of any application submitted to the LPC, CPC, Buildings Department, Board of Standards and Appeals ("BSA"), New York State Attorney General (in the event of a proposed conversion of the Designated Structure to condominium ownership) or any agency succeeding to their respective jurisdictions. The restrictions and obligations contained herein are a condition of any permit or Certificate of Occupancy to be issued by the Building Department and Declarant will take all reasonable steps to ensure

that they are so listed. Failure to carry out such obligation beyond any applicable grace period shall constitute sufficient cause for the Commissioner of the Buildings Department and Declarant will take all reasonable steps to ensure that they are so listed. Failure to carry out such obligation beyond any applicable grace period shall constitute sufficient cause for the Commissioner of the Buildings Department to revoke any building permit issued pursuant to the Special Permit or to apply to the BSA or to a court of competent jurisdiction for revocation of the Certificate of Occupancy or any permit issued by the Buildings Department.

4.10 Limitation of Liability. (a) Declarant shall be liable in the performance of any term, provision or covenant in this Declaration, subject to the following sentences and subject to Section 4.12 below. Notwithstanding anything to the contrary contained in this Declaration, the City and any other party or person relying on the Declaration will look solely to the fee estate and interest of Declarant in the Subject Property, on an in rem basis only, for the collection of any money judgment recovered against Declarant, and no other property of Declarant shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies of the City or any other person or entity with respect to this Declaration, and Declarant shall have no personal liability under this Declaration. The liability of any Unit Owner under this Declaration shall be limited to the amount of such Unit Owner's prorated share, based on such Unit Owner's interest in the common elements of the Condominium, of the costs of compliance with this Declaration. For the purposes of this Section 4.10, "Declarant" shall mean "Declarant" as defined in Article I hereof, as well as any principals, disclosed or undisclosed, partners, members, affiliates, officers, employees, shareholders or directors of Declarant.

(b) The restrictions, covenants and agreements set forth in this Declaration shall be binding upon the Declarant and any successor-in-interest only for the period during which Declarant and any successor-in-interest is the holder of a fee interest in or is a party-in-interest of the Subject Premises and only to the extent of such fee interest or the interest rendering Declarant a party-in-interest. At such time as the named Declarant has no further fee interest in the Subject Premises and is no longer a Party-In-Interest of the Subject Premises, Declarant's obligations and liability with respect to this Declaration shall wholly cease and terminate from and after the conveyance of Declarant's interest and Declarant's successors-in-interest in the Subject Premises by acceptance of such conveyance automatically shall be deemed to assume Declarant's obligations and liabilities hereunder to the extent of such successor-in-interest's interest.

4.11 Subordination. Declarant shall cause every individual, business organization or other entity that between the date hereof and the date of recordation of this Declaration becomes a Party-In-Interest to the Subject Property, to execute this Declaration or to subordinate such interest to the Declaration and waive its right to execution. Any mortgage or other lien encumbering the Subject Property after the recording date of this Declaration shall be subject and subordinate hereto.

4.12 Right to Convey. Nothing contained herein shall be construed as requiring the consent of the CPC, the LPC, the City, any agency thereof or any other person or entity to any sale, transfer, conveyance, mortgage, lease or assignment of any interest in the Subject Property or the Designated Structure.

ARTICLE V
AMENDMENTS, MODIFICATIONS AND CANCELLATIONS

5.1 Amendment or Cancellation. Except as provided in paragraph 4.1 above, this Declaration may be amended or canceled with the express written approval of the LPC and CPC and, in the event that the City Council reviewed the Special Permit pursuant to Section 197-d of the Charter, of the City Council, and no other approval or consent shall be required from any public body, private person or legal entity of any kind; provided, however, that no such approval shall be required in the case of any cancellation pursuant to paragraph 5.4.

5.2 Minor Modification. The Chairperson of the LPC and the Chairperson of the CPC may, by express written consent, administratively approve modifications to the Declaration that the CPC has determined to be minor. Such minor modifications shall not be deemed amendments requiring the approval of the CPC, the LPC, the City Council or any other agency or department of the City of New York.

5.3 Recording and Filing. Any modification, amendment or cancellation of this Declaration, except pursuant to paragraph 5.4, shall be executed and recorded in the same manner as this Declaration. Following any modification, amendment or cancellation, Declarant shall immediately record it and provide one executed and certified true copy thereof to each of the CPC and the LPC and upon failure to so record, permit its recording by the CPC or the LPC at the cost and expense of Declarant.

5.4 Surrender or Nullification. In the event that Declarant does not use the levels of the Designated Structure below the level of the second story for the Special Permit Use pursuant to the Special Permit, Declarant may surrender the Special Permit to the CPC and proceed with any use permitted by the Zoning Resolution and in accordance with the Landmarks Preservation Law as if such Special Permit had not been granted. In the event that Declarant does not use the second and third stories of the Designated Structure or does not construct or use the addition above the roof of the Designated Structure for the Special Permit Use pursuant to the Special Permit, Declarant may surrender the Special Permit to the CPC and proceed with any use permitted by the Zoning Resolution and in accordance with the Landmarks Preservation Law as if such Special Permit had not been granted. This Declaration shall be rendered null and void upon recordation of an instrument filed by Declarant discharging it of record in whole or in part, with copies to LPC and CPC, the recordation of which instrument shall constitute a waiver of the right to use the Subject Property pursuant to the Special Permit, or with respect to the Special Permit Use.

ARTICLE VI
MISCELLANEOUS

6.1 Exhibits and Preamble. Any and all exhibits, appendices, or attachments referred to herein, together with the recitations contained in the preamble hereto, are hereby incorporated fully and made an integral part of this Declaration by reference.

6.2 Notices. All notices, demands, requests, consents, waivers, approvals and other communications which may be or are permitted, desirable or required to be given, served or deemed to have been given or sent hereunder shall be in writing and shall be sent

(i) if intended for Declarant to 77 Reade Street LLC, c/o Hanley & Goble LLP, 233 Broadway Ste 2701, New York, New York 10279; (ii) if intended for the CPC, to the CPC at 22 Reade Street, New York, New York 10007 (or then official address), Attention: Chairperson; (iii) if intended for the LPC, to the LPC at 1 Centre Street, 9th Floor, New York, New York 10007 (or then official address), Attention: Chairperson and (iv) if intended for the City Council, to the City Council at the Office of the Speaker, City Council, City Hall, New York, New York 10007; (iv) if intended for Mortgagee, to MidFirst Bank, MidFirst Plaza, 501 N.W. Grand Boulevard, Oklahoma City, OK 73118. Declarant or its representatives by notice given as provided in this paragraph 6.2, may change any address for the purposes of this Declaration. Each notice, demand, request, consent, approval or other communication shall be either (i) sent by registered or certified mail, postage prepared, or (ii) delivered by hand, and shall be deemed sufficiently given, served or sent for all purposes hereunder five (5) business days after it shall be mailed, or, if delivered by hand, when actually received.

6.3 Indemnification. Provided that Declarant is found by a court of competent jurisdiction to have been in default in the performance of its obligations under this Declaration after having received written notice of such default and opportunity to cure as provided above, and such finding is upheld on final appeal, or the time for further review of such finding on appeal or by other proceeding has lapsed, Declarant shall indemnify and hold harmless the City from and against all of its reasonable legal and administrative expenses arising out of or in connection with the City's enforcement of Declarant's obligations under this Declaration.

(remainder of page intentionally left blank)

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first above written.

77 READE, LLC, a New York
limited liability company

By: _____
Name: S. Myles Group
Title: managing member

ACKNOWLEDGEMENT

State of New York)
) ss:
County of New York)

On the 7 day of March, 2008 before me, the undersigned, a notary public in and for said state, personally appeared S. Myles Group personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual noted, executed the instrument.

Notary Public

KHAMWATTIE KALLU
Notary Public, State of New York
No. 01KA6099770
Qualified In New York County
Commission Expires October 6, ~~2007~~ 2011

SCHEDULE OF EXHIBITS

Exhibit A	-	Metes and Bounds of Subject Property
Exhibit B	-	Zoning Lot Certification and Waivers of Parties-In-Interest
Exhibit C	-	Certificates of Appropriateness and of No Effect
Exhibit D	-	Plans

EXHIBIT A

PARCEL 1

ALL that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, known as Number 77 Reade Street and Number 95 Chambers Street, which are bounded and described as follows:

BEGINNING at a point on the southerly side of Reade Street at the division line between premises known as Numbers 77 and 79 Reade Street, which point is distant about 75 feet, 3 inches easterly from the corner formed by the intersection of the southerly side of Reade Street with the easterly side of Church Street;

RUNNING thence easterly along the southerly side of Reade Street, 25 feet, 2 inches more or less to a point opposite the centre of the party wall between premises known as Numbers 75 and 77 Reade Street;

THENCE southerly to and through the centre of said party wall, 151 feet, 1-1/2 inches more or less to the northerly side of Chambers Street;

THENCE westerly along the northerly side of Chambers Street, 27 feet, 4 inches more or less to the division line between premises known as Numbers 95 and 97 Chambers Street;

THENCE northerly along said division line, in a straight line, 75 feet, 4 inches more or less to the southerly line of premises known as Number 79 Reade Street;

THENCE easterly along the southerly line of said premises 4 feet, 10 inches more or less to the division line between premises known as Numbers 77 and 79 Reade Street;

THENCE northerly side along said division line, 75 feet, 8 inches more or less to the point or place of BEGINNING.

PARCEL 2

All those certain lots, pieces or parcels of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, and in what is or formerly was the Third Ward of said City, known by the street numbers Ninety-one (91) and Ninety-three (93) in Chambers Street and Number (75) in Reade Street. Being part of the lands formerly belonging to the Rector, Church Wardens and Vestryman of Trinity Church in the City of New York and distinguished on a map or chart of such part of their said lands as is commonly called the Church Farm by the numbers Five hundred and forty (540), Five hundred and forty-seven (547) and Five Hundred and forty-eight (548) and a narrow strip or gore of land formerly part of lots numbers Five hundred and forty-one (541) and Five hundred and forty-six (546) on said Map, which said several lots, pieces or parcels of land being taken together are bounded and described and contain as follows:

Commencing at a point on the northerly side of Chambers Street at the center of a certain party wall standing partly on the lots of land known by the street numbers Ninety-three (93) in Chambers Street and Seventy-five (75) in Reade Street hereby intended to be conveyed

and partly on the lots of land known by the street numbers Ninety-five (95) in Chambers Street and Seventy-seven (77) in Reade Street now or formerly belonging to [redacted] which point is distant ninety-seven feet six inches easterly from the easterly line of Church Street; running thence Northerly and through the center of the said party wall one hundred fifty feet, nine and one-quarter inches to the southerly line of Reade Street, twenty-five feet two inches to Lot Number Five Hundred thirty-nine (539) on said Map; thence Southerly along said Lot Number Five hundred thirty-nine on said map, seventy-five feet to Lot Number Five hundred forty-eight on said Map; thence Easterly along said Lot Number Five hundred forty-eight on said Map, twenty-five feet to Lot Number Five hundred forty-nine on said Map; and thence again Southerly and along the Lot Number Five hundred forty-nine on said Map, seventy-five feet to the northerly line of Chambers Street; and thence Westerly along said northerly line of Chambers Street, fifty-two feet, eight inches to the point or place of beginning.

EXHIBIT B

Zoning Lot Certification and Waivers of Parties-In-Interest

(see pages immediately to follow)

First American Title Insurance Company of New York

Title No.: 3008-161694

EXHIBIT I

CERTIFICATION PURSUANT TO ZONING LOT SUBDIVISION C OF SECTION 12-10 OF THE ZONING RESOLUTION OF DECEMBER 15, 1961 OF THE CITY OF NEW YORK - AS AMENDED EFFECTIVE AUGUST 18, 1977

FIRST AMERICAN TITLE INSURANCE COMPANY OF NEW YORK, a title Insurance company licensed to do business in the State of New York and having its principal office at 633 THIRD AVENUE, NEW YORK, NEW YORK hereby certifies that as to the land hereinafter described being a tract of land, either un-subdivided or consisting of two or more lots of record, contiguous for a minimum of ten linear feet, located within a single block, that all the parties in interest constituting a "party in interest" as defined in Section 12-10, Subdivision (C) of the Zoning Resolution of the City of New York, effective December 15, 1961, as amended, are the following:

	NAME	ADDRESS	NATURE OF INTEREST
1.	77 READE, LLC	c/o Hanley & Goble LLP 233 Broadway Ste 2701 New York, New York 10279	Fee Owner of Tax Lots 9 & 11
2.	Midfirst Bank, as Administrative Agent	Midfirst Plaza 501 NW Grand Blvd. Oklahoma City, Oklahoma 73118	Mortgage Lien Holder and Secured Party on Tax Lots 9 & 11

First American Title Insurance Company of New York

Title No.: 3008-161694

SCHEDULE A

The subject tract of land with respect to which the foregoing parties are the parties in interest as aforesaid, is known as Tax Lot Number(s) **9 & 11** in Block(s) **149** as shown on the Tax Map of the City of New York, New York County and more particularly described as follows:

AS TO LOT 9:

ALL THOSE CERTAIN LOTS, PIECES OR PARCELS OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN, CITY, COUNTY AND STATE OF NEW YORK, AND IN WHAT IS OR FORMERLY WAS THE THIRD WARD OF SAID CITY, KNOWN BY THE STREET NUMBERS NINETY-ONE (91) AND NINETY-THREE (93) IN CHAMBERS STREET AND NUMBER SEVENTY-FIVE (75) IN READE STREET. BEING PART OF THE LANDS FORMERLY BELONGING TO THE RECTOR, CHURCH WARDENS AND VESTRYMEN OF TRINITY CHURCH IN THE CITY OF NEW YORK, AND DISTINGUISHED ON A MAP OR CHART OF SUCH PART OF THEIR SAID LANDS AS IS COMMONLY CALLED THE CHURCH FARM BY THE NUMBERS FIVE HUNDRED AND FORTY (540), FIVE HUNDRED AND FORTY-SEVEN (547) AND FIVE HUNDRED AND FORTY-EIGHT (548) AND A NARROW STRIP OR GORE OF LAND FORMERLY PART OF LOTS NUMBERS FIVE HUNDRED AND FORTY-ONE (541) AND FIVE HUNDRED AND FORTY-SIX (546) ON SAID MAP, WHICH SAID SEVERAL LOTS, PIECES OR PARCELS OF LAND BEING TAKEN TOGETHER ARE BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHERLY SIDE OF CHAMBERS STREET AT THE CENTER OF A CERTAIN PARTY WALL STANDING PARTLY ON THE LOTS OF LAND KNOWN BY THE STREET NUMBERS NINETY-THREE (93) IN CHAMBERS STREET AND SEVENTY-FIVE (75) IN READE STREET HEREBY INTENDED TO BE CONVEYED AND PARTLY ON THE LOTS OF LAND KNOWN BY THE STREET NUMBERS NINETY-FIVE (95) IN CHAMBERS STREET AND SEVENTY-SEVEN (77) IN READE STREET NOW OR FORMERLY BELONGING TO [redacted] WHICH POINT IS DISTANT NINETY-SEVEN FEET SIX INCHES EASTERLY FROM THE EASTERLY LINE OF CHURCH STREET;

RUNNING THENCE NORTHERLY AND THROUGH THE CENTER OF THE SAID PARTY WALL ONE HUNDRED FIFTY FEET, NINE AND ONE-QUARTER INCHES TO THE SOUTHERLY LINE OF READE STREET;

THENCE EASTERLY ALONG SAID SOUTHERLY LINE OF READE STREET, TWENTY-FIVE FEET TWO INCHES TO LOT NUMBER FIVE HUNDRED THIRTY-NINE (539) ON SAID MAP;

THENCE SOUTHERLY ALONG SAID LOT NUMBER FIVE HUNDRED FORTY-EIGHT ON SAID MAP, SEVENTY-FIVE FEET TO LOT NUMBER FIVE HUNDRED FORTY-EIGHT ON SAID MAP; AND

THENCE AGAIN SOUTHERLY AND ALONG THE LOT NUMBER FIVE HUNDRED FORTY-NINE ON SAID MAP, SEVENTY-FIVE FEET TO THE NORTHERLY LINE OF CHAMBERS STREET; AND

THENCE WESTERLY ALONG SAID NORTHERLY LINE OF CHAMBERS STREET, FIFTY-TWO FEET, EIGHT INCHES TO THE POINT OR PLACE OF BEGINNING.

AND ALSO ALL THAT CERTAIN LOT OF LAND SITUATE, LYING AND BEING IN THE SAID THIRD WARD OF THE CITY OF NEW YORK BEING PART OF THE LANDS FORMERLY BELONGING TO THE RECTOR, CHURCH WARDENS AND VESTRYMEN OF TRINITY CHURCH AND DISTINGUISHED IN A MAP OF SUCH PART THEREOF AS IS CALLED THE CHURCH FARM BY THE NUMBER FIVE HUNDRED AND THIRTY-NINE (539) AND BOUNDED AS FOLLOWS:

First American Title Insurance Company of New York

NORTHERLY IN FRONT OF READE STREET;

SOUTHERLY IN THE REAR BY LOT NUMBER FIVE HUNDRED FORTY-EIGHT;

EASTERLY BY LOT NUMBER FIVE HUNDRED THIRTY-EIGHT; AND

WESTERLY BY LOT NUMBER FIVE HUNDRED FORTY;

CONTAINING IN BREADTH IN FRONT AND REAR TWENTY-FIVE FEET AND IN LENGTH ON EACH SIDE SEVENTY-FIVE FEET, BE THE SAME MORE OR LESS.

AS TO LOT 11:

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN, COUNTY OF NEW YORK, CITY AND STATE OF NEW YORK, KNOWN AS NUMBER 77 READE STREET AND NUMBER 95 CHAMBERS STREET, WHICH ARE BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY SIDE OF READE STREET AT THE DIVISION LINE BETWEEN PREMISES KNOWN AS NUMBERS 77 AND 79 READE STREET, WHICH POINT IS DISTANT ABOUT 75 FEET 3 INCHES EASTERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE SOUTHERLY SIDE OF READE STREET WITH THE EASTERLY SIDE OF CHURCH STREET;

RUNNING THENCE EASTERLY ALONG THE SOUTHERLY SIDE OF READE STREET, 25 FEET 2 INCHES MORE OR LESS TO A POINT OPPOSITE THE CENTRE OF THE PARTY WALL BETWEEN PREMISES KNOWN AS NUMBERS 75 AND 77 READE STREET;

THENCE SOUTHERLY TO AND THROUGH THE CENTRE OF SAID PARTY WALL, 151 FEET 1-1/2 INCHES MORE OR LESS TO THE NORTHERLY SIDE OF CHAMBERS STREET;

THENCE WESTERLY ALONG THE NORTHERLY SIDE OF CHAMBERS STREET, 27 FEET 4 INCHES MORE OR LESS TO THE DIVISION LINE BETWEEN PREMISES KNOWN AS NUMBERS 95 AND 97 CHAMBERS STREET;

THENCE NORTHERLY ALONG SAID DIVISION LINE, IN A STRAIGHT LINE, 75 FEET 4 INCHES MORE OR LESS TO THE SOUTHERLY LINE OF PREMISES KNOWN AS NUMBER 79 READE STREET;

THENCE EASTERLY ALONG THE SOUTHERLY LINE OF SAID PREMISES 4 FEET 10 INCHES MORE OR LESS TO THE DIVISION LINE BETWEEN PREMISES KNOWN AS NUMBERS 77 AND 79 READE STREET;

THENCE NORTHERLY ALONG SAID DIVISION LINE, 75 FEET 8 INCHES MORE OR LESS TO THE POINT OR PLACE OF BEGINNING.

