CONDOMINIUM OFFERING PLAN

32 CLINTON CONDOMINIUM

Located At

32 Clinton Street a/k/a 172 Stanton Street
New York, New York County, New York 10002

Total Offering Price for 4 Residential Units & 2 Commercial/Community Facility Units Offered hereby is $10,760,250.00

See Section of Plan titled, "Working Capital Fund" for details concerning the Working Capital Fund. There is no Reserve Fund.

Sponsor:

32 CLINTON ASSOCIATES LLC
c/o Merchants Properties, Inc.
20 Clinton Street, #4A
New York, New York 10002

Selling Agent:

MERCHANTS PROPERTIES, INC.
20 Clinton Street, #4A
New York, New York 10002
(212) 475-2280

DATE OF ACCEPTANCE FOR FILING: 12/17/08. THE TERM OF THIS OFFERING IS TWELVE MONTHS FROM THE DATE THE PLAN WAS ACCEPTED FOR FILING. THE TERM MAY BE EXTENDED BY AN AMENDMENT TO THE PLAN.

SEE PAGE iii FOR SPECIAL RISKS TO PURCHASERS.

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

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

TABLE OF CONTENTS

PART I

SECTION		PAGE
A.	SPECIAL RISKS	iii
B.	INTRODUCTION	1
C.	DEFINITIONS	7
D.	DESCRIPTION OF PROPERTY AND IMPROVEMENTS	11
E.	LOCATION AND AREA INFORMATION	17
F.	OFFERING PRICES AND RELATED INFORMATION, SCHEDULE A	23
G.	BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION, SCHEDULE B	28
H-1.	COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i).	39
H-2.	COMMMERCIAL/COMMUNITY FACILITY UNITS	41
H-3.	CHANGES IN PRICES AND UNITS	45
I.	INTERIM LEASES	47
J.	PROCEDURE TO PURCHASE	48
K.	ASSIGNMENT OF PURCHASE AGREEMENTS	56
L.	EFFECTIVE DATE	57
M.	TERMS OF SALE	58
N.	UNIT CLOSING COSTS AND ADJUSTMENTS	63
O.	RIGHTS AND OBLIGATIONS OF THE SPONSOR	71
Q.	CONTROL BY THE SPONSOR	78
R.	BOARD OF MANAGERS	79
S.	RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND THE BOARD OF MANAGERS	82
T.	REAL ESTATE TAXES	96
U.	INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM	100
V.	OPINIONS OF COUNSEL	103

SECTION		PAGE
W.	RESERVE FUND	119
X.	WORKING CAPITAL FUND	119
Y.	MANAGEMENT AGREEMENT CONTRACTS AND LEASES	120
Z.	IDENTITY OF PARTIES	122
AA.	REPORTS TO UNIT OWNERS	124
BB.	DOCUMENTS ON FILE	125
CC.	GENERAL	125
DD.	SPONSOR'S STATEMENT OF SPECIFICATIONS	126

PART II

SECTION		PAGE
DOCUMENT 1	PURCHASE AGREEMENT	129
DOCUMENT 2	POWER OF ATTORNEY	155
DOCUMENT 3	FORM OF UNIT DEED	157
DOCUMENT 4	DESCRIPTION OF PROPERTY AND SPECIFICATIONS	161
DOCUMENT 5	FLOOR PLANS	177
DOCUMENT 6	DECLARATION OF CONDOMINIUM	189
DOCUMENT 7	BY-LAWS	215
DOCUMENT 8	CERTIFICATIONS	261
DOCUMENT 9	APPLICATION FOR DISPUTE RESOLUTION	273
DOCUMENT 10	MODEL FORM OF ESCROW AGREEMENT	279

A. SPECIAL RISKS

1. Sponsor is reserving the unconditional right to rent rather than sell the Units. The decision to sell, or rent any Unit shall be made in the sole discretion of the Sponsor. There is no requirement in the terms of the Sponsor's construction loan financing that a minimum number of Units shall be under contract before the Sponsor may declare the Plan effective. See Section B. "Introduction" and Section Q Paragraph (9) "Obligations of Sponsor" for more details.

Sponsor is able, pursuant to existing law and regulation, to declare the Plan effective by selling a minimum of 1 Unit (15% or more of the Units) in the Building. Even if the Plan is declared effective with a minimum number of sales, which in this case would be 1 Unit , it is possible that the Sponsor may be able to convert the Building with fewer than 1 Unit if Purchasers under contract and counted towards effectiveness do not ultimately purchase their 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 (may be more than 50%) of the Units in a building be sold before the lender will consider making a loan. Thus it may be possible for a Purchaser to experience difficulty in obtaining a loan in a building where the percentage of Units purchased is lower than a lender's particular sales minimum.

Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell a Unit if prospective purchasers are unable to obtain a loan due to such minimum sales requirements. See Section B "Introduction" for further details.

2. The By-Laws of the Condominium do not include a provision that after an initial Sponsor voting control period of no more than 2 years a majority of the Board of Managers must be owner occupants or member's of an owner occupant's household who are unrelated to Sponsor or its principals. Because Sponsor is retaining the right to rent rather than sell Units, this Plan may not result in the creation of a Condominium in which a majority of the Units are owned by owner occupants or investors unrelated to Sponsor. Moreover owner occupants may never control the Board of Managers of the Condominium under the terms of this Plan. Owner occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase of the Unit as a home rather than an investment. See Sections Q "Control by Sponsor" and R. "Board of Managers for further discussion.

3 Until the earlier of the sale of one hundred percent (100%) of the Units or 5 years from the First Closing (the "Sponsor Control Period"), Sponsor or its designee, will have the right to exercise voting control of the Board of Managers and to run the affairs of the Condominium. During this period, Sponsor or its designee will thus have control of the level of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Unit Owners, and the enforcement of the obligations of Sponsor or its designee.

The Sponsor or its designee shall be entitled to designate a majority of the members of the Board of Managers for so long as the Sponsor or its designee own at least one Unit. The number of Board members may not be changed except in accordance with the procedures described in the By-Laws. See Section Q of the Plan titled, "Control by Sponsor," for further details.

4. As long as Sponsor or any Sponsor designee shall continue to own Units having appurtenant thereto in the aggregate twenty-five (25%) percent or more Percentage of Common Interest but in no event for a period in excess of five (5) years from the date of the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Plan for the Property to the extent that the aggregate amount of such fund does not exceed 4.00% of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (iv) increase the number of employees from that described in Schedule B of the Plan or (v) provide for new or additional services from those indicated in Schedule B of the Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common elements or assessment of any Common Charge for expenses required to comply with applicable law or regulation, to remedy any notice of violation or to remedy any work ordered by an insurer. See Section Q. of the Plan titled "Control by Sponsor," for further details.

5. If a Purchaser defaults under a Purchase Agreement, Sponsor shall notify such Purchaser in writing of such default and advise Purchaser that the Purchaser has thirty-five (35) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. Time is of the essence for the Purchaser to cure any default under the Purchase Agreement within such thirty-five or thirty day period. "Time is of the essence" means that if the default is not timely cured the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the down payment deposit, together with interest accrued, if any, any amounts paid by the

Purchaser for any special work shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void.

If through no fault of Sponsor, Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date and Sponsor does not have the right to, or does not elect to, cancel this Agreement as a result of same, (a) the adjustment for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally schedule Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments of Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his or her Unit on the rescheduled Closing Date. See Section J titled "Procedure to Purchase," for further details.

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement, or in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise in enforcing either Sponsor's rights or Purchaser's obligations thereunder, except in the event where Purchaser has prevailed in a dispute involving the Purchase Agreement. See Section J., titled "Procedure to Purchase," for further details.

6. No bond or other security has been furnished to secure the performance of Sponsor's obligations. Although at the time the Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. In the event that Sponsor is unable to perform its obligations pursuant to the Plan, Sponsor shall cease all sales activity and amend the Plan to disclose its current financial condition. The amendment will also provide that all Purchasers will be given, for a period of fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to an interim lease, will be conditioned upon the cancellation of any interim use and occupancy agreement and surrender of possession of his or her Unit within fifteen (15) days thereafter. Please see Section O titled "Rights and Obligations of Sponsor," for further details.

7. Pursuant to the terms of the Plan and the Purchase Agreement contained in Part II, the Purchaser is required to pay as a closing cost the New York City Real Property Transfer Tax ("RPT Tax") and the New York State Real Estate Transfer Tax ("Deed Stamps").Under Article 31 of the New York State Tax Law and Title 11 Chapter 21 of the New York City Administrative Code these taxes are imposed upon the grantor. However, the obligation may be transferred to the purchaser if such obligation is imposed on the purchaser by the terms of the sale. For purposes of paying these taxes with respect to this transaction, consideration also includes the amount of the RPT Tax and deed stamps to be paid for the Unit in question. See Section N titled "Unit Closing Costs and Adjustments," for further details.

Under the New York State Tax Law Section 1402-a, a tax of one percent (1%) of the consideration (or part thereof attributable to the residential real property being conveyed) is payable by the grantee (Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is $1,000,000.00 or more (the "Mansion Tax"). A Purchaser under the terms of the Plan and the Purchase Agreement shall be responsible for the payment of the Mansion Tax due, if any, at the closing of title of the Unit. For purposes of paying this tax with respect to this transaction, consideration also includes the amount of the RPT Tax and deed stamps to be paid for the Unit in question. See Section N titled "Unit Closing Costs and Adjustments," for further details.

8. Pursuant to the terms of the Plan, Sponsor may declare the Plan effective when Purchase Agreements have been executed and accepted by Sponsor for the sale of one (1) Unit, which represents twenty percent (20%) of the total number of Units offered for sale under the Plan. The availability of financing to Purchasers may be limited based upon such number of sales. Lenders may require a greater number of sales prior to financing the purchase of a Unit. Even if the Plan is declared effective with such number of sales, it is possible that the Sponsor may be able to convert the Building to condominium ownership with fewer than such number of sales, if Purchasers counted toward effectiveness do not ultimately close on the purchase of their Units. See Section L of the Plan titled "Effective Date of the Plan" for further details.

9. In accordance with Section 71-a(3) of the New York State Lien Law the Sponsor has appointed the law firm of, Dennis R. Krasner, Esq. Attorney at Law as Escrow Agent to hold all deposits, down payments or advances, other than the deposit for a copy of the Plan, received by it from a Purchaser, either directly or through its agents or employees, in trust, whether received before or after the date of the First Unit Closing, in a special segregated escrow account at Citibank N.A. located at 201 West 34th Street, New York, NY 10001, titled "Dennis R. Krasner 32 Clinton Condominium IOLA Escrow Account" or a similar name within five (5) business days after the Purchase Agreement is executed by all necessary parties and an original is delivered to the Purchaser. This bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. If an individual makes a down payment in excess of $100,000 for the purchase of a Unit, it is a

special risk of this offering that such deposit will not be federally insured in excess of $100,000. See Section J. of the Plan titled "Procedure to Purchase", for further details.