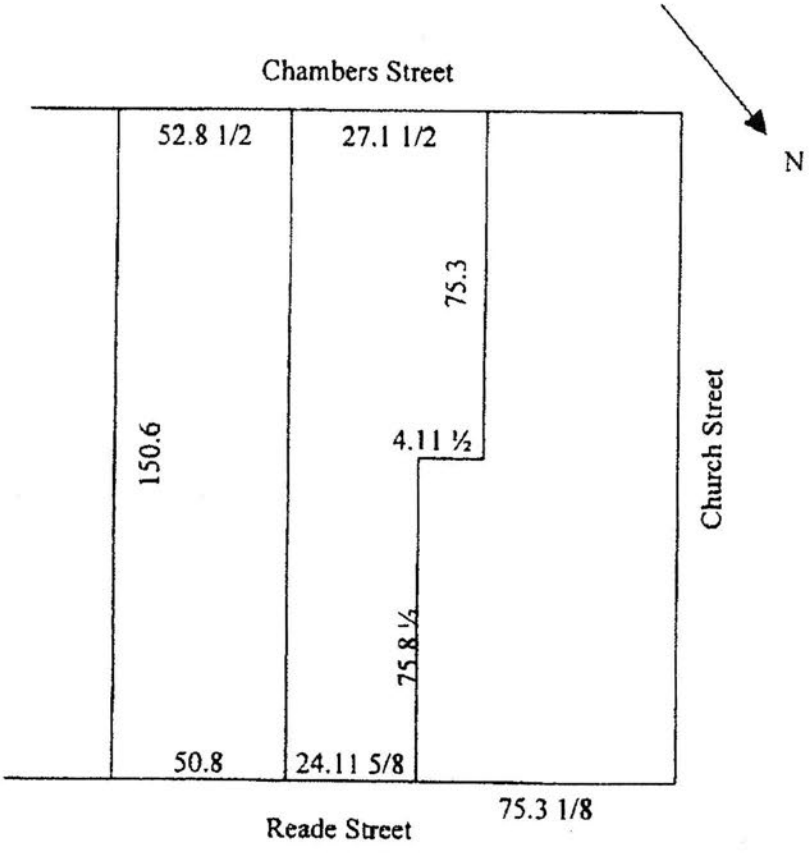
First American Title Insurance Company of New York

Title No.: 3008-161694

That the said premises are known as and by street address(s): 91-93 Chambers Street & 95 Chambers Street, New York, New York as shown on the following DIAGRAM.

BLOCK(S): 149

LOT(S): 9 & 11



First American Title Insurance Company of New York

Title No.: 3008-161694

NOTE: A Zoning Lot may or may not coincide with a lot as shown on the Official Tax Map of the City of New York, or on any recorded subdivision plot or deed. A Zoning Lot may by subdivided into two or more zoning lots provided all the resulting zoning lots and all the buildings thereon shall comply with the applicable provisions of the zoning lot resolution.

THIS CERTIFICATE IS MADE FOR AND ACCEPTED BY THE APPLICANT UPON THE EXPRESS UNDERSTANDING THAT LIABILITY HEREUNDER IS LIMITED TO ONE THOUSAND ($1,000.00) DOLLARS.

Dated: January 21, 2008 FIRST AMERICAN TITLE INSURANCE COMPANY OF NEW YORK

BY: Vincent L. Plaia

VINCENT L. PLAIA
VICE PRESIDENT AND COUNSEL

State of New York, County of **New York** ss.:

On the 22nd day of February in the year 2008 before me, the undersigned, personally appeared Vincent L. Plaia, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Mary Joy Hughes

Signature and Office of individual taking acknowledgment

MARY JOY HUGHES
Notary Public, State of New York
No. 01HU6135784
Qualified in Westchester County
Commission Expires 10/24/ 2009

WAIVER OF EXECUTION OF DECLARATION

MIDFIRST BANK having its principal office at Midfirst Plaza, 501 NW Grand Blvd., Oklahoma City, Oklahoma 73118, being a "party in interest" as defined in Section 12-10 of the Zoning Resolution of the City of New York with respect to a zoning lot ("Zoning Lot") which consists of land known as 91-95 Chambers Street, a/k/a 73-77 Reade Street, New York, New York, and as Tax Lots 9 and 11 in Block 149 of the Tax Map of the City of New York, County of New York (the "Tax Map"), which is more fully described on Schedule A attached hereto, the development and use of the Zoning Lot being subject to the provisions of the Declaration, dated as of March 4, 2008, executed by 77 Reade, LLC, concerning the program established for the restoration and continuing maintenance of the building located on the Zoning Lot, intended to be recorded prior hereto or simultaneously herewith in the Office of the City Register of the City of New York, New York County, hereby waives its rights to execute the Declaration, and consents to the execution of the Declaration by 77 Reade, LLC.

IN WITNESS WHEREOF, the undersigned has executed this waiver as of this 4th day of March, 2008.

MIDFIRST BANK, as administrative agent

By: _____
Name: Douglas K Rutledge
Title: Managing Director

STATE OF NEW YORK
COUNTY OF NEW YORK

On the 4th day of March in the year 2008 before me, the undersigned, a Notary Public in and for said State, personally appeared Douglas K. Ruttley, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and Office of individual taking acknowledgment

Commission Expires 2009

SCHEDULE A

PARCEL 1

ALL that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, known as Number 77 Reade Street and Number 95 Chambers Street, which are bounded and described as follows:

BEGINNING at a point on the southerly side of Reade Street at the division line between premises known as Numbers 77 and 79 Reade Street, which point is distant about 75 feet, 3 inches easterly from the corner formed by the intersection of the southerly side of Reade Street with the easterly side of Church Street;

RUNNING thence easterly along the southerly side of Reade Street, 25 feet, 2 inches more or less to a point opposite the centre of the party wall between premises known as Numbers 75 and 77 Reade Street;

THENCE southerly to and through the centre of said party wall, 151 feet, 1-1/2 inches more or less to the northerly side of Chambers Street;

THENCE westerly along the northerly side of Chambers Street, 27 feet, 4 inches more or less to the division line between premises known as Numbers 95 and 97 Chambers Street;

THENCE northerly along said division line, in a straight line, 75 feet, 4 inches more or less to the southerly line of premises known as Number 79 Reade Street;

THENCE easterly along the southerly line of said premises 4 feet, 10 inches more or less to the division line between premises known as Numbers 77 and 79 Reade Street;

THENCE northerly side along said division line, 75 feet, 8 inches more or less to the point or place of BEGINNING.

PARCEL 2

All those certain lots, pieces or parcels of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, and in what is or formerly was the Third Ward of said City, known by the street numbers Ninety-one (91) and Ninety-three (93) in Chambers Street and Number (75) in Reade Street. Being part of the lands formerly belonging to the Rector, Church Wardens and Vestryman of Trinity Church in the City of New York and distinguished on a map or chart of such part of their said lands as is commonly called the Church Farm by the numbers Five hundred and forty (540), Five hundred and forty-seven (547) and Five Hundred and forty-eight (548) and a narrow strip or gore of land formerly part of lots numbers Five hundred and forty-one (541) and Five hundred and forty-six (546) on said Map, which said several lots, pieces or parcels of land being taken together are bounded and described and contain as follows:

Commencing at a point on the northerly side of Chambers Street at the center of a certain party wall standing partly on the lots of land known by the street numbers Ninety-three (93) in

Chambers Street and Seventy-five (75) in Reade Street hereby intended to be conveyed and partly on the lots of land known by the street numbers Ninety-five (95) in Chambers Street and Seventy-seven (77) in Reade Street now or formerly belonging to [redacted] which point is distant ninety-seven feet six inches easterly from the easterly line of Church Street; running thence Northerly and through the center of the said party wall one hundred fifty feet, nine and one-quarter inches to the southerly line of Reade Street, twenty-five feet two inches to Lot Number Five Hundred thirty-nine (539) on said Map; thence Southerly along said Lot Number Five hundred thirty-nine on said map, seventy-five feet to Lot Number Five hundred forty-eight on said Map; thence Easterly along said Lot Number Five hundred forty-eight on said Map, twenty-five feet to Lot Number Five hundred forty-nine on said Map; and thence again Southerly and along the Lot Number Five hundred forty-nine on said Map, seventy-five feet to the northerly line of Chambers Street; and thence Westerly along said northerly line of Chambers Street, fifty-two feet, eight inches to the point or place of beginning.

SUBORDINATION OF MORTGAGE TO DECLARATION

MIDFIRST BANK having its principal office at Midfirst Plaza, 501 NW Grand Blvd., Oklahoma City, Oklahoma 73118 ("Mortgagee").

WHEREAS, Mortgagee is the holder of those certain mortgages dated as of June 7, 2007 and recorded in CRFN 2007062101350009, 2007062101350008, and 2007062101350007 (collectively, the "Mortgage") encumbering the premises known as 91-95 Chambers Street, a/k/a 73-77 Reade Street, New York, New York, and as Tax Lots 9 and 11 in Block 149 of the Tax Map of the City of New York, County of New York, as more particularly described in the Mortgage (the "Property"); and

WHEREAS, 77 Reade, LLC (the "Owner") has executed, acknowledged and delivered that certain Declaration dated as of March 4, 2008 ("Declaration") concerning the program established for the restoration and continuing maintenance of the building located on the Property, intended to be recorded prior hereto or simultaneously herewith in the Office of the City Register of the City of New York, New York County; and

WHEREAS, the Owner wishes the Declaration to have priority over the Mortgage affecting the Property, now and hereafter.

NOW THEREFORE, for good and valuable consideration the receipt of which is hereby acknowledged, Mortgagee hereby agrees that the Mortgage and the lien thereof and any extensions, renewals, modifications, amendments, replacements, supplements, assignments and/or consolidations of the Mortgage shall in all respects be subject and subordinate to the Declaration, which is intended to be recorded prior hereto or simultaneously herewith.

IN WITNESS WHEREOF, Mortgagee has executed this Subordination of Mortgage to Declaration as of this 4 day of March, 2008.

MIDFIRST BANK, as administrative agent

By: _____
Name: Douglas K. Ruttley
Title: Managing Director

STATE OF NEW YORK
COUNTY OF New York

On the 4th day of March in the year 2008 before me, the undersigned, a Notary Public in and for said State, personally appeared Douglas K Rutley, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and Office of individual taking acknowledgment

MAUREEN R. HEALY
Notary Public, State of New York
No. 02HE5020124
Qualified in Nassau County
Commission Expires November 8, 2009

SCHEDULE A

PARCEL 1

ALL that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, known as Number 77 Reade Street and Number 95 Chambers Street, which are bounded and described as follows:

BEGINNING at a point on the southerly side of Reade Street at the division line between premises known as Numbers 77 and 79 Reade Street, which point is distant about 75 feet, 3 inches easterly from the corner formed by the intersection of the southerly side of Reade Street with the easterly side of Church Street;

RUNNING thence easterly along the southerly side of Reade Street, 25 feet, 2 inches more or less to a point opposite the centre of the party wall between premises known as Numbers 75 and 77 Reade Street;

THENCE southerly to and through the centre of said party wall, 151 feet, 1-1/2 inches more or less to the northerly side of Chambers Street;

THENCE westerly along the northerly side of Chambers Street, 27 feet, 4 inches more or less to the division line between premises known as Numbers 95 and 97 Chambers Street;

THENCE northerly along said division line, in a straight line, 75 feet, 4 inches more or less to the southerly line of premises known as Number 79 Reade Street;

THENCE easterly along the southerly line of said premises 4 feet, 10 inches more or less to the division line between premises known as Numbers 77 and 79 Reade Street;

THENCE northerly side along said division line, 75 feet, 8 inches more or less to the point or place of BEGINNING.

PARCEL 2

All those certain lots, pieces or parcels of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, and in what is or formerly was the Third Ward of said City, known by the street numbers Ninety-one (91) and Ninety-three (93) in Chambers Street and Number (75) in Reade Street. Being part of the lands formerly belonging to the Rector, Church Wardens and Vestryman of Trinity Church in the City of New York and distinguished on a map or chart of such part of their said lands as is commonly called the Church Farm by the numbers Five hundred and forty (540), Five hundred and forty-seven (547) and Five Hundred and forty-eight (548) and a narrow strip or gore of land formerly part of lots numbers Five hundred and forty-one (541) and Five hundred and forty-six (546) on said Map, which said several lots, pieces or parcels of land being taken together are bounded and described and contain as follows:

Commencing at a point on the northerly side of Chambers Street at the center of a certain party wall standing partly on the lots of land known by the street numbers Ninety-three (93) in

Chambers Street and Seventy-five (75) in Reade Street hereby intended to be conveyed and partly on the lots of land known by the street numbers Ninety-five (95) in Chambers Street and Seventy-seven (77) in Reade Street now or formerly belonging to [redacted] which point is distant ninety-seven feet six inches easterly from the easterly line of Church Street; running thence Northerly and through the center of the said party wall one hundred fifty feet, nine and one-quarter inches to the southerly line of Reade Street, twenty-five feet two inches to Lot Number Five Hundred thirty-nine (539) on said Map; thence Southerly along said Lot Number Five hundred thirty-nine on said map, seventy-five feet to Lot Number Five hundred forty-eight on said Map; thence Easterly along said Lot Number Five hundred forty-eight on said Map, twenty-five feet to Lot Number Five hundred forty-nine on said Map; and thence again Southerly and along the Lot Number Five hundred forty-nine on said Map, seventy-five feet to the northerly line of Chambers Street; and thence Westerly along said northerly line of Chambers Street, fifty-two feet, eight inches to the point or place of beginning.

EXHIBIT C

Certificates of Appropriateness and of No Effect

(see pages immediately to follow)

THE NEW YORK CITY LANDMARKS PRESERVATION COMMISSION
1 CENTRE STREET 9TH FLOOR NORTH NEW YORK, NY 10007
TEL: 212 669-7700 FAX: 212 669-7780

PERMIT

CERTIFICATE OF APPROPRIATENESS

ISSUE DATE:	EXPIRATION DATE:	DOCKET #:	COFA #:
03/07/07	11/14/2012	07549?	COFA 07-5890

ADDRESS	BOROUGH:	BLOCK/LOT:
91-95 CHAMBERS STREET HISTORIC DISTRICT TRIBECA SOUTH	MANHATTAN	149 / 9

Display This Permit While Work Is In Progress

ISSUED TO:

S. Myles Group
77 Reade, LLC
636 Broadway, Suite 214
New York, NY 10012

Pursuant to Section 25-307 of the Administrative Code of the City of New York, the Landmarks Preservation Commission, at the Public Meeting of November 14, 2006, following the Public Meeting and Public Hearing of October 10, 2006, voted to grant a Certificate of Appropriateness for the proposed work at the subject premises, as put forth in an application completed on September 14, 2006.

The work, as approved, consists of the demolition of a one-story building at 91-93 Chambers Street, and the construction of a through-block, limestone-clad six-story building with a two-story setback penthouse, painted metal and glass ground floor storefronts, and a garage entrance on Reade Street; the installation of new bronze storefront infill on the Chambers Street façade of 95 Chambers Street, consisting of a recessed entrance flanked by single-pane display windows, with a prism glass transom and decorative grilles in the bulkheads; the installation of wood storefront infill on the Reade Street façade consisting of paneled doors and display window bulkheads, all with transoms; construction of one-story setback penthouses and bulkheads on the roof of the historic building; and removal of an existing fire escape from the Reade Street façade, as shown in drawings, renderings, photographs and photo montages labeled 3, 4, 5, 7A, 7, 11, 12, 15, 15A, 15B, 17 and 18, dated November 14, 2006, and 1, 2, H1, H2, E1, E2, E3, E4, E5, 13, 14, 19, 19A, and 20, dated October 10, 2006, prepared by BKSK, all submitted as components of the application, and presented at the Public Hearing and Public Meetings. The proposal as initially presented featured natural finish stainless steel storefronts on the new building; and a two-story penthouse on the historic building, as shown in drawings labeled 3, 4, 5, 7, 7A, 8, 9, 10, 11, 12, 15, 15A, and 16, dated October 10, 2006, prepared by BKSK.

In reviewing this proposal, the Commission noted that the designation report states that 91-93 Chambers Street is a commercial building and parking lot built in 1953-54 and designed by Sidney Daub; and that 95

Chambers Street, a.k.a., 77 Reade Street, is a store and loft building built in 1852-53, and altered in the early 20th-century commercial style in 1924, by William F. Hemstreet; and that the style, scale, materials and details of 95 Chambers Street contributes to the special historic and architectural character of the Tribeca South Historic District.

With regard to this proposal, the Commission found that that the proposed storefronts on the historic buildings will recall the original storefronts on both facades as well as historic storefronts found in this historic district in terms of configuration, details and proportions; that 91-93 Chambers Street does not possess any features that contribute to the Tribeca South Historic District and its demolition will not detract from the special historic and architectural character of the district; that the height of the proposed building is in keeping with the scale of the neighboring buildings and the predominant height of the buildings on this street, and will enhance the streetwall which is currently broken by the one-story building; that the stone and steel facade will relate well to the materials palette of the streetscape, and the historic district; that the proportions, materials and articulation of the masonry façade with punched openings will harmonize with the proportions, materials and the character of the historic masonry facades in the streetscape; that the change in texture of the Chambers street facade at the second floor will strengthen the sense of a two-story base, and help it relate better to the streetscape which features several historic buildings with two-story bases; that the simple bracketed cornice is a contemporary stripped down version of the heavier, more ornate cornices found on the 19th century buildings in the streetscape, which is consistent with the new building's modern interpretation of the 19th century commercial facades that characterize the district; that the recessed windows and projecting horizontal steel elements will provide variation, texture and articulation and will help this building to successfully relate to the masonry facades within the streetscape; that the heavier stone pier in the center of the façade creates a module which helps the façade to relate to the rhythm of both the narrow and wide facades on the streets; that the size and proportions of the window openings are harmonious with the fenestration found on historic buildings of this scale throughout the historic district; that the distinct, but architecturally integrated design of the storefronts on Chambers and Reade Streets will relate successfully to the different scale and proportion of storefronts on these streets; that the presence of a garage on the Reade Street facade will be in keeping with the industrial character of the historic district, and the historic function of Reade Street as a service side of the buildings facing Chambers Street; that the penthouse and mechanical equipment will be minimally visible from public thoroughfares; that the one-story addition to the existing loft building is well-scaled to the smaller building; that differentiating the materials, fenestration and front facade planes of the penthouse over the existing and new building helps to preserve the individuality and scale of the two buildings; that removal of the non-original fire escape, will not eliminate a significant protected feature from the façade; and that the contemporary design and details, will harmonize with the historic district through its use of materials, scale and fenestration. Based on these findings, the Commission determined that the work is appropriate to the streetscapes and to the historic district, and voted to approve this application.

The Commission notes that the applicant is applying to the City Planning Commission for a special permit. Any changes to the design required by the City Planning Commission approval must be submitted to the Landmarks Preservation Commission for review and approval prior to the issuance of the final approval letter.

PLEASE NOTE: This permit is issued contingent upon the Commission's review and approval of the final Department of Building filing set of drawings. No work can begin until the final drawings have been marked approved by the Landmarks Preservation Commission with a perforated seal. Please submit these drawings to the Landmarks Preservation Commission staff when they become available.

Also, as the approved work consists of subsurface work, the applicant is required to strictly adhere to the Department of Buildings TPPN 10/88 governing in-ground construction adjacent to historic buildings. It is the applicant's obligation at the time of applying for their permit to inform the Department of Buildings that the TPPN applies.

This permit is issued on the basis of the building and site conditions described in the application and disclosed during the review process. By accepting this permit, the applicant agrees to notify the Commission if the actual building or site conditions vary or if original or historic building fabric is discovered. The Commission reserves the right to amend or revoke this permit, upon written notice to the applicant, in the event that the actual building or site conditions are materially different from those described in the application or disclosed during the review process.

All approved drawings are marked approved by the Commission with a perforated seal indicating the date of approval. The work is limited to what is contained in the perforated documents. Other work or amendments to this filing must be reviewed and approved separately. The applicant is hereby put on notice that performing or maintaining any work not explicitly authorized by this permit may make the applicant liable for criminal and/or civil penalties, including imprisonment and fines. This letter constitutes the permit; a copy must be prominently displayed at the site while work is in progress. Please direct inquiries to Lisa Schaeffer.

Robert B. Tierney
Chair

PLEASE NOTE: PERFORATED DRAWINGS AND A COPY OF THIS PERMIT HAVE BEEN SENT TO:
Joan Krevlin, BKSK Architects LLP

cc: J. Krevlin, BKSK; W. Neeley, LPC

THE NEW YORK CITY LANDMARKS PRESERVATION COMMISSION
1 CENTRE STREET 9TH FLOOR NORTH NEW YORK, NY 10007
TEL: 212 669-7700 FAX: 212 669-7780

RECEIVED
MAR 12 2007
BKSK Architects LLP

ROBERT B. TIERNEY
Chair

March 7, 2007

ISSUED TO:

Amanda Burden, Chair
NYC Planning Commission
22 Reade Street
New York, NY 10007

Re: LPC - 075326
MOU 07-6521
91-95 CHAMBERS STREET
HISTORIC DISTRICT
TRIBECA SOUTH
Borough of Manhattan
Block/Lot: 149 / 9

At the Public Meeting of November 14, 2006, following the Public Meeting and Public Hearing of October 10, 2006, the New York City Landmarks Preservation Commission ("LPC") voted to issue a favorable report to the City Planning Commission ("CPC") in support of an application for the issuance of a Special Permit pursuant to Section 74-711 of the Zoning Resolution to permit the modification of bulk at the building located at 95 Chambers Street; a.k.a., 77 Reade Street, Manhattan, Block 149, Lot 11 ("the Designated Building"). The Designated Building is a manufacturing building designed by Neville and Bagge and built in 1897-98, and is located in the Tribeca South Historic District.

In voting to issue the report, the LPC found that the applicant has agreed to undertake work to restore the Designated Building and bring it up to a sound, first-class condition, including restorative work and the installation of new storefronts at the Chambers and Reade Streets facades, and the removal of a fire escape on the Reade Street facade; that the applicant has agreed to establish and maintain a program for continuing maintenance to ensure that the Designated Building is maintained in a sound, first-class condition; and that a restrictive Declaration ("Declaration") will be filed against the property which will bind the applicants and all heirs, successors and assigns to maintain the continuing maintenance program in perpetuity.

Specifically, at the Public Meeting of November 14, 2006, following the Public Meeting and Public Hearing of October 10, 2006, the Commission approved a proposal for the demolition of a building at 91-93 Chambers Street (block 149, Lot 9), and the construction of a new through-block, six-story building with a two-story setback penthouse and rooftop bulkheads, featuring limestone facades, and ground floor metal and glass storefronts. The work also included the creation of a courtyard in the center of 95 Chambers Street from the second floor to the roof, construction of one-story setback penthouses and rooftop bulkheads, the installation of new ground floor storefronts, and the removal of a fire escape from the Reade Street facade.

The applicant also agreed to perform restorative work as described in Certificate of No Effect 07-6522 (LPC 07-2064), including masonry cleaning, patching and repointing, brick replacement, replacing missing brownstone features with cast stone, cast-iron, sheet metal and copper repair and replacement, installing new wood double-hung windows, removal of the fire escape, and replacing a decorative railing in kind.

In reaching a decision to grant a Certificate of Appropriateness, the Commission reviewed the proposed work and found that the proposed storefronts on 95 Chambers Street will recall the original storefronts on both facades as well as historic storefronts found in this historic district in terms of configuration, details and proportions; that 91-93 Chambers Street does not possess any features that contribute to the Tribeca South Historic District and its demolition will not detract from the special historic and architectural character of the district; that the height of the proposed building is in keeping with the scale of the neighboring buildings and the predominant height of the buildings on this street, and will enhance the streetwall which is currently broken by the one-story building; that the stone and steel facade will relate well to the materials palette of the streetscape, and the historic district; that the proportions, materials and articulation of the masonry façade with punched openings will harmonize with the proportions, materials and the character of the historic masonry facades in the streetscape; that the change in texture of the Chambers street facade at the second floor will strengthen the sense of a two-story base, and help it relate better to the streetscape which features several historic buildings with two-story bases; that the simple bracketed cornice is a contemporary stripped down version of the heavier, more ornate cornices found on the 19th century buildings in the streetscape, which is consistent with the new building's modern interpretation of the 19th century commercial facades that characterize the district; that the recessed windows and projecting horizontal steel elements will provide variation, texture and articulation and will help this building to successfully relate to the masonry facades within the streetscape; that the heavier stone pier in the center of the façade creates a module which helps the façade to relate to the rhythm of both the narrow and wide facades on the streets; that the size and proportions of the window openings are harmonious with the fenestration found on historic buildings of this scale throughout the historic district; that the distinct, but architecturally integrated design of the storefronts on Chambers and Reade Streets will relate successfully to the different scale and proportion of storefronts on these streets; that the presence of a garage on the Reade Street facade will be in keeping with the industrial character of the historic district, and the historic function of Reade Street as a service side of the buildings facing Chambers Street; that the penthouse and mechanical equipment will be minimally visible from public thoroughfares; that the one-story addition to the existing loft building is well-scaled to the smaller building; that differentiating the materials, fenestration and front facade planes of the penthouse over the existing and new building helps to preserve the individuality and scale of the two buildings; and that the contemporary design and details, will harmonize with the historic district through its use of materials, scale and fenestration. Based on these findings, the Commission determined the work to be appropriate to the building and the historic district and voted to approve the application.

In reaching a decision to issue a favorable report to the CPC, the LPC found that the restorative work, approved pursuant to Certificate of No Effect 07-6522, will restore missing architectural details and return the facades of 95 Chambers Street closer to their historic appearances; that the exterior facade work will reinforce the architectural and historic character of the building and the historic district; that the restorative work will bring the building up to sound, first-class condition and aid in its long term preservation; that the implementation of a cyclical maintenance plan will ensure the continued maintenance of the buildings, in a sound, first-class condition; and that the owners of the designated buildings, have committed themselves to establishing a cyclical maintenance plan that will be legally enforceable by the Landmarks Preservation Commission under the provisions of a Restrictive Declaration, which will bind all heirs, successors and assigns, and which will be recorded at the New York County Registrar's Office.

The Declaration requires the Declarant to hire a qualified preservation professional, whose credentials are to be approved by LPC, to undertake comprehensive inspections every five years of the Designated Building's exterior and such portions of the interior which, if not properly maintained, would cause the Designated Building to deteriorate. The Declarant is required to perform all work identified in the resulting professional

reports as being necessary to maintain the Designated Building in sound, first-class condition within stated time periods.

The staff of the Commission is available to assist you with these matters. Please direct inquiries to Lisa Schaeffer.

Robert B. Tierney
Chair

cc: D. Carson, Esq.; J. Krevlin, BKSK; J. Weiss, Esq., LPC; W. Neeley, LPC

THE NEW YORK CITY LANDMARKS PRESERVATION COMMISSION
1 CENTRE STREET 9TH FLOOR NORTH NEW YORK, NY 10007
TEL: 212 669-7700 FAX: 212 669-7780

PERMIT

CERTIFICATE OF NO EFFECT

ISSUE DATE:	EXPIRATION DATE:	DOCKET #:	CNE #:
09/25/07	09/26/2011	072064	CNE 07-6522

ADDRESS	BOROUGH:	BLOCK/LOT:
95 CHAMBERS STREET a.k.a., 77 Reade Street TRIBECA SOUTH	MANHATTAN	149 / 9

Display This Permit While Work Is In Progress

ISSUED TO:

S. Myles Group
77 Reade, LLC
636 Broadway, Suite 214
New York, NY 10012

Pursuant to Section 25-306 of the Administrative Code of the City of New York, the Landmarks Preservation Commission hereby approves certain alterations to the subject premises as proposed in your application completed on September 18, 2007.

The approved work consists of exterior restorative work, including stone patching, in kind replacement, and cleaning; repointing brick and stone; brick cleaning, patching, and in kind replacement; cleaning the copper cornices, replacing missing or damaged elements in kind; replicating the wrought iron railing at the fifth floor of the Chambers Street façade, and painting it to match the original color; installing new wood one-over-one, double-hung windows on the Chambers Street façade; installing new four-over-four wood, double-hung windows on the Reade Street façade; painting all new windows to match the original colors; restoring the existing wood mullions at the 2nd, 3rd and 4th floors of the Chambers Street façade, patching with wood putty; installing new cast stone window lintels matching the original brownstone lintels on the Reade Street façade; replacing missing cast iron details at the ground floor of the Reade Street façade to match the original; painting the cast iron to match the original color; and patching or replacing the sheet metal cornice in kind, and painting it to match the original color, as described and shown in an existing conditions survey, dated August 2006, prepared by Higgins and Quasebarth, specifications dated January 31, 2007, and revised March 6, 2007, prepared by BKSK Architects, and drawings 1 through 5, dated September 18, 2007, prepared by BKSK Architects.

In reviewing this proposal, the Commission notes that the designation report states that 95 Chambers Street, a.k.a., 77 Reade Street, is a store and loft building built in 1852-53, and altered in the early 20th-century commercial style in 1924, by William F. Hemstreet. The Commission also notes that a request for a report to the City Planning Commission, pursuant to Section 74-711 of the Zoning Resolution to permit the Modification of Bulk at the building, was approved on November 14, 2006, pursuant to MOU 07-6521 (LPC 07-5326); that Certificate of Appropriateness 07-5890 was issued March 7, 2007 for installing new ground floor infill on both facades, the removal of a fire escape on the Reade Street building, construction of a rooftop addition, and construction of a new building on the adjacent lot; and that this Certificate of No Effect is being issued in conjunction with the report, and the Certificate of Appropriateness.

With regard to this proposal, the Commission finds that all masonry repairs will match the color, texture, details, dimensions and finish of the existing masonry; that the masonry will be cleaned using the gentlest effective methods; that new mortar joints will match the color, texture, dimension, strength and tooling of the original; that repairs to the copper and sheet metal elements will match the materials, details, and finish of the existing; that the new wrought iron railing will match the material, design, dimensions, details and finish of the original; that in accordance with the provisions of Title 63 of RCNY, Section 3, the new windows will match the configuration, operation, details, materials and finish of the historic windows; that repairs to the wood mullions will match the details, texture and finish of the original; that the new cast stone lintels will match the profile, design, texture, color and dimensions of the original brownstone lintels; that repairs to the cast iron elements will match the design, details, and finish of the original; that the original paint colors will be restored based on the results of a historic paint analysis; and that the proposed work will restore the building closer to its historic appearance and contribute to its long term preservation.

This permit is issued contingent upon the Commission's review and approval of a historic paint analysis for the windows, Reade Street cast iron, storefront infill and roof cornice, and wrought iron railing, and of samples of masonry patching materials, new stone, cast stone, bricks, and repointing mortars, prior to the commencement of the work. Please notify staff when samples are available for review at the site.

The Commission has reviewed the application and these drawings and finds that the work will have no effect on significant protected features of the building.

This permit is issued on the basis of the building and site conditions described in the application and disclosed during the review process. By accepting this permit, the applicant agrees to notify the Commission if the actual building or site conditions vary or if original or historic building fabric is discovered. The Commission reserves the right to amend or revoke this permit, upon written notice to the applicant, in the event that the actual building or site conditions are materially different from those described in the application or disclosed during the review process.

All approved drawings are marked approved by the Commission with a perforated seal indicating the date of approval. The work is limited to what is contained in the perforated documents. Other work or amendments to this filing must be reviewed and approved separately. The applicant is hereby put on notice that performing or maintaining any work not explicitly authorized by this permit may make the applicant liable for criminal and/or civil penalties, including imprisonment and fines. This letter constitutes the permit: a copy must be prominently

displayed at the site while work is in progress. Please direct inquiries to Lisa Schaeffer.

Robert B. Tierney
Chair

PLEASE NOTE: PERFORATED DRAWINGS AND A COPY OF THIS PERMIT HAVE BEEN SENT TO: Jeff Massey, BKSK Architects LLP

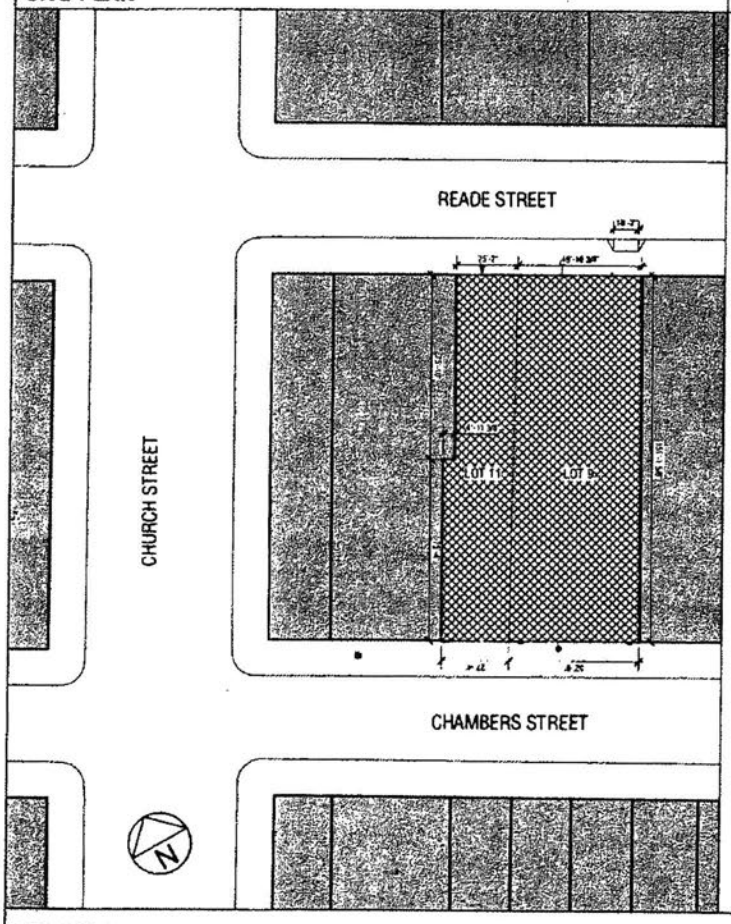
cc: J. Massey, BKSK

EXHIBIT D

Plans

(see pages immediately to follow)

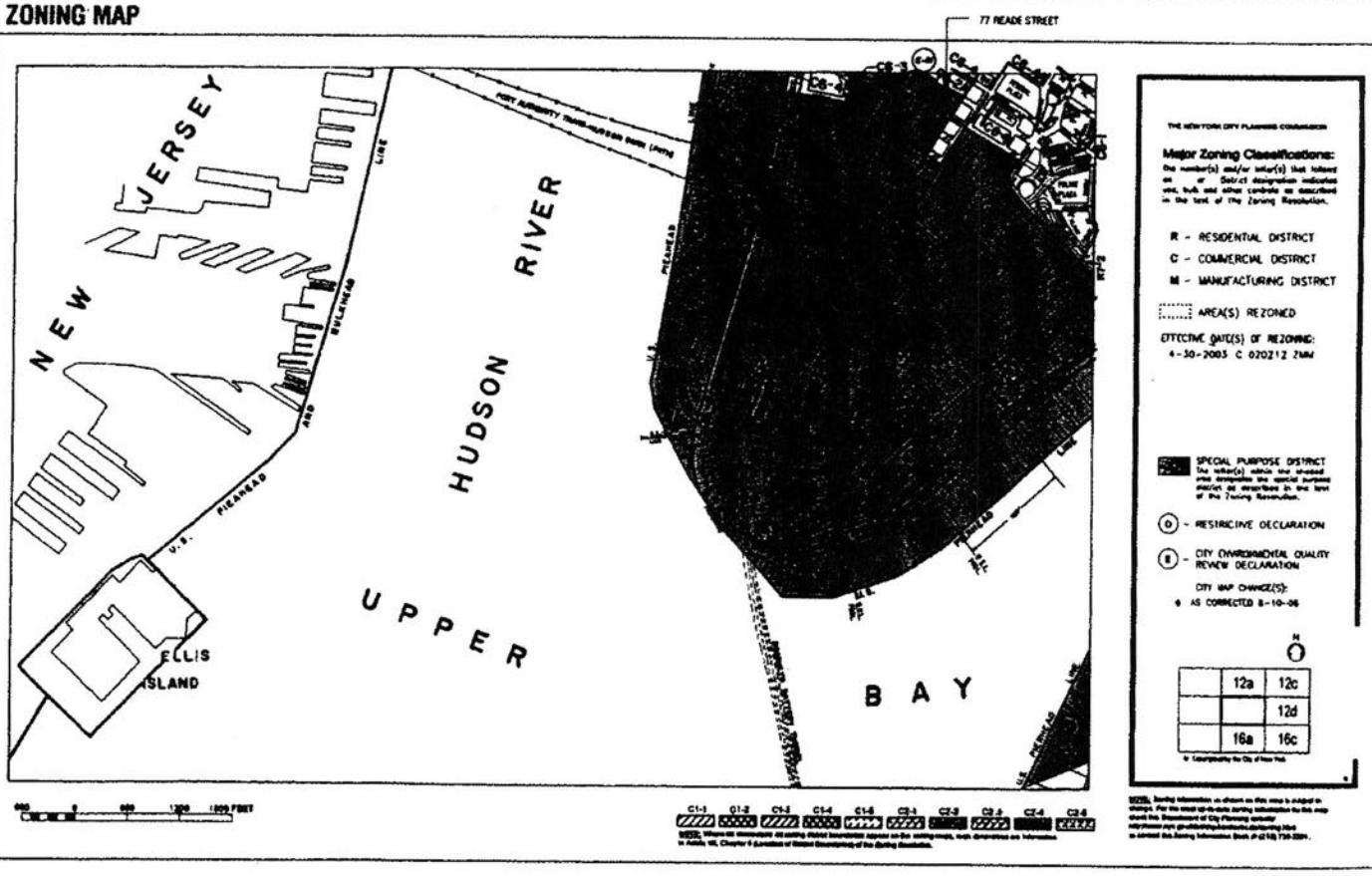
SITE PLAN



DRAWING LIST

COVER SHEET	A 001
ZONING CALCULATIONS	A 002
400' RADIUS DIAGRAM	A 003
EXISTING SITE PLAN	A 100
EXISTING PLANS: SUBCELLAR AND CELLAR	A 101
EXISTING PLANS: GROUND, 2ND, AND 3RD	A 102
EXISTING PLANS: 4TH, 5TH, AND ROOF	A 103
EXISTING ELEVATIONS	A 104
EXISTING SECTIONS	A 105
PROPOSED PLAN: SITE	A 200
PROPOSED PLAN: SUBCELLAR	A 201
PROPOSED PLAN: CELLAR	A 202
PROPOSED PLAN: GROUND FLOOR	A 203
PROPOSED PLAN: SECOND FLOOR	A 204
PROPOSED PLAN: THIRD FLOOR	A 205
PROPOSED PLAN: 4TH FLOOR EXISTING (TYP 4TH & 5TH NEW)	A 206
PROPOSED PLAN: TOP FLOOR (5TH EXISTING & 6TH NEW)	A 207
PROPOSED PLAN: PENTHOUSE	A 208
PROPOSED PLAN: PENTHOUSE MEZZANINE	A 209
PROPOSED ELEVATIONS	A 400
PROPOSED SECTION THROUGH EXISTING LOOKING EAST	A 401
PROPOSED SECTION THROUGH NEW LOOKING WEST	A 402
PROPOSED SECTION THROUGH NEW @ CORE LOOKING EAST	A 403

ZONING MAP



77 READE STREET
NEW YORK, NY 10007

PROPOSED MIXED USE BUILDING

A 001
A 002
A 003

A 100
A 101
A 102
A 103
A 104
A 105

A 200
A 201
A 202
A 203
A 204
A 205
A 206
A 207
A 208
A 209

A 400
A 401
A 402
A 403

LIST OF ACTIONS REQUESTED

1. MODIFICATION OF REAR YARD EQUIVALENT REQUIREMENT FOR ENLARGEMENT PORTION OF DEVELOPMENT ON THROUGH LOT - Z.R. SECTION 23-533

2. MODIFICATION OF THE REQUIREMENTS OF 111-111B FOR (2) NON COMPLIANT UNITS "E" ON THE FOURTH AND FIFTH FLOORS. (SEE LOFT DWELLING REQUIREMENTS ON SHEET A 002.)