10. The Sponsor's attorneys have opined in Section V. "Opinions of Counsel" that the Condominium will not qualify as a "Condominium Management Association" under Section 528 of the Internal Revenue Code of 1986, as amended, due to the Commercial Units being in excess of 15% of the total square foot space of all of the Units in the Building. There is no provision in the budget for the income taxes that might have to be paid by the Condominium and should it have to pay taxes on the common charges collected the funds to pay this would have to come out of the contingency fund. If this is not sufficient then the Board would have to assess Unit Owners to pay for the taxes due. The Sponsor projects that the amount of taxes that will have to be paid should be de minimus due to the absence of income other than Common Charges and the offset of Common Charges by Common Expenses. The Condominium will have no income other than Common Charges and the only possibility of having to pay income taxes would be if Common Charges collected for the year exceed the actual Common Expenses paid or accrued for the year. Therefore there is no item in the budget for income taxes. For further details regarding Section 528, see Section V. of the Plan entitled, Opinions of Counsel" for further details.

11. The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title to the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without abatement in the Purchase Price, or not repair or restore such Unit and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss with respect to the Unit. Additionally, in such case, Purchaser shall be solely responsible for any damage to, loss or other condition in the Unit and Sponsor shall not be obligated to repair any damages to the Unit and/or, including but not limited to its appliances, fixtures and equipment. For further details see Section J. of the Plan titled "Procedure to Purchase."

12. The Sponsor does not warrant the materials, design or workmanship of the Limited Common Elements, if any, or the Common Elements. The Sponsor shall not be obligated to correct any defects in the materials, design, installation or workmanship except to the extent as expressly set forth below.

The Sponsor shall correct any material defects in the materials, design, installation or workmanship of the Limited Common Elements, if any and Common Elements due to substantially improper workmanship, substantially inferior design or installation or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects with respect to the Common Elements by the Board of Managers as to patent defects within 6 months from the date the Sponsor relinquishes control of the Board and as to latent defects within 6 months from the date that the latent defect was discovered or could have been discovered. Notwithstanding the foregoing, the statute of

limitations is 6 years with respect to contract claims and 2 years with respect to fraud claims from the time that the fraud is or could have been discovered.

The Sponsor is obligated to complete construction of the Building in accordance with all applicable codes and filed building plans and specifications.

13. The projections of real estate taxes due for each Unit set forth in Section F "Offering Prices and Related Information, Schedule A" for the anticipated First year of Condominium Operation are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the City of New York and future increases in the tax rates for the City of City of New York, Sponsor shall amend the Plan to set forth the revised estimates. The post construction 100% completion assessed valuation of the Units has been projected by Sponsor based upon the opinion of Podell Schwartz Schechter & Banfield its real estate tax attorneys to be approximately $895,000 and with the projected tax rates as set forth below, the total amount of taxes for all Units without any 421-a tax exemption would be as follows:

Tax (Period Covering)	Assessment	Rate	Total Taxes
July 1, 2009 to June 30, 2010	$895,000.00	11.928%	$106,800

BASED UPON THE ABOVE THE TOTAL TAXES FOR ALL UNITS WITHOUT ANY 421-A TAX EXEMTION AND ABATEMENT WOULD BE APPROXIMATELY $106,800

The Sponsor has allocated the taxes to the individual Units based upon their Percentage of Common Interest. There is no guaranty that the City will assess the Units based upon this method and the City may assess the Units differently than that used to compute the projected real estate taxes in Section F. "Offering Prices and Related Information, - Schedule A."

See the Footnotes Notes to Schedule A and Section T "Real Estate Taxes" for more discussion of the projections of the real estate taxes for the Units.

THE PLAN AND THE OBLIGTION OF PURCHASERS TO CLOSE ARE NOT CONTINGENT UPON THE PROPERTY RECEIVING ANY 421-A TAX BENEFITS OR OF RECEIVING BENEFITS IN ANY SPECIFIED AMOUNT. PURCHASER SHOULD EXAMINE THE PROJECTIONS FOR REAL ESTATE TAXES FOR THE UNITS WITHOUT ANY 421-A TAX BENEFITS SET FORTH IN SCHEDULE A FOR THE PROJECTIONS OF THE REAL ESTATE TAXES THAT THEY WILL HAVE TO PAY.

The Sponsor has not yet but will apply for 421-a benefits prior to the issuance of a temporary or permanent certificate of occupancy for the Building.

In the opinion of Sponsor's consultant in Section V. "Opinions of Counsel" the Property will not be affected by a reduction in benefits if the New York State legislature passes changes analogous to those passed to Article 11 of the Administrative Code of the City of New York by the New York City Council on 12/20/06 and signed by Mayor Bloomberg on 12/28/06 (Intro486-A) which became effective on 1/1/08.

14. It is a special risk of this Plan that the Sponsor intends to apply but will not have obtained real estate tax exemption benefits for the Property under Real Property Tax Law Article 421-a ("421-a") before the First Closing. Nevertheless, the Sponsor reserves the right to transfer title to any Unit before its application has been approved. Transfer of title will not release the Sponsor from the obligation to apply for the benefits and pursue the application diligently on behalf of the Unit Owners. Sponsor cannot apply for real estate tax exemption benefits until it has obtained a permanent Certificate of Occupancy for the Building. The Sponsor estimates that its application for real estate tax exemption benefits will be completed within six (6) months after the First Closing.

The Sponsor shall remain liable to submit the application and proceed in good faith with the application, at its sole cost and expense, until the application is either granted in full or in part or rejected in full or in part by the New York City Department of Housing Preservation and Development ("HPD"). However the Sponsor shall not be liable to any Purchaser or Unit Owner in any respect whatsoever should HPD deny benefits either in whole or in part provided Sponsor has submitted the application in a timely fashion to HPD and proceeded in good faith to prosecute the application with HPD until its final conclusion.

THE PLAN AND THE OBLIGTION OF PURCHASERS TO CLOSE ARE NOT CONTINGENT UPON THE PROPERTY RECEIVING 421-A TAX BENEFITS OR OF RECEIVING BENEFITS IN ANY SPECIFIED AMOUNT. PURCHASERS SHOULD EXAMINE THE PROJECTIONS FOR REAL ESTATE TAXES FOR THE UNITS WITHOUT ANY 421-a TAX BENEFITS SET FORTH IN SCHEDULE A FOR THE PROJECTIONS OF THE REAL ESTATE TAXES THAT THEY WILL HAVE TO PAY

The Sponsor has not yet but will apply for 421-a benefits prior to the issuance of a temporary or permanent certificate of occupancy.

In the opinion of Sponsor's consultant in Section V. "Opinions of Counsel" the Property will not be affected by a reduction in benefits if the New York State legislature passes changes analogous to those passed to Article 11 of the Administrative Code of the City of New York by the New York City Council on 12/20/06 and signed by Mayor Bloomberg on 12/28/06 (Intro486-A) which became effective on 1/1/08.

See Section T "Real Estate Taxes" Part (7) for a discussion of the real estate tax exemption and abatement benefits and the opinion of Sponsor's counsel as to real estate tax exemption and abatement benefits in Section V. "Opinions of Counsel".

15. Notwithstanding anything contained in the Plan to the contrary, until title to all Units has been conveyed, the Sponsor or its designee as the owner of any Unsold Units, may decide that all Unit Owners will, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of each Unit's Common charges, provided that such "in lieu" payments are less than the Common Charges then due, an amount which equals each Unit's proportionate share (based upon each Unit's Percentage of Common Interest) of the total cost necessary to operate the Condominium with the services to be provided under the Plan. See Section O of the Plan titled "Rights and Obligations of Sponsor," for further details.

16. It is a special risk of this Offering that the Units shall be conveyed subject to the following:

1) Survey made by Earl B. Lovell - S.P. Belcher, Inc. dated April 8, 2001 and updated April 25, 2007 showing the following:

A) Vacant Land
B) Chain link fence and gate varies 1" north to 1" south of southerly line;
C) Chain link fence varies 4" east to 5" west of westerly line;
D) Old party wall lies on northerly line;
E) Old party wall lies up to 7" south of northerly line;
F) Iron column lies up to 6 ½" south of northerly line;
G) Chain link fence lies up to 8" south of northerly line;
H) Stone retaining wall lies up to 1' 6" south of northerly line;
I) Independent wall lies up to 3" east of easterly line;
J) Column lies up to 2 ¼" east of easterly line;
K) Fences and walls vary along record lines.

See Section M. "Terms of Sale" for further discussion.

17. It is a special risk of this Plan that prior to closing Purchasers may not publicly offer their Units for sale or assign their Purchase Agreements, without the prior written consent of the Sponsor which may be withheld in the Sponsor's sole discretion. See Section S "Rights and Obligations of the Unit Owners and the Board of Managers for further discussion.

18. If the net closing adjustments are in favor of the Sponsor they will be paid by the Board of Managers from the Working Capital Fund. However, the Closing adjustments to be paid by the Board of Managers to the Sponsor at the First Closing shall not reduce the Working Capital Fund below $2,000.00. In connection therewith the Board of Managers may pay any excess Closing Adjustments in twelve equal monthly

installments starting the month after the Working Capital Fund is equal to or greater than $2,000.00. Such amounts due the Sponsor will be evidenced by an unsecured promissory note payable with interest at a rate of ten (10%) percent per annum to be executed by the Board of Managers on behalf of the Unit Owners as of the First Closing. If such unsecured interest bearing promissory note is necessary, then payments to be made under the note may result in an increase in the Common Charges payable by the Unit Owners. See Section X. "Working Capital Fund."

19. The approximate square foot area of the Units as set forth in Schedule A is a gross square foot area measured from the exterior surface of the outer masonry walls to the middle of the demising walls (including the sheetrock) separating a Unit from another Unit or the Common Elements and may significantly exceed the actual usable interior space by as much as ten percent. See Section F "Offering Prices and Related Information - Schedule A.".

20. All funds received by Sponsor for upgrades or extras, if any, must initially be placed in the Escrow Account. However, Purchasers should note as a special risk that such funds may be released from the Escrow Account by the Escrow Agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. See Section J. "Procedure to Purchase."

21. Any rooms designated on the Unit Floor Plans or on Schedule A as "recreation rooms" or "storage rooms", if any, may not be used as bedrooms, dining rooms or other habitable space. Any such use is a violation of the NYC Building Code and the Certificate of Occupancy and would subject the owner to having violations imposed on the Unit by the Environmental Control Board.

22. The Commercial/Community Facility Units may be used for any purpose permitted by the applicable zoning laws and by the Certificate of Occupancy for the Building such as for a retail store, an insurance office, travel agency, a doctor or dentist's office, a physical therapist office etc. , except that the Commercial/Community Facility Units may not be used for certain uses that may be deemed objectionable by the Residential Unit Owners such as for any adult uses as such is defined by any applicable New York City or State laws and regulations, and also as a massage parlor, tattoo shop, drug paraphernalia shop, theater, night club, coffee shop, restaurant, luncheonette and other such potentially objectionable uses (See Article 5 of the By-Laws.)

23. Purchaser of a previously occupied Unit, if any, will be purchasing the Unit "as is" unless the Sponsor agrees in writing to do any work in the Unit.

24. Because the Board does not have the right to approve Purchasers, this Plan may not result in the creation of a Condominium in which a majority of the Units are owned by owner occupants. Owner occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase of the Unit as a home rather than an investment.