3. MODIFICATION OF THE MAXIMUM LOT COVERAGE REQUIREMENT FOR RESIDENTIAL BUILDINGS DEVELOPED OR ENLARGED PERSUANT TO THE QUALITY HOUSING PROGRAM - Z.R. SECTION 23-145

GENERAL SITE INFORMATION

77 READE STREET NEW YORK, NY 10007

BLOCK: 149 **LOT:** 9 and 11

MAP: 12B AND APPENDIX A TO ARTICLE XI, CHAPTER 1 SPECIAL TriBeCa MIXED USE DISTRICT

ZONE: C6-3A / TriBeCa MIXED USE DISTRICT AREA A-3 COMMUNITY BOARD 1

HEIGHT: 6 STORIES PLUS 2 PENTHOUSE LEVELS

REGISTERED ARCHITECT JOAN KREVLIN NO. 015406 STATE OF NEW YORK

ISSUE	DATE
DCP - REVISION	02.06.08
DCP - Filing	07.19.07

PROJECT ARCHITECT:

BKSK ARCHITECTS, LLP
20 WEST 22 STREET
NEW YORK, NY 10010
Ph 212.807.1400
Fx 212.807.4808

PROJECT NAME:

77 READE STREET
NEW YORK, NY 10007

DRAWING TITLE:

COVER SHEET AND LOCATION PLANS

FILE:
DRAWING NUMBER: A 001
SCALE: AS NOTED
PROJECT NO.: 0611

TRIBECA MIXED USE DISTRICT MAP

9/13/06

APPENDIX A
Special Tribeca Mixed Use District Map

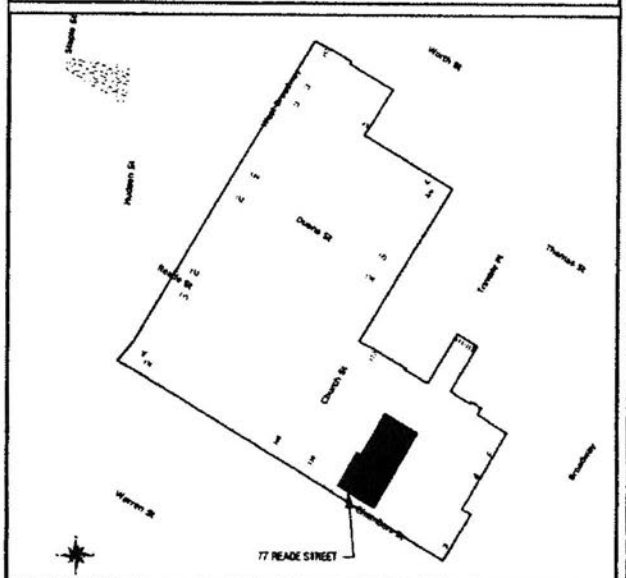


Special Tribeca Mixed Use District
Area Boundary

Area A1: General Mixed Use Area
Area A2: Limited Mixed Use Area
Area A3: General Mixed Use Area
Area A4: General Mixed Use Area
Area B1: Limited Mixed Use Area
Area B2: Limited Mixed Use Area

TRIBECA SOUTH HISTORIC DISTRICT MAP

Tribeca South



Tribeca South
Historic District
Manhattan

Designated December 8, 1992

Historic District Boundaries

THE CITY OF NEW YORK LANDMARKS PRESERVATION COMMISSION



ZONING ANALYSIS

Project is located in Area A3 of the TMU special district.

ITEM	AS PER SECTION OF ZONING RES.	PERMITTED / REQUIRED	PROPOSED
Area A3:			
Ground floor use restrictions	ZR 111-103	(3) Retail facilities shall be limited to 20,000 s.f., including retail cellar space allotted to such uses, except as otherwise provided in Section 111-40.	Only use groups 2 and 6 are proposed on ground floor. Total Commercial space | Comm. 1- Cellar 2,632 SF | Ground 6,122 SF | Comm. 2- Cellar 1,788 SF | Ground 2,258 SF | Total Commercial = 12,800 SF Compliant
Special provisions for Area A3 Height and Setback	ZR 111-104 (c) Height Above Street Line:	The maximum height of a street wall before setback shall be 85' or the height of an adjoining building fronting on the same street line with a height of at least 60', whichever is less.	
		72'-7 1/2" (Existing 77 Reade Street Railing HT.)	72'-7 1/2" Compliant
		72'-7 1/2" (Existing 95 Chambers Street Railing HT.)	72'-7 1/2" Compliant
	Setbacks: Reade Street	15'-0" min	Lot 11 Setback = 15'-0", Lot 9 Setback = 18'-0" Compliant
	Chambers Street	15'-0" min	Lot 11 Setback = 16'-8", Lot 9 Setback = 15'-8" Compliant
	Maximum Building Height:	135'-0" max	98'-1 1/2" Compliant
Loft Dwelling Requirements	ZR 111-111	(a) All loft dwelling shall have one or more windows which open into a street or a yard of 30 feet min. depth. **(b) (1) The min. floor area contained with in a loft dwelling shall be not less than 2,000 square feet, except that:** **(iii) where the ratio in a loft dwelling of the window area opening onto a street or yard of 30 foot min. depth to the floor area contained with in the loft dwelling exceeds 5 percent the min. floor area contained with loft dwelling may be reduced by 200 square feet for each additional percent, to a ratio of 10 percent; or .....** **(iv) where the ratio in a loft dwelling of the window area opening onto a street or a yard of 30 feet minimum depth to the floor area contained within the loft dwelling equals or exceeds 10 percent, there shall be no minimum floor area.**	(a) Compliant **(b) Modification to the requirements of 111-111b is requested for (2) non compliant units, 4E & 5E. (See loft dwelling requirement calculations below.)**
Open Space Equivalent	ZR 111-112	Applies to buildings containing 15 or more Loft Dwelling Units	Only 8 loft dwelling units - Not Applicable. (See Quality Housing Requirements for recreational area.)
Mixed Buildings in Commercial Districts			
Duality Housing Program	ZR 35-011	Applies	See: Quality Housing Requirements (ZR-03)
Special Street Wall Location and Height and Setback Regualtions in Certain Districts	ZR 35-24	The height and setback regulations of Section 35-24 (Special Street Wall Location and Height and Setback Regulations in Certain Districts) shall not apply.	See ZR 111-104 (c) above for proposed dimensions
Maximum Floor Area Ratio for Mixed Buildings	ZR 35-31	7.52 (per ZR 23-145)	5.33 (without including deductions) - Compliant
Density Regulations for Mixed Buildings	ZR 35-40	Max. # of dwelling units permitted: 110 (see below for calc) (11,714 Lot Area x 7.52 F.A.R.) - 6,619 (non-res. F.A. (23-24[)) dvided by 740 (23-22) = 110 units	30 units provided - Compliant
Front Yard Requirements	ZR 35-51	0'-0"	0'-0"
Side Yard Requirements	ZR 35-52	0'-0"	0'-0"
Modification of Rear Yard Requirements	ZR 35-53	**Required rear yard may be provided at any level not higher than the floor level of the lowest story used for residential. 60'-0" Rear Yard Equivalent Required Per ZR 23-533 (see below)**	**Ground Floor: NA Above: 40'-0" Provided (Non-Compliant) Seeking Modification to ZR 23-533 (see below)**
Residential Buildings in Residential Districts			
Quality Housing Program	ZR 23-011	Duality Housing IS required (c)(2)(v).	See Quality Housing Requirement Notes.
Maximum lot coverage for Residential Buildings Developed Persuant to the Duality Housing Program.	ZR 23-145	**Lot 9: Max Lot Coverage = 70%** **Lot 9 size: 7,749.4** **Max Lot Coverage: 70% = 5,424.6 SF** **Lot 11: Lot coverage provisions apply only to enlargement, not existing building.**	**Lot 9 size: 7,749.4** **Proposed Lot Coverage: 6,505.4 SF = 84% (non compliant)** **Lot 11: Loft Conversion only. No development or enlargement is proposed. Compliant.**
Required Rear Yard Equivalents	ZR 23-533	**Required minimum depth of 60'-0"**	**40'-0" provided in new building** **43'-0" provided in existing building** **(a) Modification to the requirements of 23-533 is requested for rear yard eqeivalent requirement for enlargement portion of development on through lot.**
Minimum dimensions of inner courts	ZR 23-851	Minimum area of inner courts shall not be less than 1,200 s.f. Minimum dimension of inner courts shall not be less than 30'-0".	Min. area is 1,200 s.f. @ new construction Min. dim is 30'-0" @ new construction Compliant
Parking - Reduced Requirements	ZR 13-12(a)	The number of required accessory off street parking spaces for residential portion is: Parking spaces as a percent of new dwelling units = 20% 22 new dwelling units x 20% = 4.4 4 Residential Parking Spaces Allowed	4 accessory residential parking spaces provided.
	ZR 13-133	The number of required accessory off street parking spaces for commercial portion is: 1 space for every 4,000SF of development/enlargement. 5,656SF of Commercial Space 1 is in the new building. 1 Commercial Parking Space is Allowed	1 accessory commercial parking space provided. 5 total accessory parking spaces provided - Compliant

LOCAT
77 READE
Block Num
Lot Numbe
Map Numb
District:
Lot Area:
GENEF
Existing Us
Proposed L
AS OF
EXISTING
F.A.R.
AS OF RIG
PROP
FLOOR #
GROUND F
SECOND F
THIRD FLO
FOURTH F
FIFTH FLO
SIXTH FLO
PENTHOUS
PENTHOUS
TOTAL
TOTAL RE
RESID
FLOOR
2ND-5TH F
SIXTH FLO
6TH FLOOI
DUPLEXES
TOTAL
LOFT
SECTION
UNIT
E
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F
F
F
F
QUALI
ITEM
1) NEIGHB
STREET
2) BUILDIN
SIZE OF
WINDOV
REFUSE
LAUNDF
DAYLIGI
3) RECRE/
STANDA
SPACE
4) SAFETY
DENSITY

LOCATION

77 READE STREET, NEW YORK, NY 10007	
Block Number:	149
Lot Number:	9 AND 11
Map Number:	12B AND APPENDIX A TO ARTICLE XI, CHAPTER 1, SPECIAL TriBeCa MIXED USE DISTRICT
District:	C6-3A, TMU SPECIAL PURPOSE DISTRICT, AREA A-3, COMMUNITY BOARD 1 (C6-3A RESIDENTIAL EQUIVALENT IS R9A)
Lot Area:	Lot 9 = 7,752 SF Lot 11 = 3,962 SF Total Area = 11,714 SF ±

GENERAL

Existing Use:	5 STORY COMMERCIAL / 1 STORY COMMERCIAL / PARKING LOT
Proposed Use:	MIXED USE: GROUND FLOOR COMMERCIAL (USE GROUP 6), UPPER FLOORS RESIDENTIAL (J-2)

AS OF RIGHT F.A.R. CALCULATION

EXISTING LOT AREA	11,714 S.F.
F.A.R.	7.52
AS OF RIGHT	**88,069 S.F.**

EXISTING FLOOR AREA

	RETAIL	STORAGE	PARKING	TOTAL
GROUND FLOOR	6,604 S.F.	0	5,110 S.F.	11,714 S.F.
TYPICAL FLOOR (4)	0	4,406 S.F.	0	16,184 S.F.
TOTAL	**6,604 S.F.**	**16,184 S.F.**	**5,110 S.F.**	**27,898 S.F.**

PROPOSED FLOOR AREA CALCULATIONS

FLOOR #	COMMERCIAL	RESIDENTIAL	TOTAL	QUALITY HOUSING DEDUCTIONS: REFUSE STOR. (28-23)	DAYLIGHT IN CORRIDORS (28-25)	DENSITY PER CORRIDOR (28-41)	MECHANICEL DEDUCTIONS (3% OF RES. FLOOR AREA)	TOTAL DEDUCTIONS
GROUND FLOOR	8,380 S.F.	1,422 S.F. (RES. LOBBY)	10,263 S.F.	0 S.F.	644 S.F.	644 S.F.	43 S.F.	1,331 S.F.
SECOND FLOOR	0	9,288 S.F.	9,288 S.F.	43 S.F.	381 S.F.	381 S.F.	279 S.F.	1,084 S.F.
THIRD FLOOR	0	9,288 S.F.	9,288 S.F.	43 S.F.	381 S.F.	381 S.F.	279 S.F.	1,084 S.F.
FOURTH FLOOR (SPLIT)	0	5,884 S.F.	5,884 S.F.	43 S.F.	196 S.F.	196 S.F.	177 S.F.	612 S.F.
FIFTH FLOOR	0	9,288 S.F.	9,288 S.F.	43 S.F.	381 S.F.	381 S.F.	279 S.F.	1,084 S.F.
SIXTH FLOOR	0	9,288 S.F.	9,288 S.F.	43 S.F.	381 S.F.	381 S.F.	279 S.F.	1,084 S.F.
PENTHOUSE	0	6,705 S.F.	6,705 S.F.	43 S.F.	224 S.F.	224 S.F.	201 S.F.	692 S.F.
PENTHOUSE MEZZANINE	0	2,404 S.F.	2,404 S.F		141 S.F.	141 S.F.	72 S.F.	354 S.F.
TOTAL	**8,380 S.F.**	**63,567 S.F.**	**62,486 S.F.**	258 S.F.	2,729 S.F.	2,729 S.F.	1,605 S.F.	**7,326 S.F.**
TOTAL REDUCED FLOOR AREA		**46,242 S.F.**	**54,822 S.F.**	**TOTAL PROPOSED F.A.R. = 8.33**				

RESIDENTIAL UNIT QUANTITY BY FLOOR

FLOOR	LOFT COVERSION UNITS	NEW RESIDENCES	TOTAL
2ND-5TH FLOORS	7 UNITS	16 UNITS	23 UNITS
SIXTH FLOOR (SPLIT)		2 UNITS	2 UNITS
6TH FLOOR AND PENTHOUSE DUPLEXES	1 UNITS	4 UNITS	5 UNITS
TOTAL	**8 UNITS**	**22 UNITS**	**30 UNITS**

RESIDENTIAL UNIT COUNT BY TYPE

STUDIOS	9 UNITS
2 BEDROOMS	12 UNITS
3 BEDROOMS	8 UNITS
4 BEDROOMS	1 UNIT
TOTAL	**30 UNITS**

LOFT DWELLING REQUIREMENTS (UNITS E & F ONLY - 8 LOFT DWELLING UNITS TOTAL)

SECTION 111-1118 (iii and iv)

UNIT	FLOOR	UNIT SQUARE FOOTAGE (U.S.F.)	WINDOW AREA (W.A.)	RATIO OF W.A./U.S.F.	MINIMUM U.S.F. CALC 200 S.F. FOR EACH 1% OVER 5%	REQUIRED WINDOW AREA (W.A.)	COMPLIANCE
E	2ND	1,524 S.F.	144 S.F.	9.40%	4.4% (2000 S.F. - 880 S.F. =1,120 S.F.)	113 SF (DIFFERENCE OF +31 SF)	COMPLIANT (iii)
E	3RD	1,524 S.F.	116 S.F.	7.60%	2.6% (2000 S.F. - 520 S.F.=1,480 S.F.)	113 SF (DIFFERENCE OF +3 SF)	COMPLIANT (iii)
E	4TH	1,524 S.F.	106 S.F.	6.56%	1.56% (2000 S.F. - 312 S.F.=1,688 S.F.)	**113 SF (DIFFERENCE OF -13 SF)**	**NOT COMPLIANT**
E	5TH	1,524 S.F.	87 S.F.	5.71%	.71% (2000 S.F. - 142 S.F.=1,858 S.F.)	**113 SF (DIFFERENCE OF -26 SF)**	**NOT COMPLIANT**
F	2ND	1,497 S.F.	163 S.F.	> 10%	NO MINIMUM FLOOR AREA	112 SF (DIFFERENCE OF +51 SF)	COMPLIANT (iv)
F	3RD	1,497 S.F.	158 S.F.	> 10%	NO MINIMUM FLOOR AREA	112 SF (DIFFERENCE OF +48 SF)	COMPLIANT (iv)
F	4TH	1,497 S.F.	139 S.F.	9.20%	4.2% (2000 S.F. - 840 S.F. =1,160 S.F.)	112 SF (DIFFERENCE OF +27 SF)	COMPLIANT (iii)
F	5TH	2,575 S.F.	NA	NA	> 2,000 S.F.	NA	COMPLIANT

QUALITY HOUSING REQUIREMENTS (ZR-03)