25. The Commercial/Community Facility Unit Owner(s) shall have the right, without the payment of any fee or charges to the Condominium, the Board of Managers or the Managing Agent, to sell or lease the Commercial/Community Facility Unit(s), or any part thereof, without the Board of Managers having any right of first refusal to purchase or lease such Unit, and all sale and/or rental proceeds shall belong solely to the Commercial/Community Facility Unit Owner in question.

26. The Owner(s) of the Commercial/Community Facility Unit(s), and any tenant or tenants of the Commercial/Community Facility Unit(s) pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation, and with the consent of the Board of Managers, which consent shall not be unreasonably withheld, to install, repair and maintain either within or in the immediate location of the Commercial/Community Facility Unit below the windows at the 2nd floor level and on the sidewalk adjacent to the Commercial/Community Facility Unit(s) entrance or entrances, a sign or signs, which may be illuminated, including neon, flags, banners, lettering, fixtures or decorations of any size, material or content, for advertising or identification purposes.

27. In the event of a dispute between the Commercial/Community Facility Unit Owner(s) and the Board of Managers of the Condominium as to any issue relating to the Commercial/Community Facility Unit(s), the Commercial/Community Facility Unit Owner(s) or any tenant of the Commercial/Community Facility Unit(s) and the Board of Manager of the Condominium shall be obligated to arbitrate, on an expedited basis, the dispute pursuant to the provisions of Article 10 of the By-Laws of the Condominium. The decision of the arbitrators shall be final and binding.

28. Amounts due the Sponsor for "Net Closing Adjustments" will be evidenced by an unsecured promissory note payable with interest at a rate of ten (10%) percent per annum to be executed by the Board of Managers on behalf of the Unit Owners as of the First Closing. If such unsecured interest bearing promissory note is necessary, then payments to be made under the note may result in an increase in the Common Charges payable by the Unit Owners. See Section N. "Closing Costs and Adjustments" for details.

29. The Managing Agent for the building under the Plan, Merchants Properties Inc., is owned by Linda M. Mekeel, one of the principals of the Sponsor. In the opinion of Sponsor, the annual fee charged by the Managing Agent is comparable to a fee that would be charged by a wholly independent company for managing the building and is not at an above or below market rate. See Section Y "Management Agreement, Contracts and Leases" for further details.

B. INTRODUCTION

1. The Offering

The purpose of this Offering Plan ("Plan") is to set forth all of the material terms of the offer of Sponsor to sell. The Sponsor may from time to time amend this Plan by filing an amendment with the Real Estate Finance Section of the Investment Protection Bureau of the New York State Attorney General's Office (the "Attorney General's Office"). Copies of any amendments will be served on all offerees as defined in Part 20 of Title 13 NYCRR Section 20.1(d) (the "Regulations"), including without limitation, all Purchasers and Unit Owners, when an amendment is filed with the New York State Department of Law.

2. The Condominium and Condominium Act

The condominium shall be known as "32 Clinton Condominium" and is herein called the "Condominium" in the Plan. The Condominium is subject to and shall comply with the New York Condominium Act, New York Real Property Law Article 9-B, Sections 339-d to 339-ii (the "Condominium Act").

3. The Sponsor

32 Clinton Associates LLC, a limited liability company duly organized pursuant to the laws of the State of New York, is the Sponsor of this Plan ("Sponsor"), for the conversion to condominium ownership of certain parcel of land (the "Land") and the buildings erected thereon (collectively the "Building") with an address of 32 Clinton Street, a/k/a 172 Stanton Street, New York, NY 10002-1703. The Land and Building are sometimes collectively referred to herein as the "Property". The principals of the Sponsor are Sheldon Reiter, Linda Mekeel, Russell Reiter, Lowell Reiter and Richard Reiter.

Leonard and Ellen Binder and the William H. Druckemiller Family Limited Partnership each own more than a 10% membership interest in the Sponsor, but are not principals of the Sponsor as defined in the regulations.

Fee title to the Property was acquired by the Sponsor under bargain and sale deed dated May 29, 2007, between 172 White Mountain Ltd. as grantor and the Sponsor as grantee.

Sponsor is reserving the right to rent rather than sell the Units. The decision to sell, or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and shall be in the sole discretion of the Sponsor. There is no requirement in the terms of the Sponsor's construction loan financing that any minimum number of Units shall be under contract before the Sponsor may declare the Plan effective. The release price for a Unit is 100% of the net sale price.

Although it is Sponsor's intention to sell the Units, Sponsor is not obligated to offer or sell all of the Units within any set period of time. The Sponsor reserves the right not to offer or sell any of the Units and rather to rent any or all of the Units. As a result it is possible owner occupants of Units will never be in control of the Condominium and that the Sponsor or its designee, or non-occupant owners shall be in a majority. The decision of the Sponsor to sell or rent will depend entirely upon the current market conditions at the appropriate time and thus it is not possible for the Sponsor to predict whether it will sell more the minimum required Units in order to declare the Plan effective.

4. Units Offered for Sale

The Sponsor hereby offers for sale four (4) Residential Units and two (2) Commercial/Community Facility Units which will be newly constructed in the Building. There are no other Units that will be constructed in the Building nor are there any interests in the Condominium that are not being offered for sale such as storage units, parking areas or recreational facilities. The Building will not have any garages or other onsite space for parking. Parking for Unit Owners will be on the street.

The purchase price for each Unit is set forth in Section F of the Plan titled "Offering Prices and Related Information, Schedule A".

5. No Additional Units Planned

As stated above there are no related offering plans or additional sections to be built that are related to this Plan. Therefore it is not contemplated that there will be any change in the number of Units to be built and/or the Percentage of Common Interest allocated to the Units as a result of additional Units being built.

6. Basic Features Of Condominium Ownership

(i) The ownership of a Residential Unit is similar in many respects to the ownership of a private home. Each owner of a Unit ("Unit Owner") owns fee title to a Unit space and is entitled to exclusive possession of such Unit space together with an undivided interest in and right to use the Common Elements and the exclusive right to use any limited common element to which the Unit has exclusive access.

(ii) A space owned exclusively by the Unit Owner, generally the space contained within the Unit, may be used and occupied by the Unit Owner as he or she sees fit, subject to certain restrictions contained in the Declaration and By-Laws of the Condominium. Common Elements such as a lobby, public stairways, roof areas, etc. are owned in common and may be used by a Unit Owner in common with all other Unit Owners and are subject to the control of the Board of Managers on behalf of all of the Unit Owners. A limited common element such as a balcony can be used exclusively by the Unit Owner whose Unit includes such balcony, but the limited common element is not part of the Unit

and may not for example be enclosed or decorated by the Unit Owner without the consent of the Board of Managers on behalf of all of the Unit Owners.

(iii) Pursuant to Sections 339(i) and (m) of the Condominium Act, the Board of Managers will assess against the Unit Owners, in proportion to each such Unit Owner's Percentage of Common Interest, charges for the maintenance, repair, replacement, and operation of the Property (the "Common Charges"). Common Charges will be based on the projected cash requirements of ownership and operation of the Property. The costs and expenses of operating the Condominium will be borne entirely by the Unit Owners in proportion that the Percentage of Common Interest allocated to their respective Units bear to the total Percentage of Common Interest of all Units.

At the Closing of a Unit, the Purchaser of such Unit will be required to make a contribution of an amount equal to two (2) months' common charges to the Working Capital Fund of the Condominium (see "Working Capital Fund" Section X.) Common Charges may, in the future, at the discretion of the Board of Managers, include an additional reserve for contingencies, replacements and/or repairs in such amount as the Board of Managers may decide is in the best interest of the Condominium (see "Rights and Obligations of Unit Owners and the Board of Managers" Section S. in Part I) which additional reserve may be reflected in increased Common Charges.

Although Common Charges will increase as cash requirements rise due to inflation and other factors, Common Charges do not include a profit for any landlord. The estimated Common Charges for the first year of Condominium operation for each Unit are set forth in "Offering Prices and Related Information, Schedule A" Section F of the Plan.

Charges for gas and electricity consumed by the Units for heating, air conditioning, cooking and hot water, will be separately metered and billed directly to the Unit Owner by the Utility or the Condominium. In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against a Unit by the City of New York, and interest and amortization payments on a mortgage, if any, encumbering a Unit and premiums on insurance carried by a Unit Owner.

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

(v) Each Purchaser will be free to obtain mortgage financing, but no representation is made as to the availability, conditions, or terms of any such financing (see "Rights and Obligations of Unit Owners and the Board of Managers " in Section S in Part I). A Purchase Agreement shall be contingent upon the residential Purchaser obtaining a mortgage loan commitment for a maximum of 75% of the Purchase Price. Once obtained it is the responsibility of the Purchaser to extend and/or renew his or her commitment until the Closing.

Provided that a lender accepts a Purchaser's credit, income, financial reputation, and other characteristics, and based upon a lender's appraised valuation of a Unit, a Purchaser may obtain a mortgage from a bank, trust company, insurance company, savings and loan association, pension fund or other institutional or non-institutional lender. Each Unit is separate from every other Unit and is not subject to the lien of any mortgage on any other Unit.

A Unit Owner may sell or lease his Unit to anyone without restriction or limitation, but any sale or lease of a Residential Unit by a Unit Owner will be subject to a right by the Board of Managers to acquire or lease such Unit, or to produce a third party to acquire or lease such Unit, on the same terms as were offered to the owner of such Unit (see "Rights and Obligations of Unit Owners and the Board of Managers" Section S, in Part I). The Sponsor or any other owner of an Unsold Unit, or the Commercial Unit Owners however, are not required to give the Board of Managers such a right of first refusal.

(vi) In accordance with the By-Laws of the Condominium, the Board of Managers will manage the affairs of the Condominium (see "Rights and Obligations of Unit Owners and the Board of Managers" Section S). At the first meeting of the Unit Owners, the Unit Owners will elect at least three and not more than seven persons who will serve on the Board of Managers. Thereafter, annual meetings shall be held in each succeeding year on or about the anniversary of the first meeting of the Unit Owners. At such meetings the Unit Owners shall elect by ballot, replacements for the members of Board of Managers whose terms expire that year, pursuant to the provisions of Article 2 of the By-Laws.

The Board of Managers will supervise the Property and manage the general affairs of the Condominium and of the Units. For a more complete discussion of the use and treatment of Common Elements, see generally the Declaration and By-Laws attached hereto as Documents 6 and 7 in Part II of the Plan.

The Board of Managers will assess against the Unit Owners, in proportion to their relative Percentage of Common Interest, charges for the maintenance and replacement of the Common Elements and for certain operating costs of the Property. Such assessment will be based strictly on the projected cash requirements of ownership, operation, maintenance, repair and replacement of the Common Elements of the Condominium; the Common Charges may include a reserve for contingencies, replacements and/or repairs in such amount as the Board of Managers shall decide is in the best interests of the Condominium (see "Common Elements" in Section D Introduction for a more detailed discussion).