ITEM	AS PER SECTION OF ZONING RES.	PERMITTED / REQUIRED	PROPOSED
1) NEIGHBORHOOD IMPACT	28-10		
STREET TREE PLANTING	28-12	1 TREE PER 25' OF STREET FRONTAGE	80' OF STREET FRONTAGE ON CHAMBERS STREET 3 TREES PROVIDED. 75'-0 3/4" OF STREET FRONTAGE ON READE STREET 3 TREES PROVIDED.
2) BUILDING INTERIOR	28-20		
SIZE OF DWELLING UNITS	28-21	400 SF MINIMUM REQUIRED.	MINIMUM UNIT SIZE = 851 S.F.
WINDOWS	28-22	DOUBLE GLAZING REQUIRED	ALL WINDOWS WILL BE DOUBLE GLAZED
REFUSE STORAGE AND DISPOSAL	28-23	REFUSE DISPOSAL ROOMS REQUIRED AT MIN. OF 12 S.F. PER FLOOR WHICH DOES NOT COUNT TOWARDS FAR	A REFUSE DISPOSAL ROOM OF 43 SF WILL BE PROVIDED ON ALL FLOORS - 1ST TO PH.
LAUNDRY FACILITIES	28-24	N.A.	
DAYLIGHT IN CORRIDORS	28-25	IF WINDOWS OF MIN. 20 S.F. ARE PROVIDED FOR CORRIDOR THAN 50% OF CORRIDOR CAN BE DEDUCTED FROM FAR.	COMPLYING WINDOWS PROVIDED AT CORRIDOR. TOTAL RES. CORRIDOR X 50% (SEE ABOVE)
3) RECREATION SPACE	28-30		
	28-31	REQ'D RECREATION SPACE = 2.8% x "RES. FLOOR AREA" 2.8% X 46,242 SF = 1,294 SF	1,300 S.F. OF OUTDOOR RECREATION SPACE PROVIDED AT PENTHOUSE ROOF LEVEL.
STANDARDS FOR RECREATIONAL SPACE	28-32	(A) REC. SPACE TO BE ACCESSIBLE TO RES. TENANTS ONLY. (B) MINIMUM DIMENSION TO BE 15'-0". (C) OUTDOOR RECREATION TO BE OPEN TO SKY EXCEPT..... (D) NA	REC. SPACE IS ACCESSIBLE TO RESIDENTIAL TENANTS ONLY. MINIMUM DIMENSION IS 21'-0". OUTDOOR RECREATION SPACE IS OPEN TO SKY.
4) SAFETY	28-40		
DENSITY PER CORRIDOR	28-41	IF 8 UNITS OR LESS PER FLOOR ARE SERVED BY ONE CORE THAN 50 % CAN BE DEDUCTED FROM FLOOR AREA CALC.	6 UNITS MAX. PER FLOOR SERVED BY ONE CORE. TOTAL RESIDENTIAL CORRIDOR X 50% (SEE ABOVE)

REGISTERED ARCHITECT JOAN KREVLIN No. 015406 STATE OF NEW YORK

ISSUE	DATE
DCP - REVISION	02.05.08
DCP - Filing	07.11.07

PROJECT ARCHITECT:

BKSK ARCHITECTS, LLP

PROJECT NAME:

77 READE STREET
NEW YORK, NY 10007

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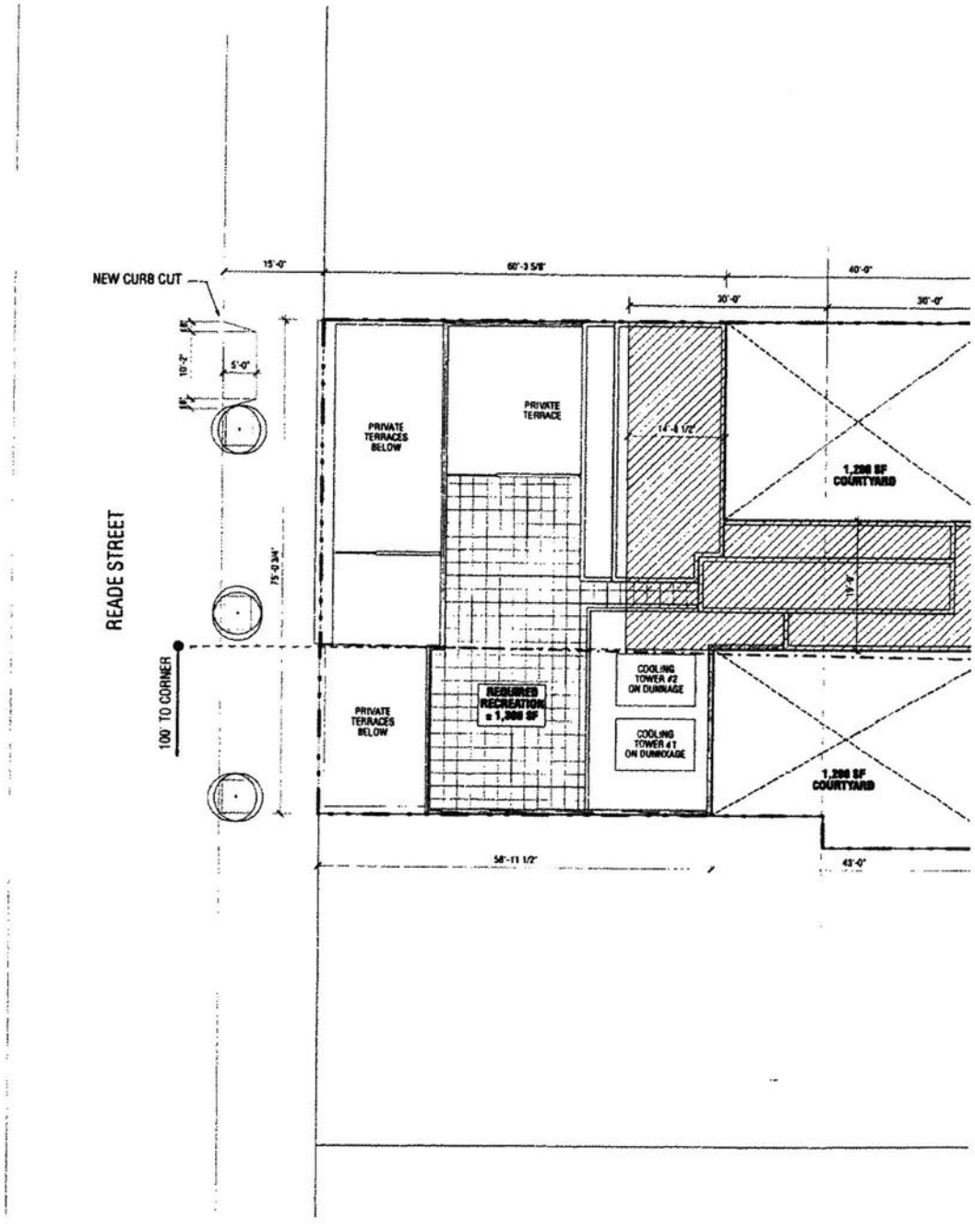
COVER SHEET
ZONING CALCS AND SITE PLAN

FILE: | DRAWING NUMBER: A 002

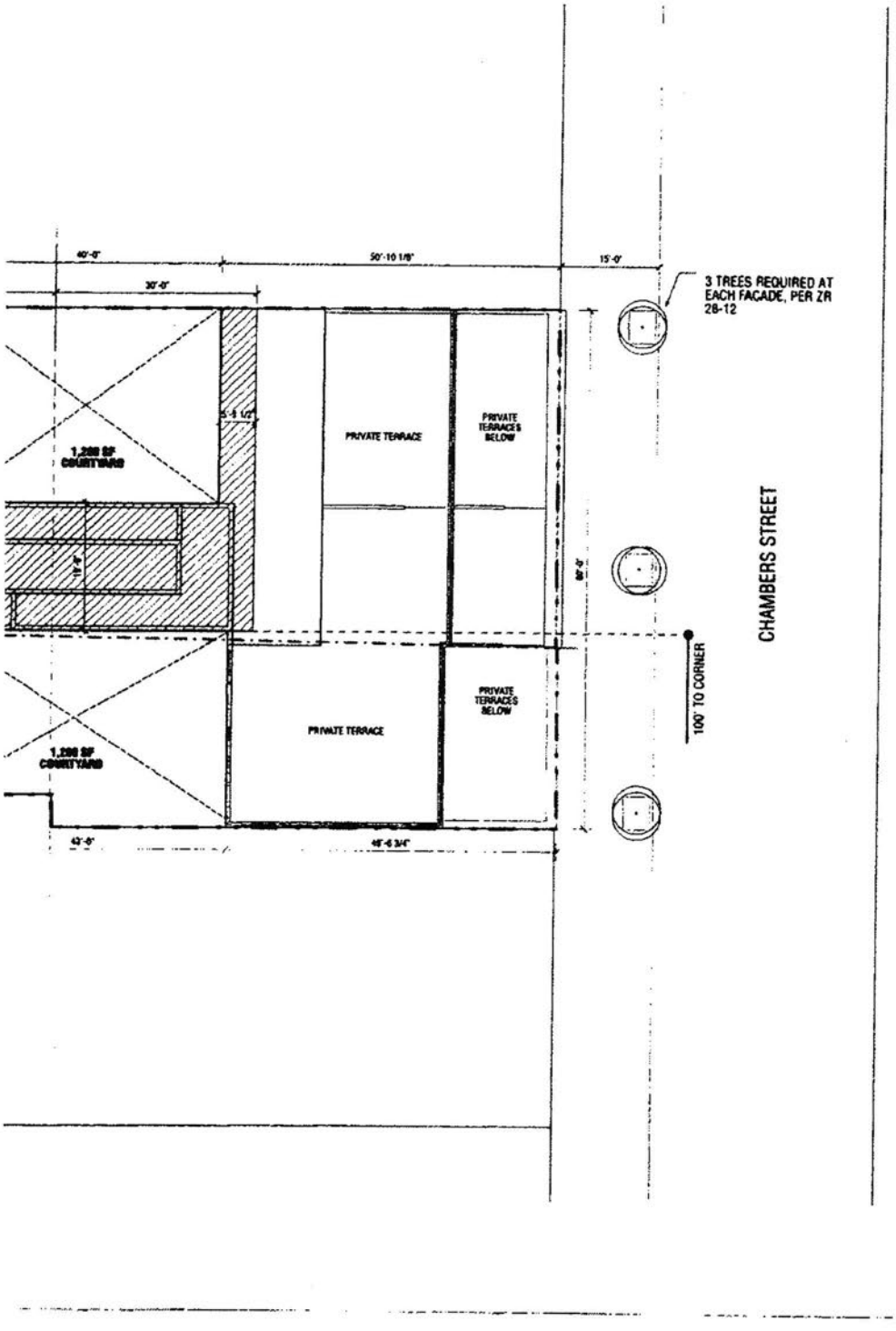
SCALE: AS NOTED

PROJECT NO.: 0611

A 002 (2 OF 2)



1 PROPOSED SITE PLAN
SCALE: 3/64" = 1'-0"



LEGEND:

- REQUESTED MODIFICATION OF REAR YARD EQUIVALENT REQUIREMENT (ZR 23-533)
- REQUIRED RECREATION SPACE
- ZONING LOT
- LINE OF EXISTING BUILDING

NOTE: 35 DECIBELS OF WINDOW/WALL ATTENUATION WILL BE PROVIDED ON ALL FACADES

REGISTERED ARCHITECT
JOAN KREVLIN
No. 015406
STATE OF NEW YORK

DCP - REVISION	10.26.07
DCP - Filing	07.11.07
ISSUE	DATE

PROJECT ARCHITECT

BKSK ARCHITECTS, LLP

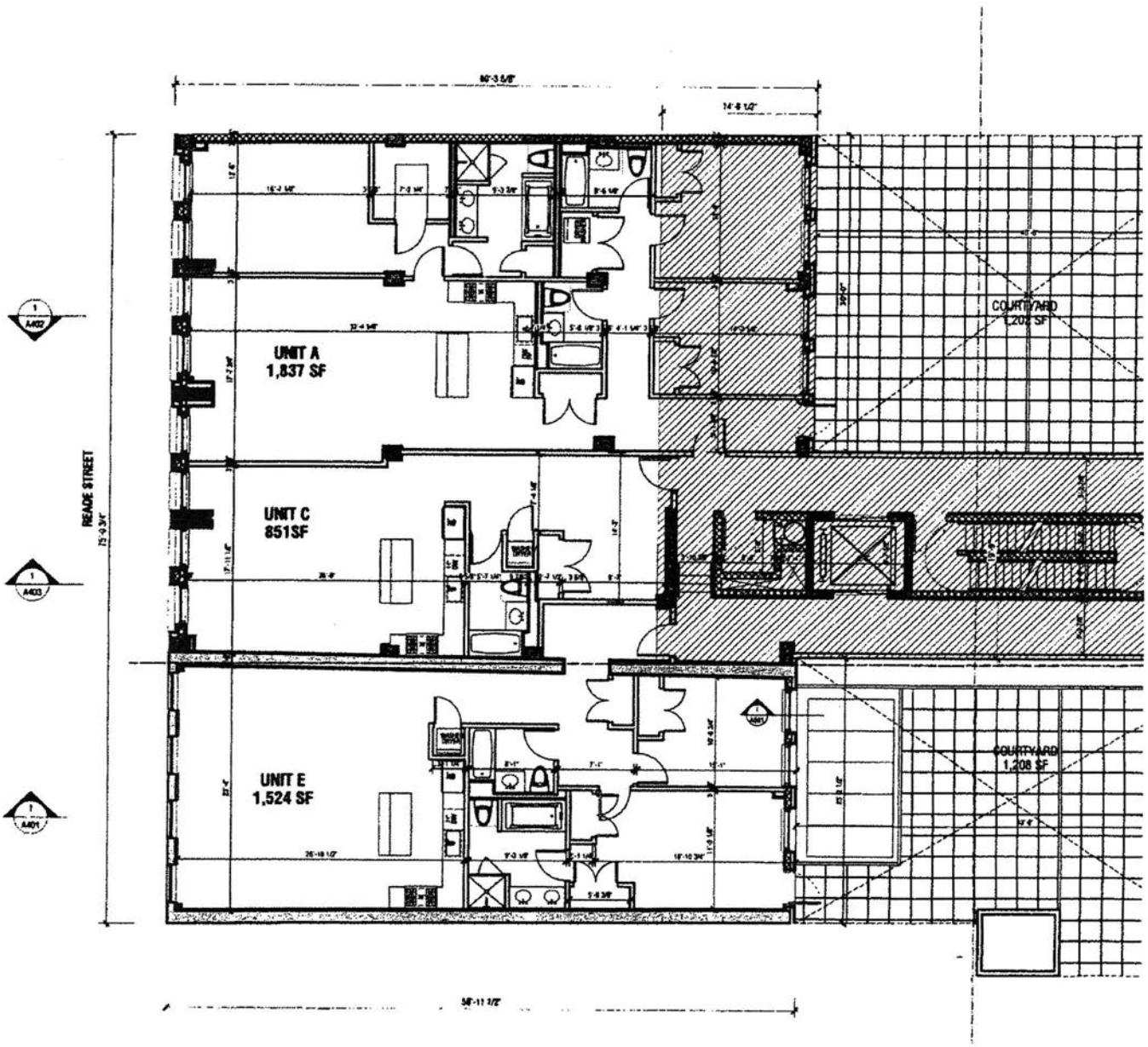
PROJECT NAME

77 READE STREET
NEW YORK, NY 10007

DRAWING TITLE

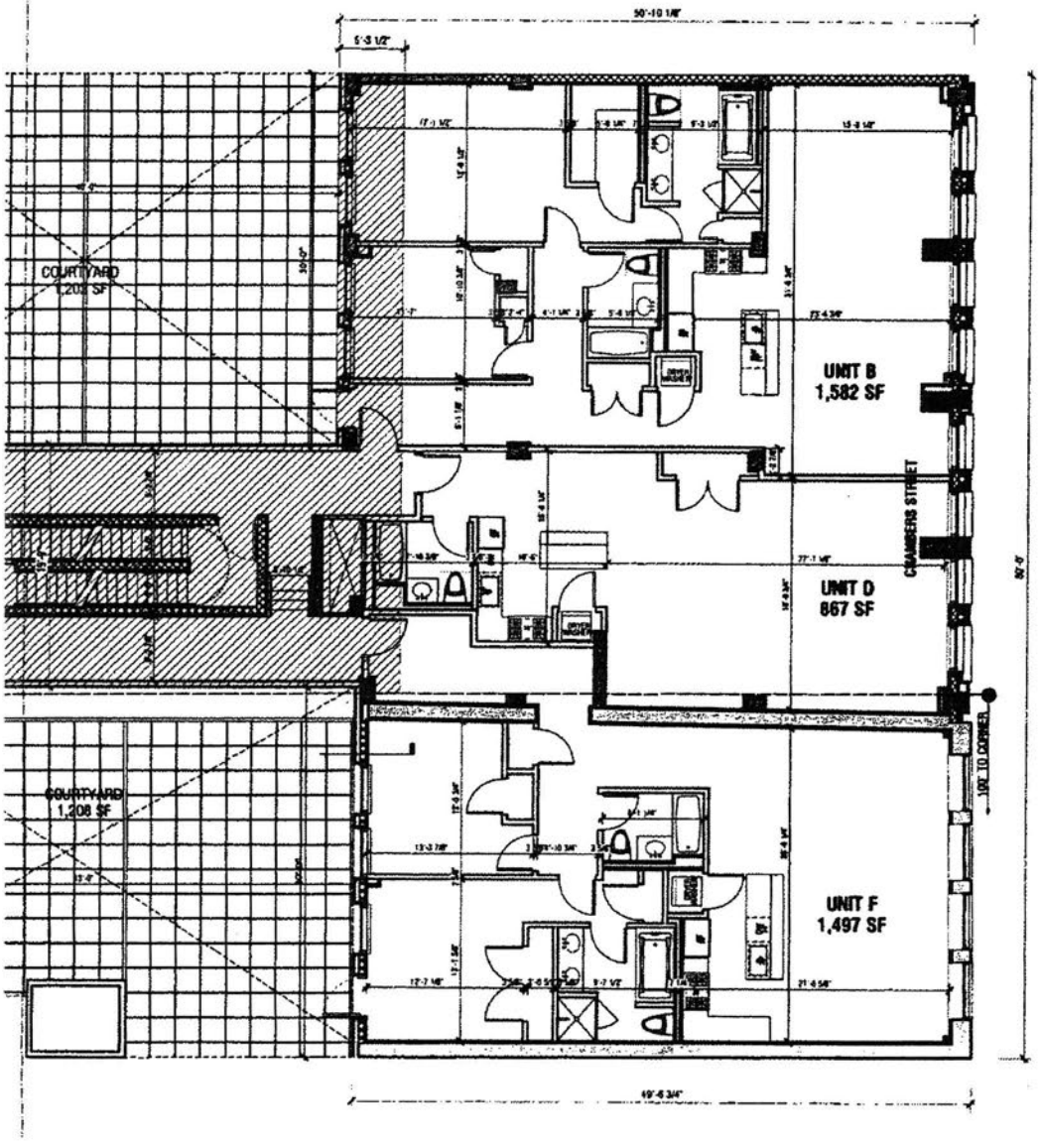
PROPOSED SITE PLAN

FILE:	DRAWING NUMBER
SCALE: AS NOTED	A 200
PROJECT NO.: 0611	



1 PLAN: SECOND FLOOR

0 10 20



REQUESTED MODIFICATION OF REAR YARD EQUIVALENT REQUIREMENT (ZR 23-533)