The By-Laws of the Condominium do not include a provision that after an initial Sponsor voting control period of no more than 2 years a majority of the Board of Managers must be owner occupants or member's of an owner occupant's household who are unrelated to Sponsor or its principals. Because Sponsor is retaining the right to rent rather than sell Units, this Plan may not result in the creation of a Condominium in which a

majority of the Units are owned by owner occupants or investors unrelated to Sponsor. Moreover owner occupants may never control the Board of Managers of the Condominium under the terms of this Plan. Owner occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase of the Unit as a home rather than an investment. See Sections Q "Control by Sponsor" and R. "Board of Managers for further discussion.

(vii) After the First Closing, each Unit will be given a separate tax lot number and shall be separately taxed by the local taxing authority. Each Unit Owner is free to mortgage his or her Unit without the Board of Managers approval. (See "Offering Prices and Related Information, Schedule A" and the footnotes thereto in Section F for information about the projected real estate taxes). A Unit Owner will incur no liability if other Unit Owners fail to pay their real estate taxes or make payments on their mortgages

(viii) After Closing, a Unit Owner will be solely responsible for the maintenance of the Unit, and may decorate it as desired subject to compliance with any applicable governmental rules, regulations, permits or approvals which procurement of and compliance with shall be the sole responsibility of the Unit Owner.

(ix) The Board of Managers does not have the right to approve or disapprove of purchasers, other than a right of first refusal to purchase the Residential Unit, so that there is no limit on the number of owners who may purchase for investment rather than occupancy. There may always be a substantial number of Unit Owners who are non-residents. Owner occupants and non-resident owners may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase of the Unit as a home rather than an investment.

7. Equipment and Fixtures Included in Price

The equipment, fixtures and finishes described in the Plan and in the Sponsor's Architect's report are included in the Purchase Price of the Unit. The Sponsor reserves the right to amend the Plan to offer additional or "upgraded" equipment, fixtures and finishes to a Purchaser. The Purchase Price will then be adjusted based upon the types of additional or "upgraded" equipment, fixtures or finishes that a Purchaser selects.

8. Prices Not Subject to Approval

The Purchase Price of each Unit has been set by the Sponsor and is not subject to approval by the Attorney General's Office or any other governmental agency.

9. The Plan and Exhibits

This Plan is presented in two (2) parts (contained in this one volume) which, together with all Schedules and Parts A (Certifications), B (General), C (Engineering) and D (Broker Dealer Forms) of the Exhibits (separately filed with the Attorney General's Office), constitute the entire offering. Part I sets forth a general description of the offering and the Condominium. Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the Plan. Also included in Part II is a description of the Property and the specifications of the Building to be newly erected, renovated and/or rehabilitated upon the Land, as prepared by the Sponsor's Architect, certifications of Sponsor and Principals, Sponsor's Architect and a certification of an expert selected by Sponsor concerning the adequacy of the Budget For First Year of Condominium Operation, Schedule B. All of the documents are important and should be read carefully by prospective purchasers. Prospective purchasers are also advised to consult with their own attorneys or other advisors before agreeing to purchase. All capitalized terms used in Part I of the Plan shall have the meaning ascribed thereto in Part I "Definitions" Section C of the Plan unless otherwise indicated.

In accordance with Section 352-e (9) of the New York State General Business Law, copies of this Plan and all exhibits or documents referred to herein shall be available at the office of the Sponsor for inspection by Prospective Purchasers and by any person who shall have purchased a Unit offered by this Plan without charge and for copying at a nominal charge. Such copies will remain available for inspection during normal business hours at the office of the Sponsor for six (6) years from the date of first offering of this Plan. Copies of the Plan may be purchased by prospective Purchasers upon payment of one hundred ($100.00) dollars which will be fully refunded upon the prompt return of the Plan in the same condition.

10. Who May Purchase

Under the Condominium Act, a condominium unit may be owned by an individual, a corporation, a partnership, a limited liability company, an association or a trust. However, the Sponsor will not accept an offer of purchase from an individual younger than eighteen (18) years old or legally incompetent or in the sole judgment and discretion of Sponsor, in an entity not validly formed or an out of State entity not qualified to do business in the State of New York.

No binding obligation will arise for the sale of a Unit unless and until a Purchase Agreement, a copy of which is attached as Document 1 in Part II of the Plan, executed by both the Purchaser and Sponsor, has been exchanged and Sponsor has collected the funds constituting Purchaser's deposit (see "Procedure to Purchase" in Part I Section J for more details). Sponsor has the right to reject any prospective Purchaser without cause or explanation, provided that such rejection is not based on sex, race, creed, color, national origin, ancestry, marital status, age, disability, religion or other grounds proscribed by law.

The submission to Sponsor by a prospective purchaser of a purchase application and/or a Purchase Agreement does not mean that Sponsor has approved the prospective purchaser for purchase of the applicable Unit. Sponsor shall not be obligated to sell a Unit to any prospective purchaser until a duplicate Purchase Agreement, signed by Sponsor, is returned to the prospective purchaser (see "Procedure to Purchase" in Part I, Section J).

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

C. DEFINITIONS

The purpose of providing these definitions is for the convenience of the reader only. They shall not be deemed to be binding upon the Sponsor nor shall they control any of the terms of the Declaration, By Laws or any other documents annexed as Documents to the Plan. In the event of any conflict between these definitions and any of the terms of the Documents to the Plan the terms of the Documents to the Plan shall control and be applied.

"Appurtenant Interests" refers to the interest of a Unit Owner in (i) the Common Elements, (ii) any Units acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale there from or lease thereof, if any, and (iii) any other assets of the Condominium.

"Board of Managers" refers to the overall board of managers that represents the Unit Owners and manages the Condominium pursuant to the provisions of the By-Laws.

"Building" refers to the structure and other improvements, including below ground portions erected and as constructed on the parcels located at 32 Clinton Street a/k/a 172 Stanton Street, New York, New York 10002-1703, in Block 350 Lot 38 on the tax map of the Borough of New York, City of New York. The Building will have the street address of 32 Clinton Street a/k/a 172 Stanton Street, New York, New York 10002-1703

"By-Laws" refers to the rules governing the operation of the Condominium, the form of which is set forth in Document 7 in Part II of the Plan.

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

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

"Common Charges" refers to the charges payable to the Board of Managers by the Unit Owners for the purpose of meeting i) General Common Expenses which are paid by all

Unit Owners pro rata in proportion to each such Unit Owner's Percentage of Common Interest, ii) Commercial Common Expenses which are paid by all Commercial Unit Owners pro rata in proportion to each such Commercial Unit Owner's Percentage of Commercial Limited Common Interest and iii) Residential Common Expenses which are paid by all Residential Unit Owners pro rata in proportion to each such Residential Unit Owner's Percentage of Residential Limited Common Interest.

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

"Commercial Section Limited Common Elements" refers to the all areas, equipment, fixtures and/or facilities for the common use of all of the Commercial Units and the Commercial Unit Owners as described in the Declaration.

"Common Interest or Common Interests" refers to the proportionate undivided interest(s) in the Common Elements appurtenant to a Unit or Units.

"Condominium" refers to the Property which, when converted to condominium ownership in accordance with the provisions of this Plan, will be known as the "32 Clinton Condominium".

"Condominium Act" refers to the New York Condominium Act, as amended from time to time and presently found in the New York Real Property Law Article 9-B, Section 339-d to Section 339-kk.

"Date of Presentation" or "Presentation Date" of this Plan or any amendment hereto or any other document refers to the date that this Plan or any amendment hereto or any other document, as the case may be, is personally delivered to an Offeree or three (3) days after mailing to such Offeree if not personally served.

"Declaration" refers to the instrument creating the Condominium, as same may be amended from time to time, by which the Property is submitted to the Condominium Act, the form of which is set forth as Document 6 in Part II of the Plan.

"Down Payment" refers to the money that a person desiring to purchase a Unit must deliver to the Sponsor at the time such person delivers an executed Purchased Agreement in quadruplicate to the Sponsor.

"Effective Date" refers to the Date the Plan is declared effective (see "Effective Date" Section L).

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

"Floor Plans" refers to the floor plans of the Building prepared by CBA Architects and Consultants, as same may be amended from time to time, filed in the New York City Register's office of New York County.

"General Common Elements" refers to the Land, all structural parts of the Building including the foundations and supports of the Building up to the second floor, and all areas, equipment, fixtures and/or facilities for the common use of all the Units and the Unit Owners as described in the Declaration.

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

"Land" refers to the Property, excluding the Building and any other improvements located thereon.

"Managing Agent" refers to the management company to be designated by Sponsor to manage the Property at Closing, if any.

"Offeree" refers to (i) Purchasers who have executed and delivered Purchase Agreements for Units and are not in default thereunder; (ii) Unit Owners; and (iii) any other person who, pursuant to law, is an offeree of the Plan.

"Percentage of Common Interest" refers to the amount of Common Interest allocated and appurtenant to a Unit or Units expressed as a percentage. The total of the Percentage of Common Interest allocated to all Units shall equal 100%.

"Percentage of Commercial Limited Common Interest" shall mean the amount of Commercial Common Interest expressly allocated to the Commercial Unit(s) as set forth in Schedule A of the Plan. The total Percentage of Commercial Limited Common Interest of All Commercial Units shall equal 100%.

"Percentage of Residential Limited Common Interest" shall mean the amount of Residential Limited Common Interest expressly allocated to each Residential Unit and Storage Unit, if any, as set forth in Schedule A of the Plan. The total Percentage of Residential Limited Common Interest of all Residential Units and Storage Units, if any, shall equal 100%.

"Permitted Encumbrances" refers to those Unit title encumbrances to which a Purchaser agrees to take fee title subject to, as more particularly itemized on Schedule A annexed to the form of Purchase Agreement set forth as Document 1 in Part II of the Plan.

"Plan" refers to this Offering Plan for the conversion of the Property to Condominium ownership, as it may be amended from time to time.

"Property" refers to the parcels of Land and the Building to be erected located at32 Clinton Street a/k/a 172 Stanton Street, New York, New York 10002-1703 and as more particularly described in the Unit Deed set forth as Document 3 in Part II of this Plan that Sponsor plans to convert to condominium ownership pursuant to the provisions of this Plan.

"Punch List" refers to a memorandum of work in which the Sponsor and Purchaser agree to the work Sponsor must perform or complete in or to the Purchaser's Unit and which obligation of Sponsor shall survive closing of title to such Unit.

"Purchase Agreement" refers to the contract of purchase and sale for a Unit set forth as Document 1 in Part II of the Plan.

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

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

"Residential Section Limited Common Elements" refers to all areas, equipment, fixtures and/or facilities for the common use of all of the Residential Units and/or the Residential Unit Owners, all as described in the Declaration.

"Sponsor" refers to 32 Clinton Associates LLC having a business address at c/o Merchants Properties, Inc., 20 Clinton Street, #4A, New York, NY 10002.

"Unavoidable Delays" refers to delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body, lightning, earthquake, fire, storm, hurricane, flood washout, explosion, act of God or any cause whatsoever beyond the reasonable control of Sponsor whether or not similar to any of the causes hereinabove stated; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause beyond the control of Sponsor unless there is a nationwide collapse of the financial markets .

"Unit" or "Condominium Unit" refers to a space designated as a Unit in the Declaration, consisting generally of a specific residential space, or commercial space in the

Building and an appurtenant proportionate undivided interest in the Common Elements. All such Units are collectively referred to as "Units".

"Unit Owner" refers to the owner of fee title to a Unit.

"Unsold Unit" refers to a Unit owned or retained by Sponsor or its designee, or a Unit for which a prospective Purchaser is in default under the terms of his purchase agreement past any applicable cure period, or a Unit the Sponsor has not sold, or a Unit that is acquired, individually or collectively, by one or more members of a group that consists of the Sponsor or a partner of the Sponsor, or by a group that consists of the Sponsor or a partner of the Sponsor and a person or persons joined with the Sponsor.

D. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

1. General Description of Property and Improvements

A. Land The Land consists of one (1) parcel rectangular in shape with dimensions of approximately 75 feet by 27 ½ feet with a total square footage of approximately 2,063 square feet. The Land is located at the intersection of the northerly side of Stanton Street and the easterly side of Clinton Street in the City, County and State of New York. The Land has a frontage of 27 ½ feet on Clinton Street. The address is 32 Clinton Street a/k/a 172 Stanton Street, New York, New York 10002-1703 and the current tax map designation for the Land is Block 350 Lot 38.

B. Building The Building to be newly constructed will be five stories plus penthouse above grade and a cellar. The Building will have a residential entrance on Clinton Street and commercial entrances on Stanton Street.

C. Units There will be a total of six (6) units in the Condominium. Four (4) Residential Units will be situated on the second through the penthouse of the Building, and two (2) Commercial/Community Facility Units on part of the cellar and ground floor. Detailed descriptions of the Units are set forth in Document 6 the "Declaration" and in Document 4 "Description of Property and Specifications" in Part II of the Plan. See also "Changes in Prices and Units" in Part I, Section H-2 of the Plan. Below is a summary description of the appliances, finishes and equipment of the Units.

(i). Kitchens

Kitchens will have Kohler sinks and faucets or equivalent, Wolf stove or equivalent, Best range hood or equivalent, Miele dishwasher or equivalent and Sub-zero refrigerator or equivalent as described in the Architect's Narrative Report. The kitchen cabinets will be made of engineered wood with granite countertops, stainless steel sink and glass tile back splashes or equivalent. The kitchen floor will be maple and the walls will be painted.

(ii) Bathrooms

Bathrooms will have ceramic tile or equal floors and walls. Bathroom vanity will be wood veneer or paint grade or equal with granite or equal counter top. Fittings and hardware will be Hansgrohe, Duravit, Omnia or better.

(iii) Flooring

Units will have clear maple or better flooring throughout except in kitchens and baths.

(iv) Windows

The windows will be double glazed low E glass with anodized aluminum frames, mullions and muntins. The windows will be of casement design with screens provided. There are no lot line windows.

(v) Heating, Ventilation and Air-Conditioning

Each Residential Unit shall have forced air heating supplied by an individual furnace in each Unit. Hot water will be supplied by an individual hot water heater in each unit. Air conditioning shall be provided by means of a split system with condensing units on the roof and air handlers in the units. The heating, hot water and cooking shall be run on gas provided by Con Edison or the Condominium with individual gas meters for each Unit.

Bathrooms and kitchen areas will be mechanically ventilated to the outside by means of exhaust fans.

(vi) Security/Safety

Each Unit will have a combination hardwired fire and carbon monoxide detector mounted on the ceiling near each bedroom. Each Unit will have a voice intercom connected to the front entrance door which will be able to trigger an electronic door lock on the front entrance door and elevator entrance key to each Unit. The building will be sprinklered throughout.

(vii) Lighting

Each Unit will have ceiling and/or wall mounted light fixtures in bedrooms, kitchen, dining area, hall areas, walk-in closet, boiler room and utility room.

(viii) Doors

Entrance doors from the stairway to Units will be steel, aluminum or fiberglass in accordance with the building code.

Reference should be made to Document 4 "Description of Property and Specifications" in Part II of the Plan for the manufacturer, model number and specifications of the foregoing appliances and equipment. As more fully set forth in Document 4, these fixtures, appliances and equipment are subject to change by Sponsor. Sponsor may agree with any Purchaser to make modifications or changes in any Unit or to do special work therein or to provide different or additional appliances, equipment, furnishings or decorations. Sponsor shall not be bound to make any such modifications or changes, perform any special work or to include in any sale different or additional appliances, equipment, furnishings or decorations unless agreed to by Sponsor in a written instrument which is incorporated as an addendum to the Purchase Agreement. Each Unit and the fixtures and personal property contained therein, are being sold and delivered as described in the Plan at the time of transfer of title to such Unit, unless Sponsor and Purchaser otherwise agree in writing and signed by the Sponsor. Sponsor may not substitute equipment or materials of a lesser quality or design.

Sponsor and its designee reserve the right, without prior notice or amendment to the Plan, to use Unsold Units on any floor of the Building as sales offices and model apartments. In the event Sponsor or its designee, thereafter, elects to sell such Unsold Units, Sponsor or its designee may require the purchaser thereof to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unit, such amounts as Sponsor determines, which additional amounts shall be set forth in a duly filed amendment to the Plan.

A Unit Owner may only use his Unit for a purpose consistent with the local zoning ordinance, as amended from time to time, any other applicable ordinance or statute, and any regulation of a governmental authority with jurisdiction over the Condominium, including, but not limited to, local building codes and the Multiple Dwelling Law, as such statutes, ordinances and regulations may be amended from time to time, but in no event may a Unit Owner use his Unit for a use which violates the Declaration, By-Laws or the existing Certificate of Occupancy.

D. Common Elements

The Common Elements of the Condominium shall include, without limitation, the following: (a) the Land, (b) foundation and perimeter masonry walls, (c) floor joists and metal bracing, (d) the roof, parapet, roof hatch, copings, (e) entranceway, stairways, balustrades and vestibules; (f) water pipes, gas pipes, mechanical vents, boiler vents, ducts, vent pipes; (g) exterior and common area lighting; h) main entrance door, mailboxes, the exterior surfaces of all windows and doors; (i) water meter, electric meters, gas meter, panels, feeders and risers; (j) waste stack, sewer main, gutters and downspouts; roof drain,

(k) storage units in cellar and (l) all other parts of the Building and the apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance or safety of the Units.

The cost of maintaining, operating, repairing, replacing and/or restoring a Common Element will be the responsibility of the Condominium. A description of the Common Elements is set forth in Article 8 of the Declaration.

E. Parking Facilities: On street parking.

F. Recreational Facilities: None.

G. Amenities and Services:

(i) Laundry

Each Residential Unit is being supplied with a stackable washer dryer.

(ii) Mail

All incoming mail will be delivered to individual mailboxes located in the public Residential entrance hallway.

(iii) Janitorial Services

The Building will have a part time porter to clean the Residential portions of the Building.

This complies with the provisions of the New York State Multiple Dwelling Law and the Labor Laws and the New York City Administrative Code with regard to the requirements for staffing and provision of janitorial services where the owners reside in the building.

(iv) Refuse Disposal

Each Unit Owner will be responsible for storing and bringing their own trash and recyclables to the curb for collection by the City of New York Department of Sanitation for trash on Monday, Wednesday and Friday and for recyclables on Wednesday. There will be an area in the cellar for storing recyclables prior to pickup.

(v) Cable TV, Internet, Telephone.

Risers for cable TV, internet and telephone service will be run throughout the Building. This will enable Unit Owners to install these services in their Units, at their own expense, by running the wires through the risers and installing wiring and

outlets in their Units. Sponsor shall have no responsibility or liability for the operation, repair or maintenance of any of the wiring or outlets in a Unit and Sponsor makes no representation or guaranty as to the operation or quality of any cable, internet or telephone equipment or service. Each Unit Owner will be responsible for arranging and paying for the installation of telephone, cable, and internet service.

(vi) Elevator:

There will be one self-service elevator serving the Residential Units that will be key locked to limit access to each floor.

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

All determinations with respect to the continuance of any of the foregoing services, if initially made available, will be made by the Board of Managers, which will initially be controlled by the Sponsor. (See "Control by Sponsor" in Part I, Section Q of the Plan.)

Neither Sponsor, the Managing Agent, if any, nor the Board will in any event be liable for the availability, interruption, discontinuance or quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person other than Building personnel, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, except to the extent that any such injury to person or damage to property occurs as a result of the negligence of Sponsor, the Managing Agent or the Board, as the case may be.

(vii) Roof Deck

The roof deck for the 5th floor Unit will be fire proof wood or equivalent as per code.

H. Security Procedures:

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

(i) Entrances

The sole Residential entrance door will be on Clinton Street. The elevator will be accessed by key only. There will be a voice intercom system with buzzer for opening the entrance door. There are no cellar entrances to the Building.

(ii) Smoke Detector

A smoke/carbon monoxide detector(s) shall be provided in near each bedroom in each Unit in compliance with applicable codes.

(iii) Deliveries

Made through the front entrance door. There is no service entrance.

No representation or warranty is made and no assurance is given that the security system and procedures of the Condominium will prevent personal injury or damage to or loss of personal property. While Unsold Units are being offered for sale or lease by Sponsor or its designee, there will be a greater number of visitors to the Condominium than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, provided that any such failure is not caused by the negligence of the Sponsor or its designee, or the Managing Agent.

2. The Units shall include all equipment, fixtures, appliances and HVAC as described in Parts I and II of this Plan.

3. The construction of the Building, including the individual Units therein, will be substantially completed in accordance with the plans and specifications for the construction/renovation/rehabilitation of the Building which (to the extent required by law) are filed and approved by the Department of Buildings of the City of New York, (the "Plans and Specifications") and all applicable zoning and building laws, regulations, codes and other government requirements. Following completion of the construction of the Building, a series temporary Certificates of Occupancy for some of the Units and the Building and/or a permanent Certificate of Occupancy for all of the Units and the Building will be issued by the Department of Buildings of the City of New York and copies of the Plans and Specifications will be filed with the Department of Buildings of the City of New York.

4. Under the present construction schedule it is anticipated that the construction of the Building will be completed prior to January 1, 2009 and either a temporary or a permanent Certificate of Occupancy will be obtained by not later than January 1, 2009, both subject to Unavoidable Delays. Sponsor does not, however, warrant or guarantee the foregoing completion or occupancy dates for the Building.

The architect who prepared the Plans and Specifications and who filed and obtained the approved plans from the New York Department of Building is John N. Backos, RA, CBA Architects and Consultants, 27-07 24th Avenue, Astoria, New York 11102.

Sponsor reserves the right to amend or modify the Plans and Specifications in any way, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth therein or in Document 4 in Part II of the Plan ("Description of Property and Specifications"), and to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equivalent or better quality, provided that any necessary approval of any governmental authority having jurisdiction thereof is timely obtained. Any or all of the foregoing shall give rise to no right of rescission on the part of any Purchaser and may be made without prior notice or amendment to the Plan unless such change constitutes a material and adverse change affecting any such Purchaser.

Subject to Sponsor's right to not declare the Plan effective or to otherwise withdraw the Plan, as set forth in detail in "Effective Date" in Part I, Section L of the Plan, Sponsor shall complete the construction/renovation/rehabilitation of the Building within two years from the date on which the first Purchase Agreement is executed and delivered by Sponsor unless delayed by Unavoidable Delays or unless a Purchaser has undertaken the performance of certain work within the Unit owned or to be purchased by such Purchaser.