REGISTERED ARCHITECT
JOAN KREVLIN
NO. 015406
STATE OF NEW YORK

DCP - Filing	07.11.02
ISSUE	DATE

PROJECT ARCHITECT:

BKSK ARCHITECTS, LLP

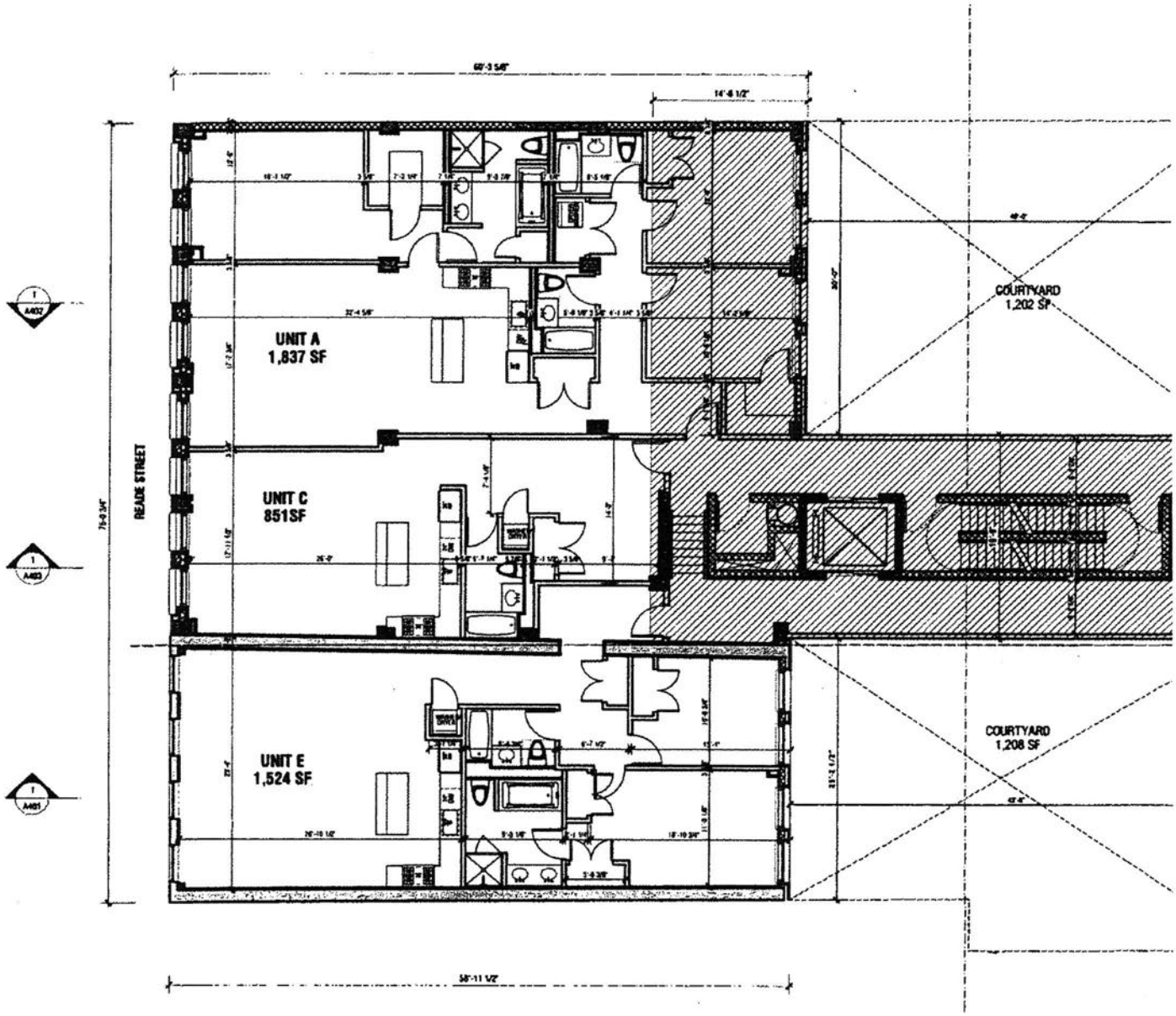
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NEW YORK, NY 10007

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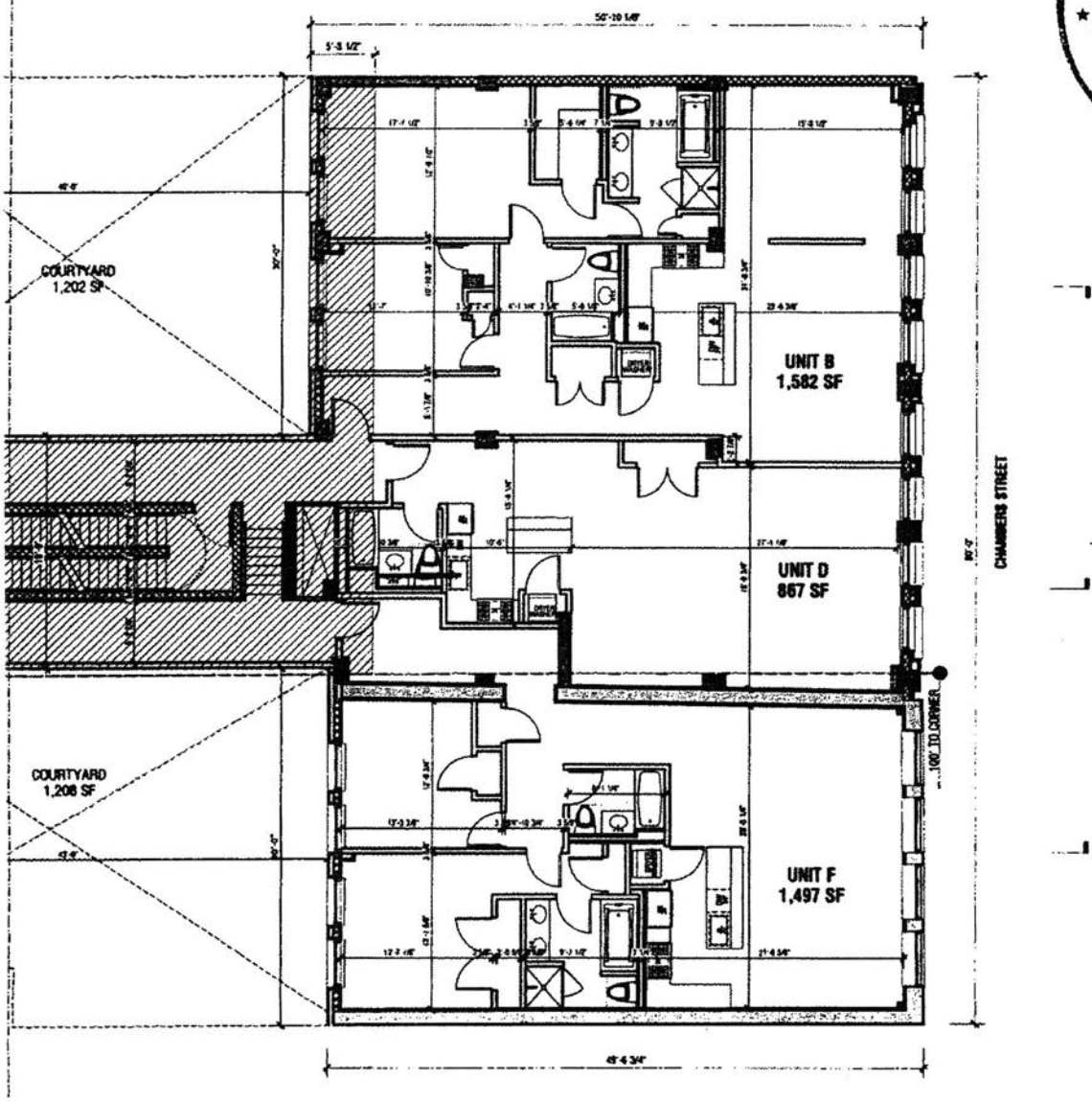
PROPOSED PLAN
SECOND FLOOR

FILE:	DRAWING NUMBER:
SCALE: AS NOTED	A 204
PROJECT NO.: 0515	



1 PLAN: THIRD FLOOR

0 10 20



REQUESTED MODIFICATION OF REAR YARD EQUIVALENT REQUIREMENT (ZR 23-533)

REGISTERED ARCHITECT
JOAN KREVLIN
No. 015406
STATE OF NEW YORK

BCP - Filing 07.11.07

PROJECT ARCHITECT:

BKSK ARCHITECTS, LLP

PROJECT NAME:

77 READE STREET
NEW YORK, NY 10007

DRAWING TITLE:

PROPOSED THIRD FLOOR PLAN

FILE:

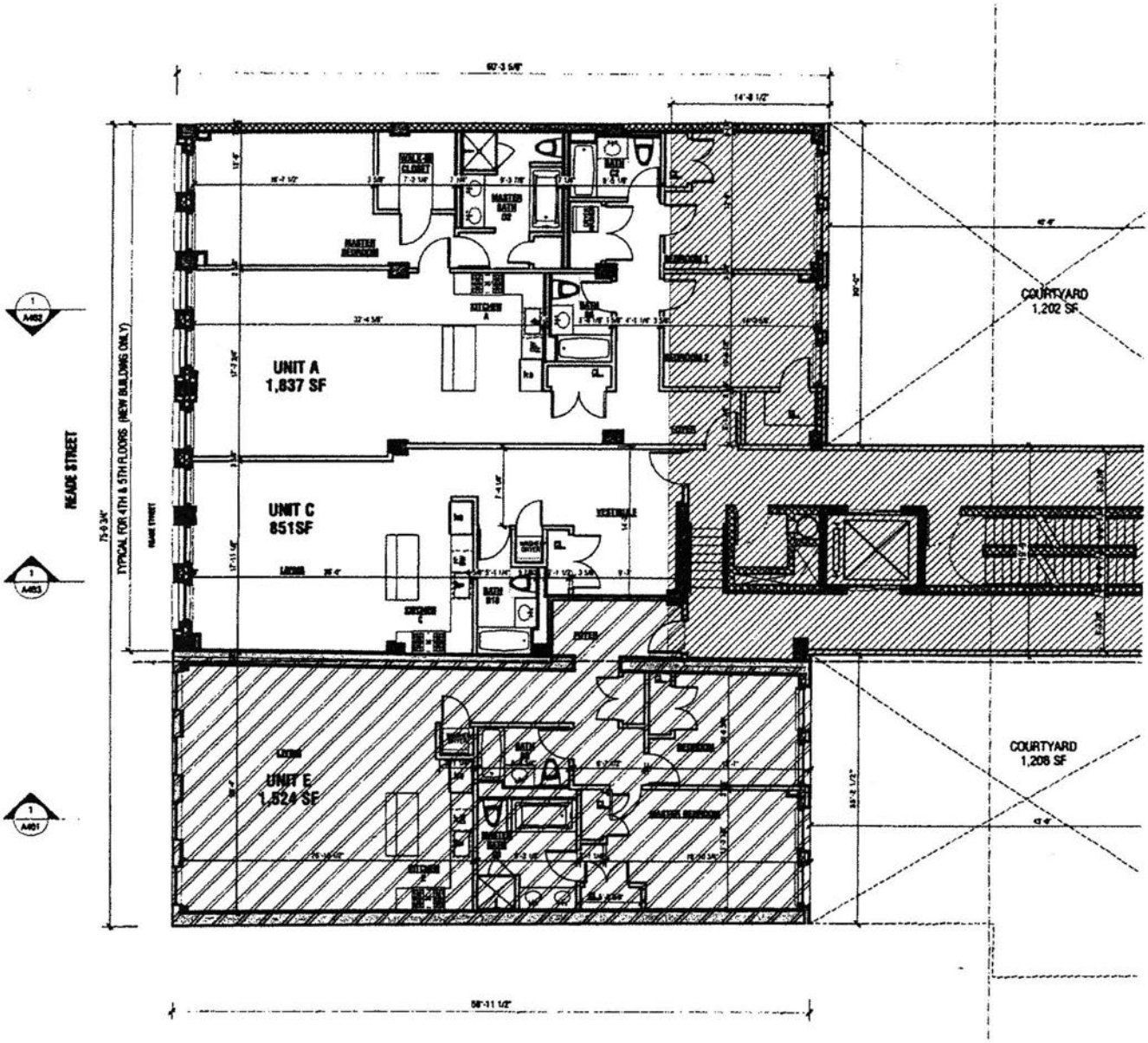
DRAWING NUMBER

SCALE: AS NOTED

A 205

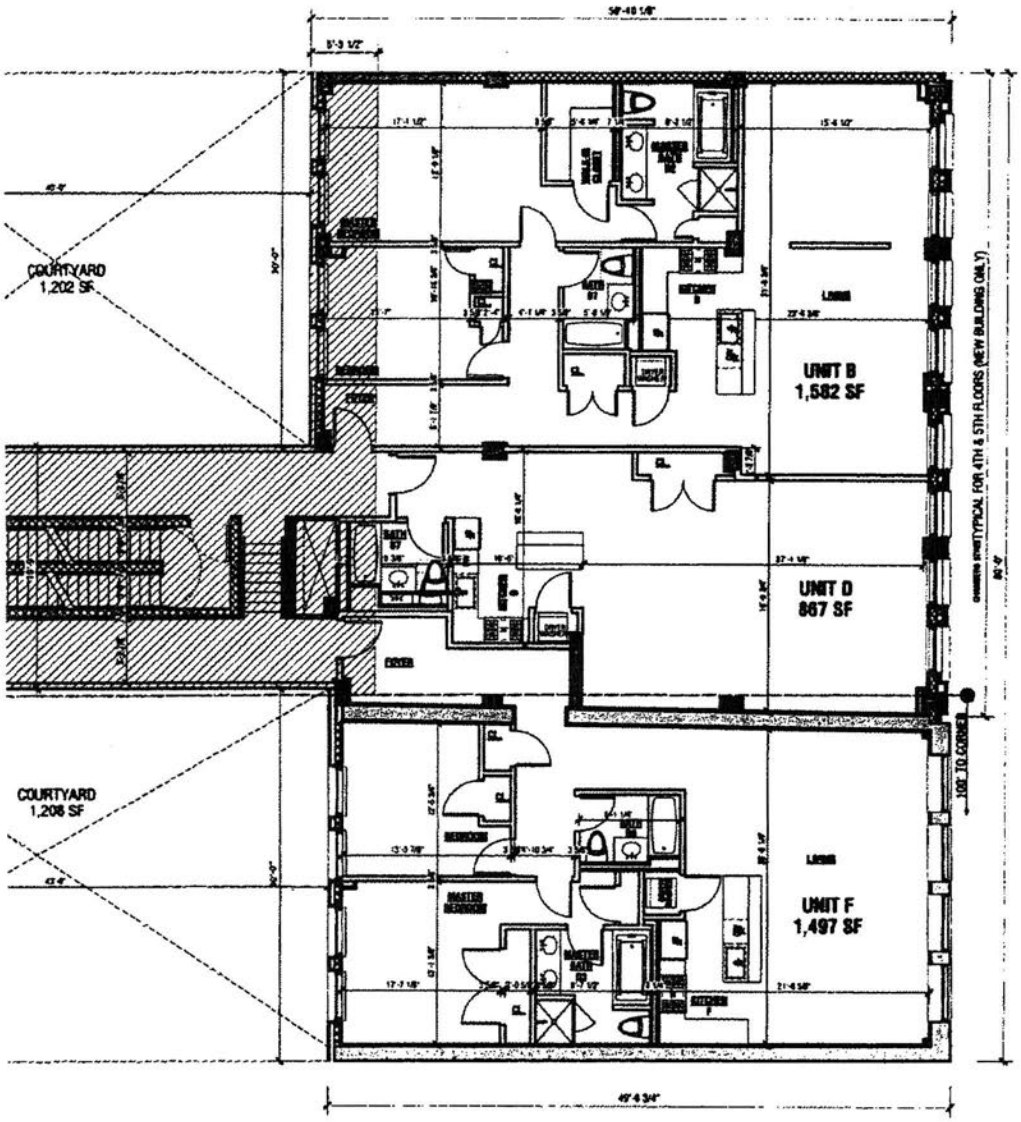
PROJECT NO.: 0611

A 205 (2 OF 2)



1 PLAN: FOURTH FLOOR EXISTING (TYPICAL FOR FOURTH AND FIFTH FLOORS NEW)

0 10 20



LEGEND:

UNIT 4E (HATCHED) NOT COMPLIANT W/ 111-111B (SEE LOFT DWELLING CALC'S ON SHEET A 002)

REQUESTED MODIFICATION OF REAR YARD EQUIVALENT REQUIREMENT (ZR 23-533)

REGISTERED ARCHITECT
JOAN A. REVLIN
No. 015466
STATE OF NEW YORK

ISSUE	DATE
BCP - Filing	07.11.07

PROJECT ARCHITECT:

BKSK ARCHITECTS, LLP

PROJECT NAME:

77 READE STREET
NEW YORK, NY 10007

DRAWING TITLE:

PROPOSED FOURTH FLOOR PLAN (TYPICAL PLAN FOR FOURTH & FIFTH FLOORS @ NEW BUILDING)