5. The Property and Building shall have access to the public streets of the City of New York who is responsible for maintaining the streets, including snow removal.

E. LOCATION AND AREA INFORMATION

1. Location and Area Information

Location

The Property is situated at the northeast corner of the intersection of Clinton Street and Stanton Street in the borough of Manhattan, City, County and State of New York. The Property is currently designated on the tax map of the City of New York as Section 2, Block 350 Lot 38 and will be known as Block 350 Lots 2001 through Lots 2006.

The neighborhood in which the Property is located is the Lower East Side/Bowery. The Lower East Side/Bowery is located on the lower east side of Manhattan and is bordered by the neighborhoods of Noho and East Village to the North, Greenpoint and Williamsburg Brooklyn to the East, Chinatown, Civic Center and the Financial District to the South and Little Italy and Soho to the West.

A great variety of stores, restaurants, movie theaters, retail and discount shopping, cultural institutions, houses of worship and hospitals and medical centers are located within a short distance from the Property.

Transportation:

Public Transportation is located conveniently near the Property. The New York City Subway System provides service from the immediate area of the Property to Brooklyn and Queens via the J, M and Z lines with stops. at the Bowery and Delancey Street and Delancey and Essex Streets, south to Brooklyn and north to upper Manhattan and Queens via the F and V lines with stops at Delancey and Essex Streets and Lower East Side-2nd Avenue and North to Manhattan and the Bronx and South to Brooklyn via the B and D lines with a stop at Grand Street and 2nd Avenue.

The New York City Metropolitan Transportation Authority provides bus service in the area. The B15 Bus runs north/south along Allen Street and 1st and 2nd Avenues from the Staten Island Ferry Terminal to 126th Street, the B9 runs on Essex Street from the World Financial Center to Union Square, the 14A/14D Bus routes with stops on Essex Avenue runs from River to River along 14th Street, the B103 runs from City Hall to 126th Street along the Bowery and 3rd Avenue, the B21 Bus route runs cross town along Houston and Avenue C from Tribeca to East 29th Street and 2nd Avenue, the B8 Bus route runs cross town along 8th and 9th Streets from Avenue D to West Street and the B39 Bus runs from Allen Street to Williamsburg, Brooklyn on Delancey Street.

LaGuardia Airport is located approximately 9.5 miles north and west of the Property via the Williamsburg Bridge, I-278 and the Grand Central Parkway. John F. Kennedy International Airport is located south and east of the Property about 17 miles away in Jamaica, NY by car via the Williamsburg Bridge, I-278, I-495, Grand Central Parkway, Jackie Robinson Parkway and Van Wyck Expressway.

Schools:

The Property is located in the New York Public Schools Region #9. Public Schools located in this region near the Property are as follows:

Grade School/Pre-K:

PS 002 Meyer London, 122 Henry Street, NY, NY 10002
PS 020 Anna Silver, 166 Essex Street, NY, NY 10002
PS 042, Benjamin Altman, 71 Hester Street, NY, NY 10002
PS 110 Florence Nightingale, 285 Delancey Street, NY, NY 10002
PS 124 Yung Wing, 40 Division Street, NY, NY 10002
PS 134 Henrietta Szold, 293 East Broadway, NY, NY 10002
PS 137 John L. Bernstein, 327 Cherry Street, NY, NY 10002
PS 140 Nathan Straus, 123 Ridge Street, NY, NY 10002

PS 142 Amalia Castro, 100 Attorney Street, NY, NY 1002
PS 184M Shuang Wen, 293 East Broadway, NY, NY 10002
PS 188 The Island School, 442 East Houston Street, NY, NY 10002
PS 196 Umbrella, 442 East Houston Street, NY, NY 10002

Intermediate/High Schools:

IS 131, 100 Hester Street, NY, NY 10002
JHS 056 Corlears, 220 Henry Street, NY, NY 10002
Bard High School, 525 East Houston Street, NY, NY 10002
CMSP-Marte Valle Secondary School, 145 Stanton Street, NY, NY 10002
Dual Language & Asian Studies HS, 220 Henry Street, NY, NY 10002
Manhattan Bridges HS, 350 Grand Street, NY, NY 10002
New Design HS, 350 Grand Street, NY, NY 10002
Seward Park HS, 350 Grand Street, NY, NY 10002
University Neighborhood HS, 200 Monroe Street, NY, NY 10002
East Side Community HS, 420 East 12th Street, NY, NY 10009
New Explorations, Science, Tech, Math, 111 Columbia Street, NY, NY 10002

Private and Parochial Schools Pre K-12 located in the near vicinity are:

Beth Jacob, Pre K-8, 142 Broome Street, NY, NY 10002
Mesivta Tifereth Jerusalem, K-12, 145 East Broadway, NY, NY 10002
Nativity Mission School, 6-8, 204 Forsyth Street, NY, NY 10002
Our Lady of Sorrows, Pre K-8, 219 Stanton Street, NY, NY 10002
Cornelia Connelly Center, 5-8, 220 East 4th Street, NY, NY 10009
Immaculate Conception, PreK-8, 419 East 13th Street, NY, NY 10009
Mary Help of Christians, PreK-8, 435 East 11th Street, NY, NY 10009
St. Bridgid School, PreK-8, 185 East 7th Street, NY, NY 10009
St James School, PreK-8, 37 St James Place, NY, NY 10038
Brooklyn Blue Feather Elementary, K-5, 200 Park Ave,. S., NY, NY 10003
Friends Seminary, PreK-12, 222 East 16th Street, NY, NY 10003
Grace Church School, PreK-8, 86 4th Avenue, NY, NY 10003
La Salle Academy, 9-12, 44 East 2nd Street, NY, NY 10003
Little Red School House, PreK-12, 196 Bleecker Street, NY, NY 10012
St Anthony's School, PreK-8, 60 MacDougal street, NY, NY 10012
St Patrick School, PreK-8, 233 Mott Street, NY, NY 10012
Transfiguration School, 1-8, 29 Mott Street, NY, NY 10013
Washington Market School, PreK-K, 55 Hudson Street, NY, NY 10013

Colleges/Universities:

Cooper Union, 30 Cooper Square, NY, NY 10003
Pratt Institute, 295 Lafayette Street, NY, NY 10012
New York University, Washington Square, NY, NY 10012

The above listings of schools are not intended to be all inclusive. There is no representation made that the children of Unit Owners will be entitled to attend any particular school listed above nor is there any representation made as to the quality of any school listed above.

Public Library:

The nearest branch of the New York Public Library is the. Hamilton Fish, 415 Houston Street, New York, New York 10002.

Parks, Recreation and Cultural Institutions:

Nearby parks, recreational facilities and cultural institutions include Hamilton Fish Park, Wald Playground, Seward Park, Baruch Playground, Vladek Park, Corlears Hook Park, Tompkins Park, Hamilton Fish Recreation Center 128 Pitt Street, Alfred E. Smith Recreation Center 80 Catherine Street, Carmine Recreation Center 7 Avenue South, Alternative Museum 594 Broadway, Anne Frank Center 584 Broadway, Anthology Film Archives 32 2nd Avenue, Eldridge Street 12 Eldridge Street, and Lower East Side Tenement Museum 90 Orchard Street.

Hospitals:

Bellevue Hospital Center, 426 First Avenue, NY, NY 10016
Gouverneur Health Care Services, 227 Madison Street, NY, NY 10002
Beth Israel Medical Center, 1st Avenue, NY, NY 10003
Cabrini Medical Center, 227 East 19th Street, NY, NY 10003
NYU Downtown Hospital, 170 Williams Street, NY, NY 10038
New York Eye and Ear Infirmary, 310 East 14th Street, NY, NY 10003
St. Vincent's Manhattan Hospital, 170 West 12th Street, NY, NY 10011
The Hospital for Joint Diseases, 301 East 17th Street, NY, NY 10003

Houses of Worship:

American Buddhist and Taoist Inc., 81 Bowery, NY, NY 10002
Bethel Chinese Assembly of God, 77 Eldridge Street, NY, NY 10002
Bialystoker Synagogue, Seven Willett, NY, NY 10002
Chatham Square Congregation, 193 Madison Street, NY, NY 10002
Chinese Conservative Baptist, 103 Madison Street, NY, NY 10002
Chinese United Methodist, 69 Madison Street, NY, NY 10002

Church of Grace to Fujianese, 133 Allen Street, NY, NY 10002
Church of the Living Lord, 58 Eldridge Street, NY, NY 10002
Congregation Adas Israel, 201 East Broadway, NY, NY 10002
Congregation Beth Hamedrash, 60 Norfolk Street, NY, NY 10002
Congregation Erste Litowisker, 262 Delancy Street, NY, NY 10002
Delancy Seventh Day Adventist, 126 Forsyth Street, NY, NY 10002
De Witt Reformed Church, 280 Rivington Street, NY, NY 10002
First Chinese Presbyterian, 61 Henry Street, NY, NY 10002
First Romanian American Congregation, 89 Rivington Street, NY, NY 10002
Mesivta Tifereth Jerusalem, 145 East Broadway, NY, NY 10002
St Augustine's Episcopal, 333 Madison Street, NY, NY 10002
St Joseph's Church, Five Monroe Street, NY, NY 10002
St Mary's Church, 440 Grand Street, NY, NY 10002
St Theresa's Church, 141 Henry Street, NY, NY 10002
Young Israel Synagogue, 229 East Broadway, NY, NY 10002
Yuan Tong Buddhist Temple, 45 East Broadway, NY, NY 10002

Municipal Services:

Police, fire protection, water, sanitation, snow removal, sewers and street maintenance are provided by the City of New York.

The Property is located in the 7th Precinct of the New York City Police Department. The headquarters of the 7th Precinct is located at 19 ½ Pitt Street, NY, NY 10002 three blocks west and four blocks south of the Property.

The nearest fire house is Engine 28 Ladder 11 located at, 222 East 2nd Street, NY, NY 10009 two blocks north of the Property.

Postal:

The zip code for the Property is 10002-1703. The post office is the Knickerbocker Station, 128 East Broadway, New York, NY 10002.

The Sponsor does not guarantee the accuracy of any of the information contained in this Section.

2. Zoning and Use

The Property lies in an R-7-2 District as defined in the Zoning Resolution of the City of New York. The R7-2 District permits most all types of residential uses including one-family detached house, two-family detached house, multiple dwellings for three or more dwelling units, and accessory and community uses such as public park, playground and municipal recreational use, church or other house of worship, other accessory uses, provided such uses are incidental to the principal use, but such uses shall not include any activity conducted as a business.. The construction and uses of the Property and Condominium shall conform to the permitted uses as set in the New York City Zoning Resolution.

The Property is located in Manhattan Community Board #3, Martha Danziger, board president, 59 East 4th Street, NY, NY 10003, (212) 533-5300.

3. Adjacent Areas

Neither the Sponsor nor any principal of the Sponsor own, in whole or in part, or have an option to acquire, in whole or in part, any adjacent areas which are not fully developed.

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F. OFFERING PRICES AND RELATED INFORMATION, SCHEDULE A.

[SEE FOLLOWING PAGE]

SCHEDULE A

32 CLINTON CONDOMINIUM

32 CLINTON STREET, NEW YORK, NY

SCHEDULE OF OFFERING PRICES AND OTHER RELATED INFORMATION

FOR FIRST YEAR OF CONDOMINIUM OPERATION

COMMENCING JANUARY 1, 2009 AND ENDING DECEMBER 31, 2009

				(4)				7/25/2008							
				Percentage			(6)	(6)	(6)	(6)	(6)	(6)	(7)	(7)
	(1)	(2)		Of	(4)	(5)	Projected Real Estate Taxes		Projected Real Estate Taxes		Projected Real Estate Taxes		Projected Monthly Carrying Charges	
	Number of	Approx Unit	(3)	Residential /Commercial	Percentage Of	Projected Monthly	First Year of Condominium Operation January 1, 2009 to December 31, 2009		100% Completion & Full Assessment July 1, 2009 to June 30, 2010		100% Completion & Full Assessme July 1, 2009 to June 30, 2010		First Year of Condominium Operation January 1, 2009 to December 31, 2009	
	Bedrooms	Gross Total	Offering	Ltd. Common	Common	Common	Assuming Partial 421-a Benefits		Assuming Full 421-a Benefits in Place		Assuming No 421-a Benefits		Assuming Partial	Assuming No
Unit	/Baths/Amenities	Sq.Footage	Price	Interest	Interest	Charges	Monthly	Annual	Monthly	Annual	Monthly	Annual	421-a Benefits	421-a Benefits
2	2BD/2.5BA/RT/S	1,486	$1,877,250	22.5218	17.4462	$843.72	$127.62	$1,531.48	$138.88	$1,666.61	$1,287.50	$15,449.97	$971.35	$2,131.22
3	2BD/2.5BA/2BL/S	1,486	$1,927,250	23.1217	17.9108	$866.20	$131.02	$1,572.27	$142.58	$1,711.00	$1,321.79	$15,861.47	$997.22	$2,187.99
4	2BD/2.5BA/2BL/S	1,486	$1,977,250	23.7215	18.3755	$888.67	$134.42	$1,613.06	$146.28	$1,755.39	$1,356.08	$16,272.98	$1,023.09	$2,244.75
5	2BD/2.5BA/BL/RT/S	1,891	$2,553,500	30.6350	23.7309	$1,147.66	$173.60	$2,083.18	$188.92	$2,266.99	$1,751.30	$21,015.58	$1,321.26	$2,898.96
Total Residential		6,349	$8,335,250	100.0000	77.4634	$3,746.25	$566.67	$6,800.00	$616.67	$7,400.00	$5,716.67	$68,600.00	$4,312.92	$9,462.92
Commercial A/B	N/A	1,307	$1,575,000	64.9485	14.6372	$393.59	$611.60	$7,339.18	$1,033.76	$12,405.15	$2,067.53	$24,810.31	$1,005.19	$2,461.11
Commercial C	N/A	1,270	$850,000	35.0515	7.8994	$212.41	$330.07	$3,960.82	$557.90	$6,694.85	$1,115.81	$13,389.69	$542.48	$1,328.22
		2,577	$2,425,000	100.0000	22.5366	$606.00	$941.67	$11,300.00	$1,591.67	$19,100.00	$3,183.33	$38,200.00	$1,547.67	$3,789.33
Grand Totals		8,926	$10,760,250	N/A	100.0000	$4,352.25	$1,508.33	$18,100.00	$2,208.33	$26,500.00	$8,900.00	$106,800.00	$5,860.58	$13,252.25

KEY	BA = Bathroom	BL = Balcony
	BD = Bedroom	RT= Terrace
	S = Storage Rm	

FOOTNOTES TO SCHEDULE A

(1) The number of bedrooms and bathrooms are calculated based upon the Zoning room method of the New York City Zoning Resolution which considers a bedroom to be any fully enclosed room having a minimum of 75 square feet and a window and counts as a bathroom any fully enclosed room having a toilet, sink and bath tub and/or shower. See the Floor Plans of the Units, which appear in Document 5 in Part II of the Plan. The approximate area of a Unit is measured from the middle of the demising walls of the Unit to the outside surface of the exterior wall or window of the Unit. The approximate floor area is a gross floor area which significantly exceeds the actual useable floor area of the Units. Any rooms designated on the Unit Floor Plans or on Schedule A as "recreation rooms" or "storage rooms", if any, may not be used as legal bedrooms. Any such use is a violation of the NYC Building Code and the Certificate of Occupancy and would subject the owner to possible fines and civil or criminal liability. RT indicates a roof terrace for the Unit. The roof terrace will come with a walkable surface in conformance with applicable code.

(2) The approximate unit size is a gross square foot area measured from the exterior surface of the outer masonry walls to the middle of the demising walls (including the sheetrock) separating a Unit from another Unit or from the Common Elements and may significantly exceed the interior space by as much as ten percent. The dimensions of the rooms listed on the floor plans are interior dimensions.

(3) See "Changes in Prices or Units" in Part I, Section H-2 of the Plan for a discussion of the right of the Sponsor to increase prices. Accordingly, Purchasers may pay different purchase prices for similar Units. In addition to the payment of the Purchase Price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of Closing, as explained in "Unit Closing Costs and Adjustments" in Part I, Section N of the Plan. If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. The apportionment of certain charges relating to the Unit at the time of the closing of title will be reflected as adjustments to the purchase price, as explained in "Closing Costs and Adjustments" in Part I, Section N of the Plan.

(4) The respective Percentage of Common Interest of each Unit has been allocated based upon the 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, all in accordance with the provisions of Section 339(i)(1) subparagraph (iv) of the New York Condominium Act.

(5) The projected monthly common charges are based upon the First Budget Year commencing January 1, 2009. The actual commencement date may be earlier or later. The Sponsor shall amend the Plan prior to or at the time the Plan is declared effective

to amend the Budget and the Common Charges to reflect any material increase or decrease in the projected Budget for the first year.

(6) After the Condominium is divided into separate tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. The real estate tax estimates for each Unit with and without 421-a real estate tax exemption benefits were calculated on the assumption that the real estate taxes payable with respect to each Unit will be allocated in proportion to each Unit's Percentage of Common Interest. There is no assurance that the New York City Real Property Assessment Bureau will allocate taxes between the Units in proportion to each Unit's Percentage of Common Interest and, if not, Units having the same or similar Percentage of Common Interest may pay different real estate taxes. It is estimated that the aggregate real estate taxes attributable to all Unit Owners upon 100% completion of construction and full reassessment of the Property on or about July 1, 2009, will total approximately $106,800. This estimate is made by the Sponsor based on an opinion of the probable assessed valuation of the Property upon completion of the construction by Sponsor's real estate tax attorneys' opinion letter dated March 24, 2008 prepared by Podell, Schwartz, Schechter & Banfield ("Podell Firm") and a current tax rate of $11.928 per $100.00 of assessed valuation for class 2 properties. It is also estimated by the Sponsor, based upon the opinion received from the Podell Firm that the Property will be entitled to receive an exemption from the post construction assessment for a period of ten years. See the opinion letter of the Podell Firm in Section V "Opinions of Counsel" for a more detailed discussion regarding the applicability and receipt of 421-a benefits. THIS PLAN IS NOT CONTINGENT UPON THE UNITS RECEIVING ANY 421-a TAX EXEMPTION BENEFITS. THE PURCHASERS SHALL BE REQUIRED TO CLOSE EVEN THOUGH THE PROPERTY DOES NOT RECEIVE ANY SUCH BENEFITS.

The Sponsor has not yet but will apply for 421-a benefits prior to the issuance of a temporary or permanent certificate of occupancy for the Building.

In the opinion of Sponsor's consultant in Section V. "Opinions of Counsel" the Property will not be affected by a reduction in benefits if the New York State legislature passes changes analogous to those passed to Article 11 of the Administrative Code of the City of New York by the New York City Council on 12/20/06 and signed by Mayor Bloomberg on 12/28/06 (Intro486-A) which became effective on 1/1/08.

(7) The projected monthly Carrying Charges with and without 421-a real estate tax exemption benefits do not include mortgage payments under a loan or loans, if any, obtained by the Unit Owner to finance the purchase of the Unit, the cost of heating, cooking gas and electricity supplied to the Unit which will be separately metered and payable directly to the utility company, the cost of any insurance which the Unit Owner may wish to obtain for the Unit and the cost of interior repairs and decorations to the Unit.

(8) Under existing law, and assuming no changes therein, the amount deductible for income tax purposes will generally include the amounts paid by each Unit Owner for real estate taxes and, in the event a Unit Owner mortgages his Unit, finance charges or interest paid by such Unit Owner in connection with such mortgage indebtedness. These amounts may vary in subsequent years due to changes in the interest rate on any mortgage loan obtained by the Unit Owner, any refinancing of such mortgage, the allocation of constant debt service payments between interest and principal, changes in the assessed valuation of the Unit, the real property tax rate or the method of assessing real property or such other changes as may otherwise affect deductions. (See "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" in Part I, Section U of the Plan for further discussion.)

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G. BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION, SCHEDULE B

32 CLINTON CONDOMINIUM

Budget for First Year of Condominium Operation
Beginning January 1, 2009

Projected Income:

Residential Common Charges	$44,955.00
Commercial/Community Facility Common Charges (13)	$ 7,272.00
TOTAL:	$52,227.00

Projected Expenses:

Labor (1)	$ 5,400.00
Heating, Cooling & Hot Water (2)	$ 3,337.00
Utilities (Electricity & Gas) (3)	$ 5,941.00
Water & Sewer Charges (4)	$ 1,140.00
Repairs, Maintenance & Supplies (5)	$ 2,000.00
Service Contracts (6)	$ 5,119.00
Insurance (7)	$10,490.00
Management Fees (8)	$ 6,000.00
Legal Fees & Audit Fees (9)	$ 8,800.00
Other (10)	$ 2,000.00
Contingency (11)	$ 2,000.00
Reserve Fund (12)	$ -0-
TOTAL	$52,227.00

FOOTNOTES TO SCHEDULE B

(1) Labor Costs (Budget $5,400.00):

This estimate for labor is based upon the opinion of Merchants Properties, Inc. 20 Clinton Street, #4, New York, NY 10002, of having a non-union independent contractor provide 30 hours per month of services at $15 per hour for general cleaning and minor repairs. The Managing Agent will arrange for and supervise this independent contractor. The managing agent will provide a number to be use in the event of emergencies available on a 24hr 7 day basis.

This will comply with all City and State minimum wage laws, labor laws and laws for the provision of janitorial services in buildings where there are less than 9 units and the owners reside in the building.