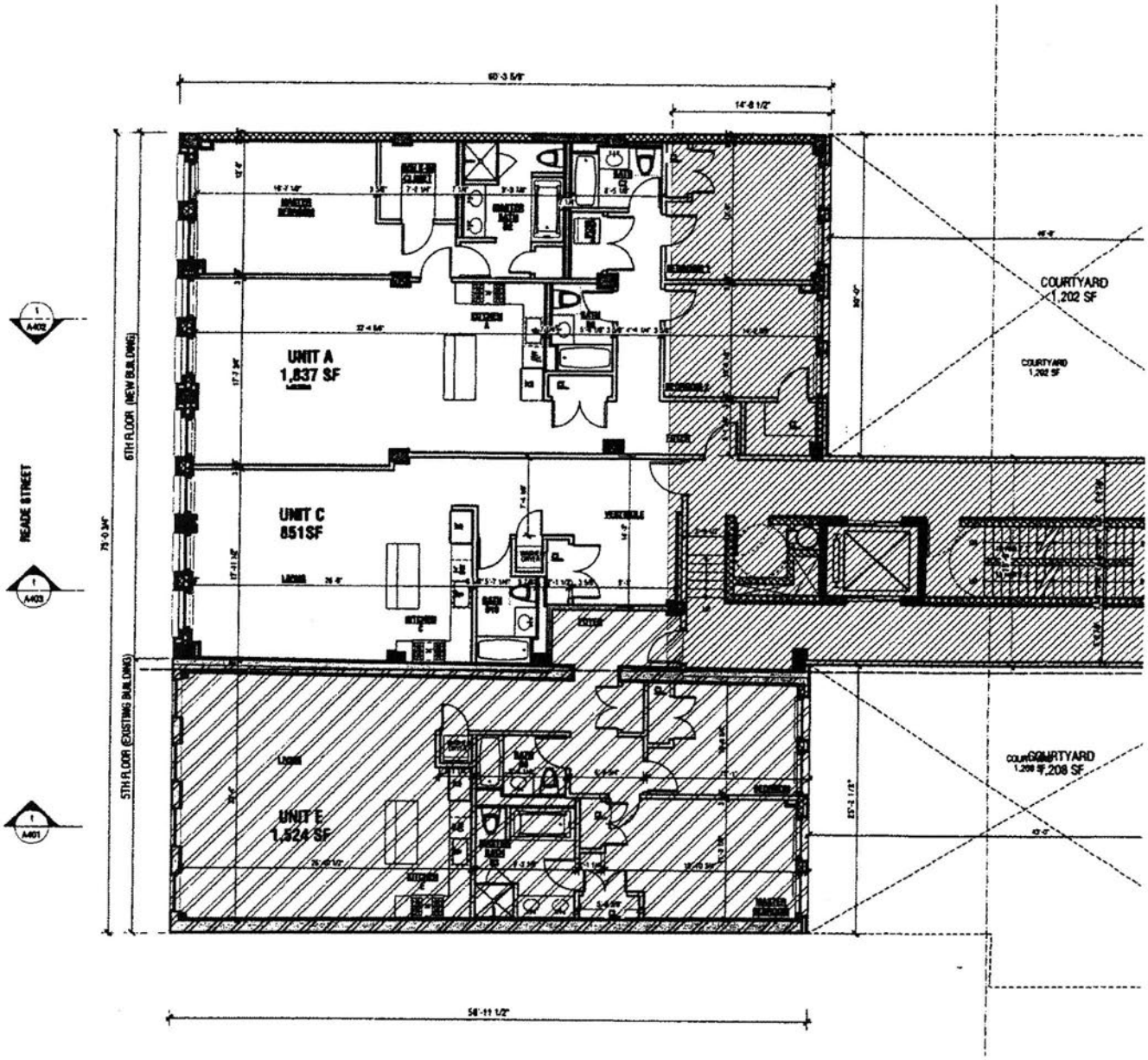
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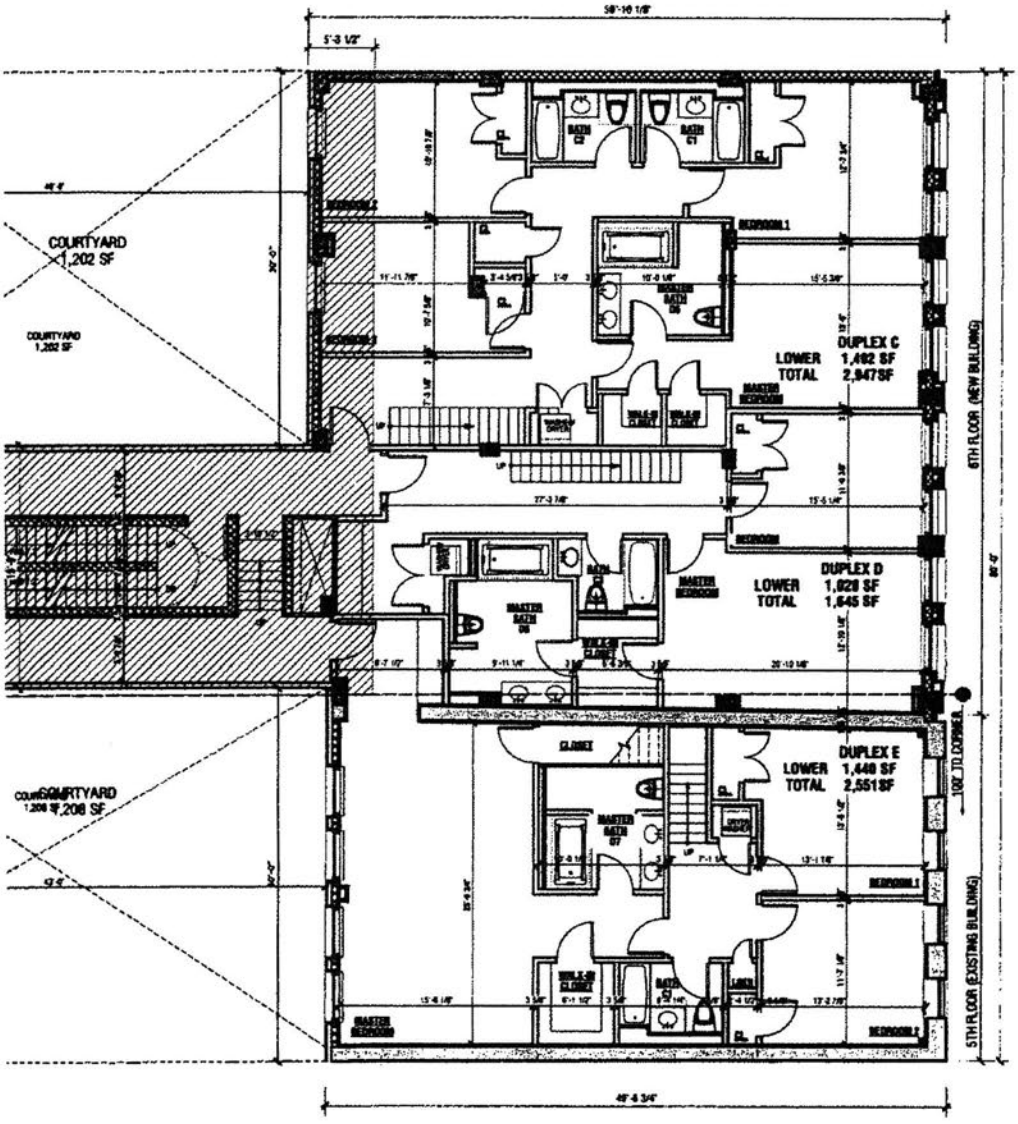
PROJECT NO.: 0611

A 206



1 PLAN: TOP FLOOR (FIFTH FLOOR EXISTING, SIXTH FLOOR NEW)

0 10 20



REGISTERED ARCHITECT
JOAN KREVAN
No. 015426
STATE OF NEW YORK

LEGEND:

UNIT 5E (HATCHED) NOT COMPLIANT W/ 111-111B (SEE LOFT DWELLING CALC'S ON SHEET A 002)

REQUESTED MODIFICATION OF REAR YARD EQUIVALENT REQUIREMENT (ZR 23-533)

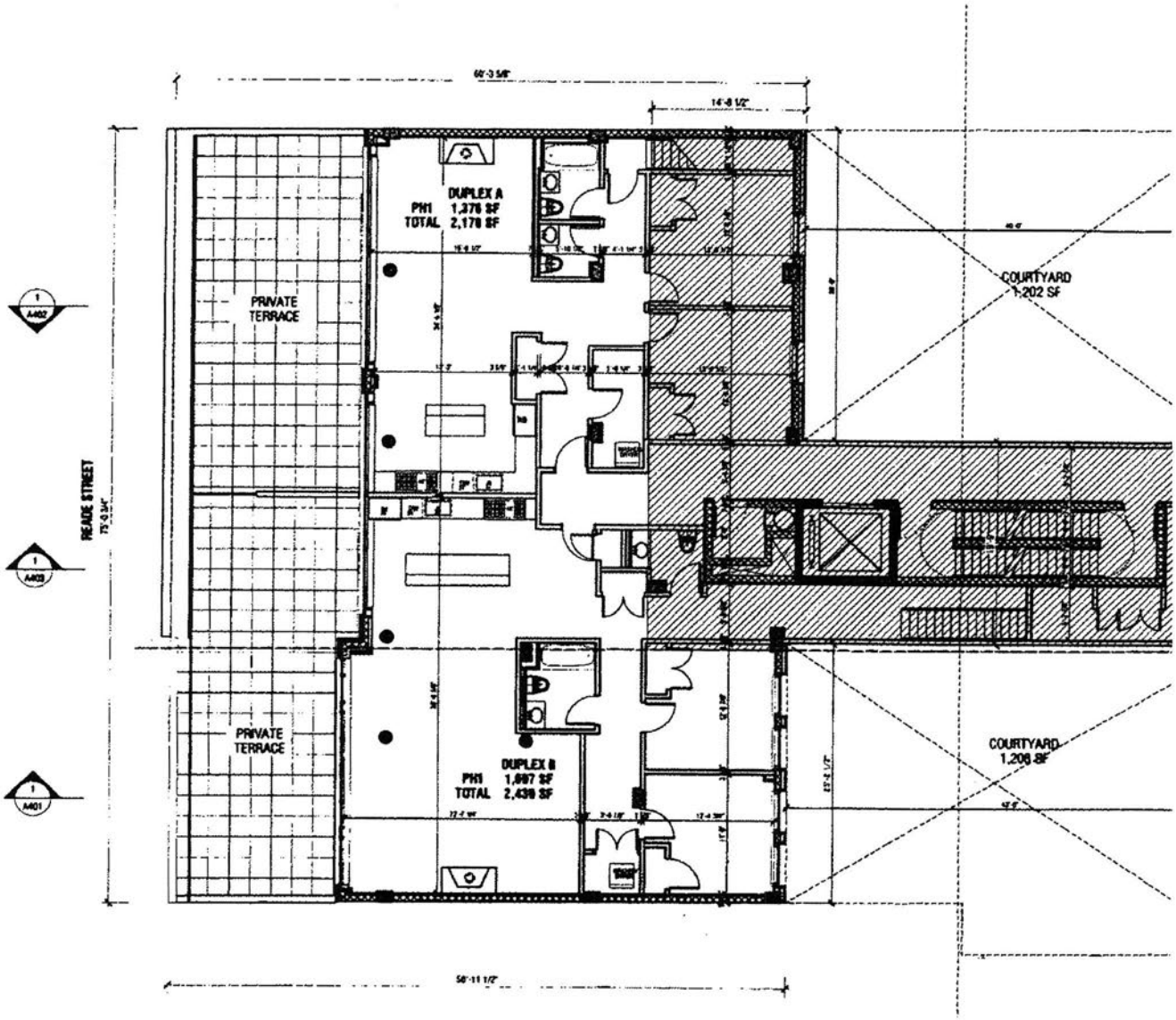
BKSK

77 READE STREET
NEW YORK, NY 10007

PROPOSED PLAN
TOP FLOOR
FIFTH FLOOR PLAN (EXIST.)
SIXTH FLOOR PLAN (NEW)

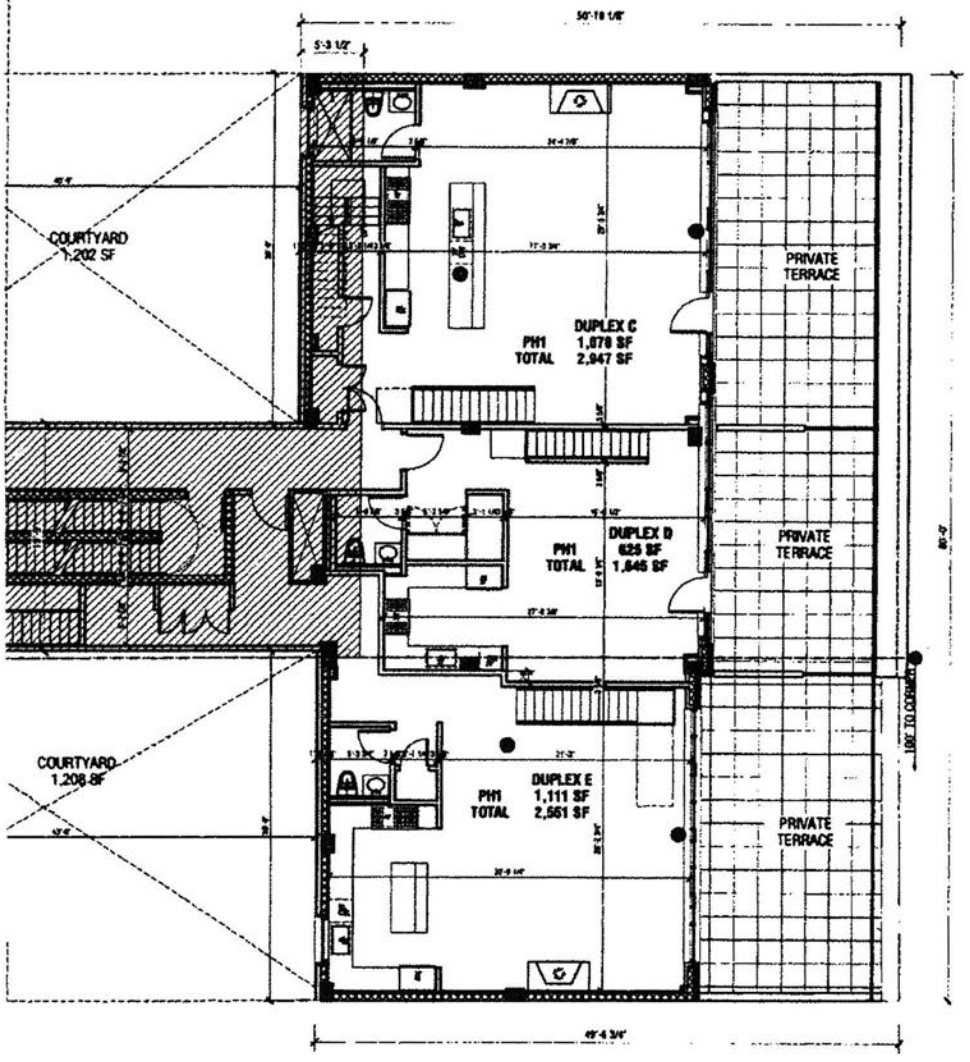
A 207

A 207 (2 OF 2)



1 PLAN: PENTHOUSE

0 10 20



REQUESTED MODIFICATION OF REAR YARD EQUIVALENT REQUIREMENT (ZR 23-533)

REGISTERED ARCHITECT
JOAN KRAVLIN
No. 015406
STATE OF NEW YORK

ISSUE	DATE
BCP - Filing	07.11.07

PROJECT ARCHITECT:

BKSK ARCHITECTS, LLP

PROJECT NAME:

77 READE STREET
NEW YORK, NY 10007

DRAWING TITLE:

PROPOSED PLANS
PENTHOUSE

FILE:

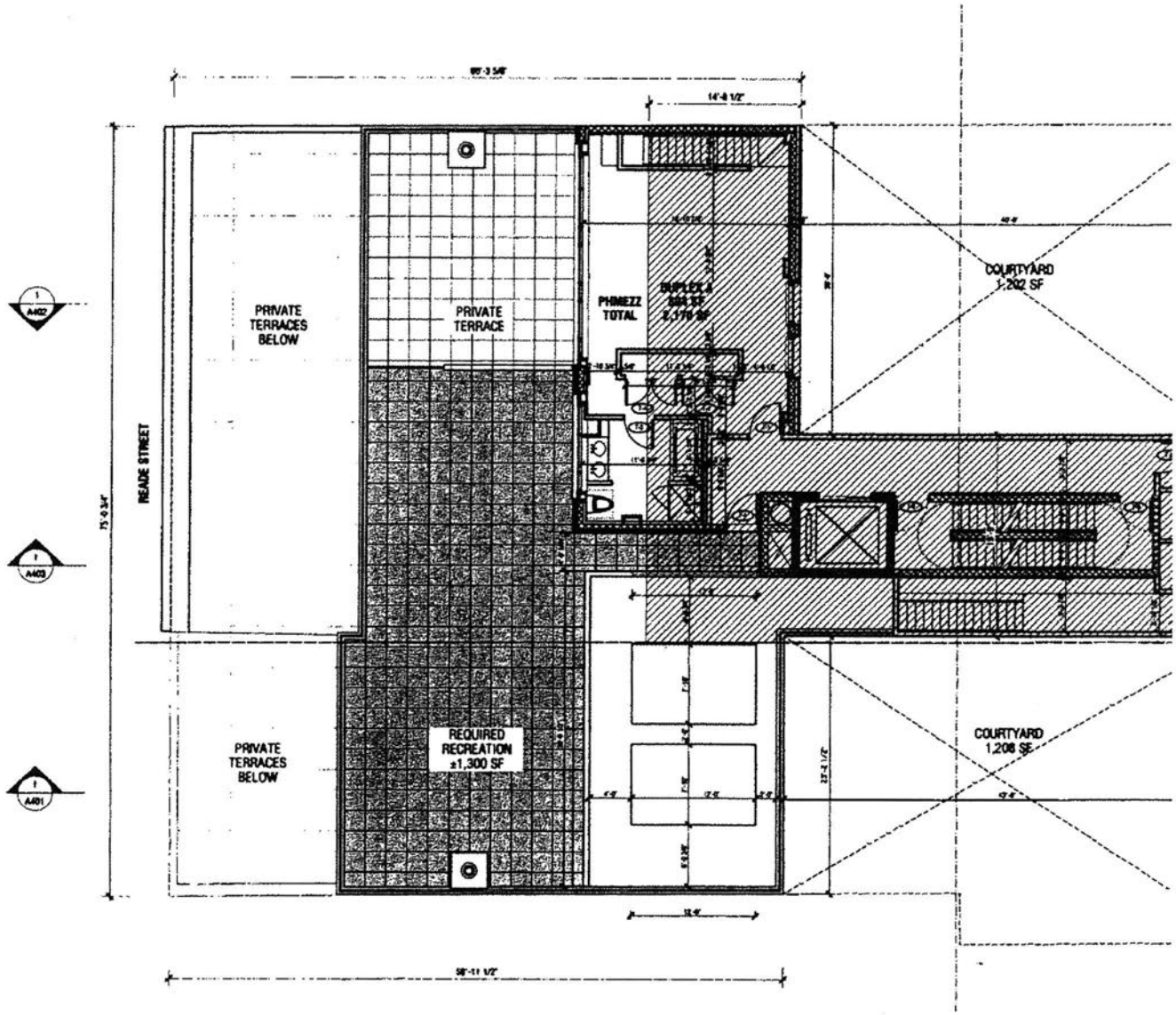
SCALE: AS NOTED

PROJECT NO.: 0611

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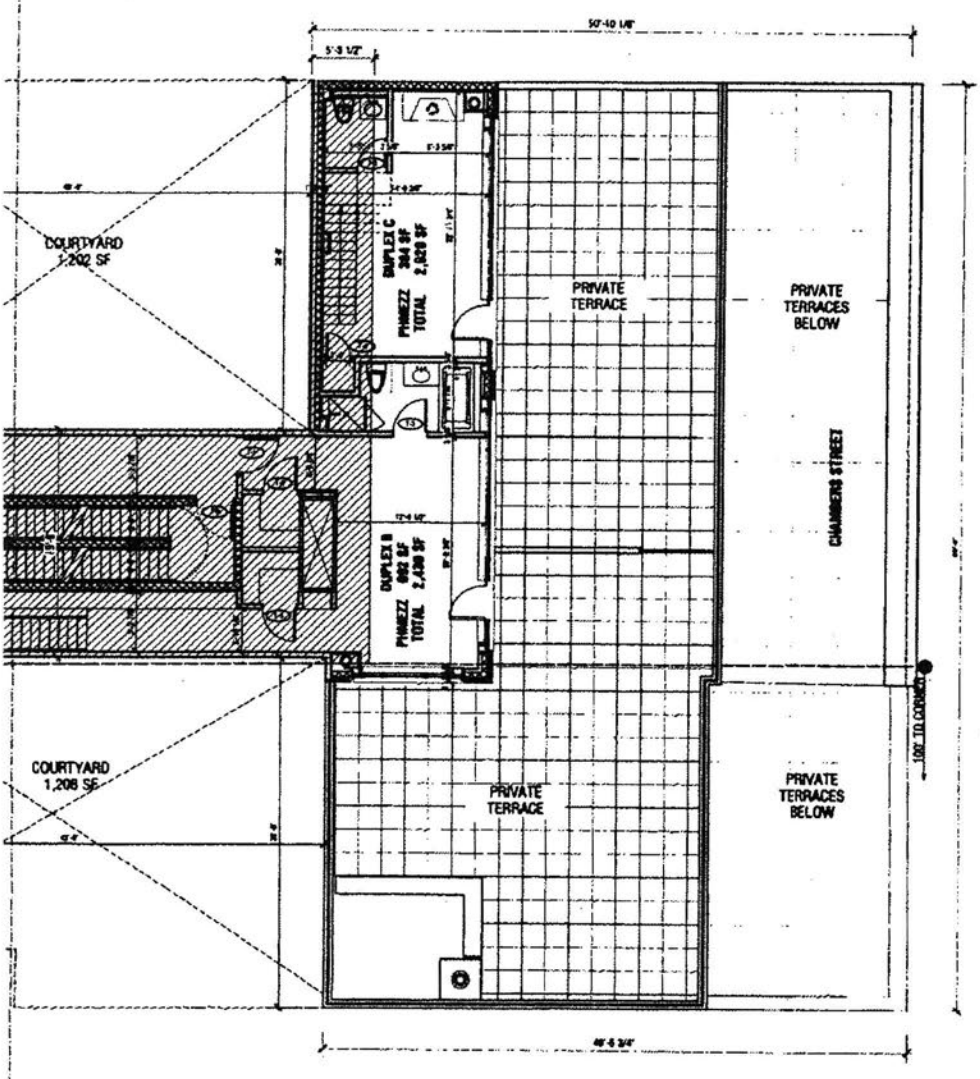
A 208

A 208 (2 OF 2)



1 PLAN: PENTHOUSE MEZZANINE

0 10 20



REQUESTED MODIFICATION OF REAR YARD EQUIVALENT REQUIREMENT (ZR 23-533)

REQUIRED RECREATION SPACE OF 1,370 S.F.

REGISTERED ARCHITECT
NO. 015406
STATE OF NEW YORK

DCP - Filing 07.11.07

BKSK ARCHITECTS, LLP

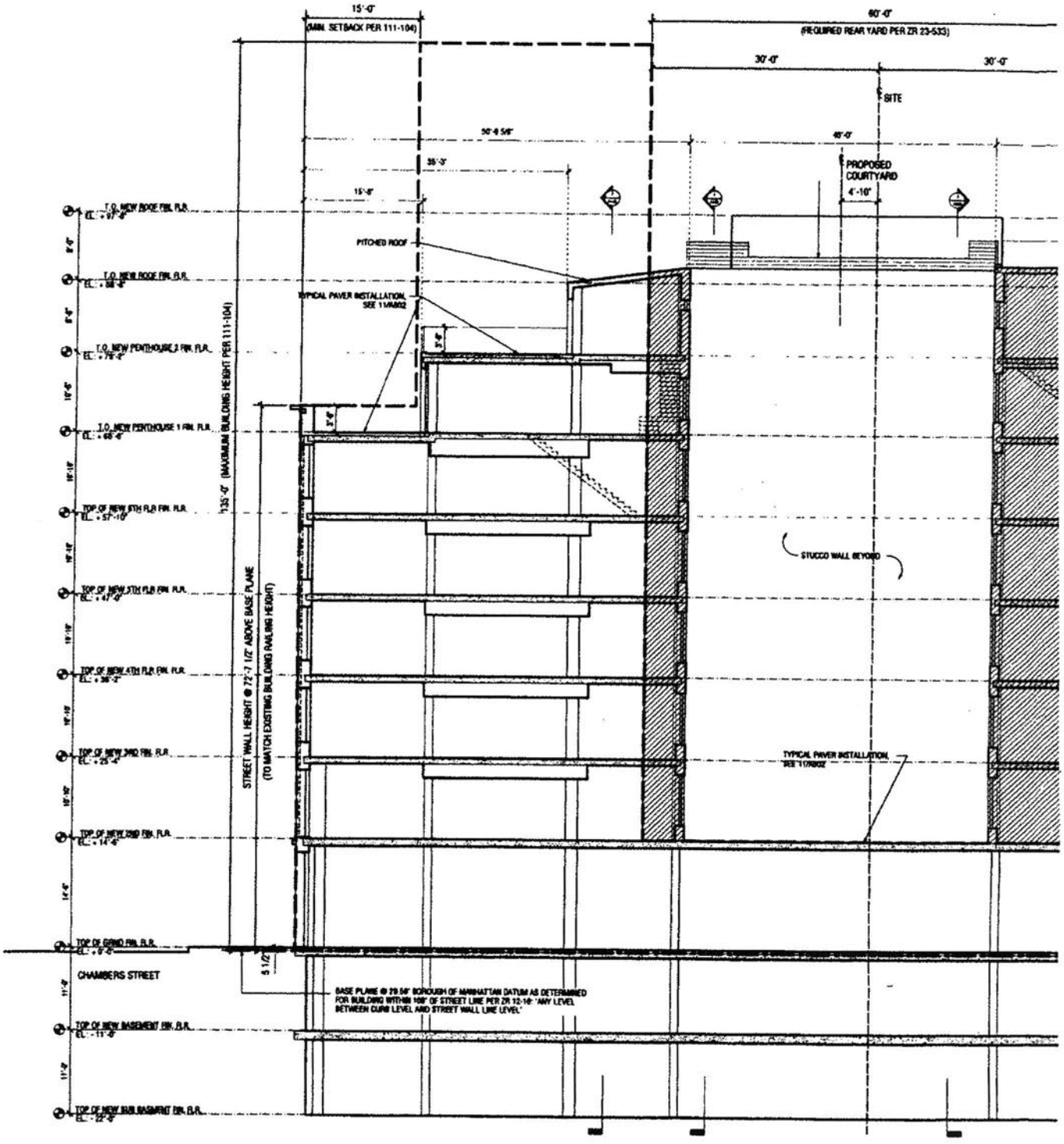
77 READE STREET
NEW YORK, NY 10007

PROPOSED PLANS
PENTHOUSE MEZZANINE

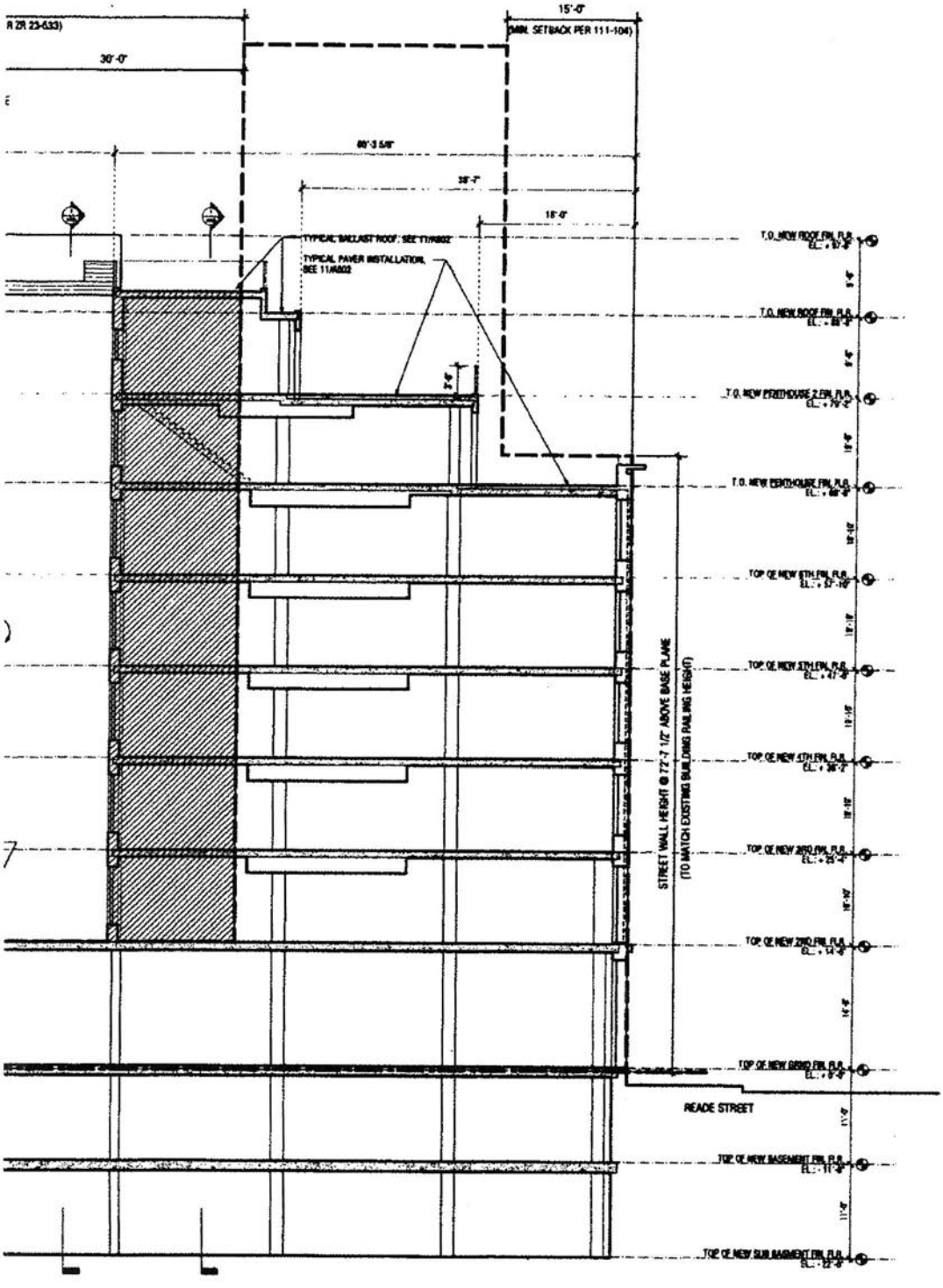
SCALE: AS NOTED

DRAWING NUMBER
A 209

A 209 (2 OF 2)



1 PROPOSED N/S SECTION THROUGH NEW BUILDING LOOKING WEST
SCALE: 3/64" = 1'-0"



LEGEND:

REQUESTED MODIFICATION OF REAR YARD EQUIVALENT REQUIREMENT (ZR 23-533)

AS-OF-RIGHT BULK ENVELOPE

REGISTERED ARCHITECT
STATE OF NEW YORK
NO. 015[illegible]

DCP - Filing	07.11.07
ISSUE	DATE

PROJECT ARCHITECT:

BKSK
[illegible]

PROJECT NAME:

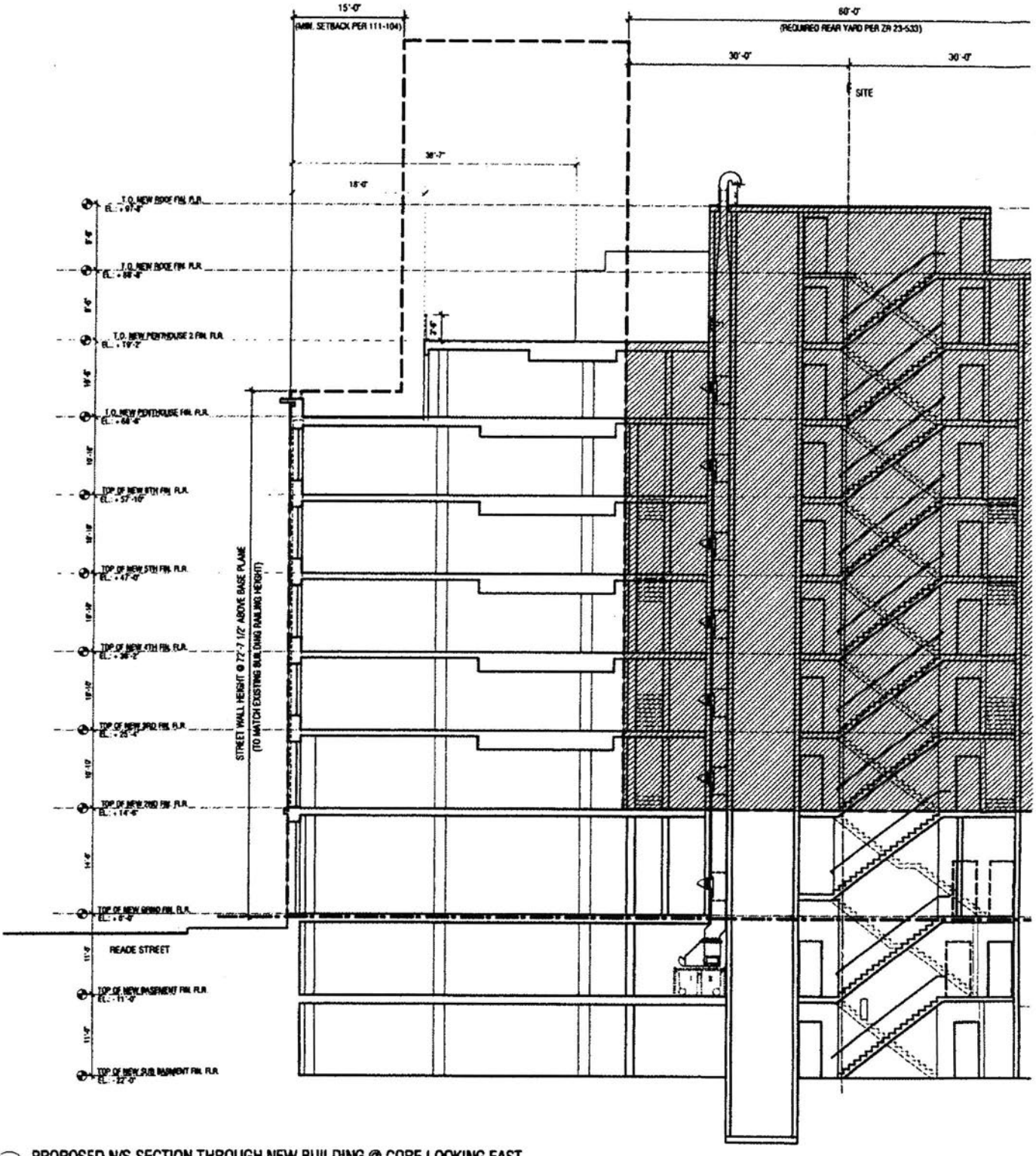
77 READE STREET
NEW YORK, NY 10007

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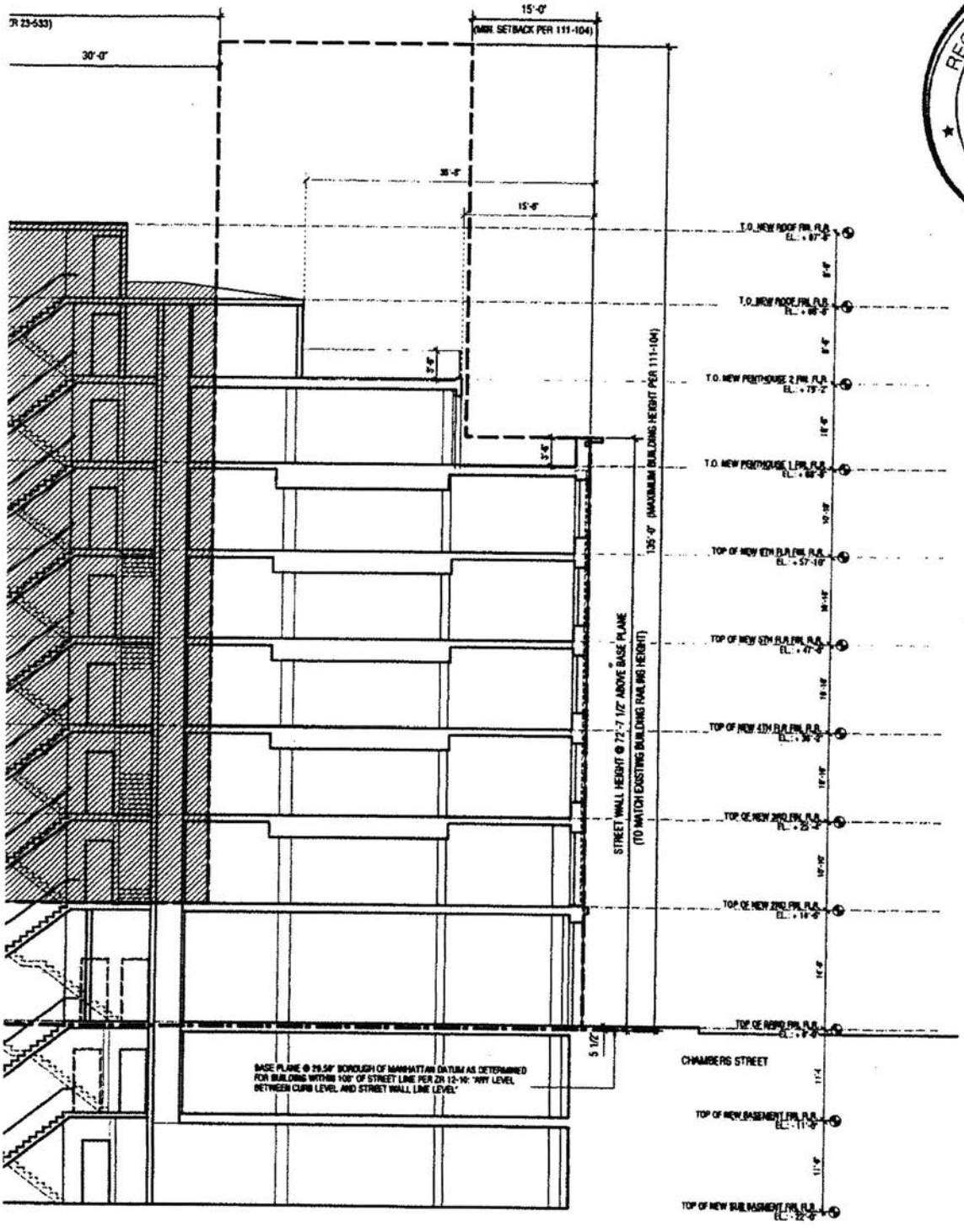
PROPOSED SECTION

FILE:	DRAWING NUMBER:
SCALE: AS NOTED	A 402
PROJECT NO.: 0611	

A 402 (2 OF 2)



1 PROPOSED N/S SECTION THROUGH NEW BUILDING @ CORE LOOKING EAST
SCALE: 1/16" = 1'-0"



LEGEND:

REQUESTED MODIFICATION OF REAR YARD EQUIVALENT REQUIREMENT (ZR 23-533)

AS-OF-RIGHT BULK ENVELOPE

REGISTERED ARCHITECT
JOHN KRETVLIN
NO. 015465
STATE OF NEW YORK

BSR - Filing	07.11.07
ISSUE	DATE

PROJECT ARCHITECT:

BKSK ARCHITECTS, LLP

PROJECT NAME:

77 READE STREET
NEW YORK, NY 10007

DRAWING TITLE:

FILE:

DRAWING NUMBER:

SCALE: AS NOTED

A 403

PROJECT NO.: 0811