(2) Heating, Cooling & Hot Water Costs (Budget -$3,337.00)

The Condominium will supply heat and air conditioning for the residential common areas by means of electric unit space heaters and split a/c units. The consumption will be measured by a common electric meter for the Building and the charges will be paid for by the Condominium and passed on to the Residential Unit Owners as Common Charges. The projected amount consumed and the cost of electricity for these purpose has been made by Sponsor based on the March 6, 2008 opinion letter of Sponsor's energy expert Dickinson Design & Consulting, Inc., 25 Bellwood Avenue, South Setauket, New York 11720 as follows:

Lobby HVAC: 7,125 KWHRS per year x $0.19 per KWH = $1,354.00

Space Heating & Air Conditioning Units:

10,440 KWHRS per year @ $0.19 per KWHR = $1,983.60 per year

The Condominium is not responsible for providing heat, cooling and hot water for the Units, which will have their own separate heating, cooling and hot water heater units. The cost for heating, cooling and hot water for the Units will be the responsibility of the individual Unit Owners. There will be separate electric and gas meters to measure the consumption of electricity and gas by the individual Units for heating, cooling and hot water.

(3) Utilities (Electricity & Gas) (Budget-$5,941.00)

Electricity: The Condominium will be responsible for the cost of electricity used in the common areas, i.e. vestibule, stairways, indoor and outdoor lighting, cellar lighting, elevator, fans, pumps and other common area equipment and facilities. The consumption will be measured by a common electric meter for the Building and the charges will be paid for by the Condominium and passed on to the Residential Unit Owners as Common

Charges. The projected cost of electricity has been made by Sponsor based on the March 6, 2008 opinion letter of Sponsor's energy expert Dickinson Design & Consulting, Inc., 25 Bellwood Avenue, South Setauket, New York 11720, and the current rates charged by Consolidated Edison as follows:

Fans, Pumps, Elevator:

22,589 KWHR per year @$0.19 per KWHR = $4,291.89 per year

Interior and Exterior Lighting:

8,676 KWHRS per year @ $0.19 per KWHR = $1,648.44 per year

TOTAL $5,940.33

All Units in the building will be individually metered for electricity and all Unit Owners will be responsible for payment directly to the utility company for the cost of the electricity consumed by them. The cost reflected herein pertains solely to the cost of electricity for the common areas, common equipment and common facilities serving the Building and/or the Units Owners as a whole.

Gas: -$0-

There is no gas consumption for the Common areas or for common equipment. The Units shall be metered and billed separately for the consumption and cost of gas for heating, hot water and cooking.

It is not possible to predict how closely the budgeted figure or the estimated electric energy cost for the Building will reflect the actual expenses for electricity to be incurred during the first year of condominium operation, in part because such expenses will vary with the level of consumption and the cost of electricity. Electricity is generated by the utility company by means of fuel oil as the primary energy source. In view of fluctuations in oil production by certain member nations of the Organization of Petroleum Exporting Countries ("OPEC") and unpredictable rate increases imposed from time to time by one or more members of OPEC, it is likely that the cost of fuel oil used to generate electricity will increase in the future. Consequently, it is likely that electric rates will increase, although it is not possible to forecast the amount or timing of such increase. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity resulting from the foregoing during the first year of condominium operation.

(4) Water Charges and Sewer Rents (Budget - $1,140.00)

This estimate is made by Sponsor based on Sponsor's expert Dickinson Design & Consulting, Inc., 25 Bellwood Avenue, South Setauket, New York 11720 in a March 6, 2008 opinion letter of the amount of water to be consumed at the Building and on the current rates charges by the City of New York. There will be a water meter installed in the Building to measure all of the water consumed in the Building by the Residential Units and this will be a Common Expense payable by all Residential Unit Owners as part of their Common Charges.

Water Charges:

110 gallons per day per unit = 13,200 gallons per month = 159,600 gallons per year/7.48 gallons per cubic foot/ 100 cubic feet = 213.37 hundred cubic feet per year @ $2.092 per 100 cubic feet = $445.37 per year.

Sewer Charges:

213.37 hundred cubic feet per year @ $3.138 per 100 cubic feet = $669.56 per year.

(5) Repairs, Maintenance & Supplies (Budget - $2,000.00)

This figure does not include maintenance and repair expenses within each Unit, which are the obligation of the Unit Owner. The budgeted amount, which has been estimated by Merchants Properties, Inc. 20 Clinton Street, #4, New York, New York 10002, is designed to cover only normal maintenance and repair costs associated only with the Common Elements. This is not intended to cover the cost of any major capital expenditure. If such expenditure is required, each Unit Owner will be obligated to pay his or her pro rata share.

In as much as this is a newly constructed building repairs and maintenance should be minimal in the first year of operation.

(6) Service Contracts (Budget - $5,119.00)

Name	Service	Annual Cost	Length
Slade Elevator 1101 Bristol Road Mountainside, NJ	Elevator Maintenance	$4,578	1 year
M. Rondon Construction Corp., 94-26 Plattwood Ave, Ozone Park, NY 11417	Sprinkler Service	$541.00	1 year

(7) Insurance (Budget - $10,490.00)

In accordance with the estimate dated March 7, 2008 obtained from Tanenbaum Harber Co. Inc., 320 West 57th Street, New York, New York 10019 the following types of coverages and amounts will be in place upon the First Closing:

Coverage	Amount
ALL-RISK PERIL, REPLACEMENT COST:	$3,000,000
DEDUCTIBLE:	$5,000
RENTAL COVERAGE:	Actual Loss for 12 Months
COMPREHENSIVE GENERAL LIABILITY:	$2,000,000.00
EACH OCCURRENCE:	$1,000,000.00
WATER DAMAGE LEGAL LIABILITY:	$50,000
FIRE DAMAGE LEGAL LIABILITY:	$50,000
DIRECTORS & OFFICERS LIABILITY:	$1,000,000
UMBRELLA LIABILITY:	$5,000,000
EARTHQUAKE/FLOOD	$3,000,000
APPROXIMATE TOTAL PREMIUM:	$10,490

The amount of fire and casualty coverage is an agreed amount replacement cost coverage policy. In the event of a loss the amount of the coverage shall be adequate for the Condominium to replace the Building.

In the event that the Sponsor secures a lender(s) to make loans to Unit Purchasers the insurance coverage set forth in the Plan will satisfy the requirements of any such lender(s).

The fire, casualty and general liability insurance policy will be written on terms that provide (1) that each Unit Owner is an additional insured, (2) that there will be no cancellation without notice to the Board of Managers, (3) for a waiver of subrogation, if possible, (4) for a waiver of invalidity because of acts of the insured, and (5) for a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

PLEASE NOTE: UNIT OWNERS WILL BE RESPONSIBLE FOR PURCHASING INSURANCE NOT CARRIED BY THE BOARD OF MANAGERS WHICH THEY MAY WISH TO CARRY WITH RESPECT TO THEIR RESPECTIVE UNIT, AND ITS CONTENTS. IT IS RECOMMENDED THAT UNIT OWNERS CONSULT INSURANCE BROKERS AS TO THE DESIRABILITY OF OBTAINING SUCH ADDITIONAL INSURANCE TO COVER RISKS SUCH AS FIRE AND CASUALTY FOR LOSSES OF UNIT CONTENTS, REPLACEMENTS, ADDITIONS, UPGRADED FIXTURES AND IMPROVEMENTS AS WELL AS FOR LIABILITY FOR OCCURRENCES WITHIN THE UNIT OR ON LIMITED COMMON ELEMENTS.

(8) Management Contract (Budget - $6,000.00)

The projected management fee was obtained from an estimate provided by Merchants Properties, Inc. 20 Clinton Street, #4A, New York, NY 10002 Merchants Properties is owned by a principal of the Sponsor however, in the opinion of Sponsor this fee is comparable to the fees charged by managing agents for similar sized buildings in the area. It does not include the cost of bonding, as well the additional costs to Unit Owners for sales and leasing of Units for which they will be required to pay a separate processing fee to the managing agent.

(9) Legal Fees & Audit Fees (Budget - $8,800.00)

This item includes $2,800.00 for eight hours of legal services @ $350 per hour for ordinary anticipated legal services for the Condominium in connection with the annual Unit Owners meeting, attendance at Board meetings by the attorney for the Condominium, review of any contracts or service agreements, for consultation on day to day matters in the normal operation of the Building. It does not include any litigation expenses, administrative hearings or proceedings.

This item includes a $6,000.00 fee in a letter proposal dated March 5, 2008 from Robert M. Fein & Co., PLLC, CPA, Three Crossways Park West, Woodbury, NY 11797, for preparing the annual certified financial statements of the Condominium and for preparing the annual tax returns of the Condominium.

(10) Other (Budget - $2,000.00)

This item includes miscellaneous expenses of the Condominium including franchise taxes, license fees, permits and other fees.

(11) Contingency Fund (Budget - $2,000.00)

This is the yearly amount that will be held as a fund for unanticipated expenses or unanticipated increases in the projected expenses. This fund can be used by the Board of Managers for any purpose. Any amount not spent can be held by the Board of Managers for future years or can be used to reduce common charges. It is not intended to be a fund for capital repairs.

There is no provision in the budget for income taxes because the Condominium will have no income other than Common Charges and the only possibility of having to pay income taxes would be if Common Charges collected for the year exceed the actual Common Expenses paid or accrued for the year. This potential amount of income taxes is projected by Sponsor to be zero or de minimus and the contingency fund will be sufficient to pay the amount of income taxes due, if any.

(12) Reserve Fund (Budget - $0.00)

Since the Building is newly renovated it is not anticipated that any major capital repairs or replacements will be needed in the first five years of operation of the Building. However, should the need arise for any repairs or replacements to the major capital systems of the Building the Board of Managers would have to assess the Unit Owners to pay for the such costs..

(13) Commercial/Community Facility Units Common Charges

As noted below, where applicable, Common Expenses have been allocated to the Commercial/Community Facility Units according to the Percentage of Common Interest allocated and appurtenant to the Commercial/Community Facility Units In all other cases Common Expenses of the Condominium have been specially allocated to the Commercial/Community Facility Units based upon the following methods or factors: (i) extent of use of the service by the Commercial/Community Facility Units, (ii) degree of availability or use of the Common Element(s) by the Commercial/Community Facility Units, or (iii) percentage of the Common Expense that can be attributed to the Commercial/Community Facility Unit(s) by an independent expert. In the future the Board of Managers of the Condominium shall make such determination as to the special allocation of the Common Expenses and shall be guided by the allocations made in this budget and in the By-Laws of the Condominium.

Commercial/Community Facility Units Budget

Labor (1)	$-0-**
Heating, Cooling & Hot Water (2)	$-0-**
Utilities (Electricity & Gas) (3)	$-0-**
Water & Sewer Charges (4)	$-0-**
Repairs, Maintenance & Supplies (5)	$451.00*
Service Contracts (6)	$-0-**
Insurance (7)	$2,584.00**
Management Fees (8)	$1,352.00*
Legal Fees & Audit Fees (9)	$1,983.00
Other (10)	$451.00
Contingency (11)	$451.00
Reserve Fund (12)	$-0-
Total Commercial/Community Facility Common Expenses	$7,272.00

*Allocated based on Percentage of Common Interest
**Specially Allocated as Noted Above.

Budget Amounts

The Budget in the Plan is based upon the assumption that the first year of condominium operation will be the year from January 1, 2009 December 31, 2009 when the Sponsor reasonably expects the condominium operations will begin and has been certified to by the Sponsor's budget expert, Henry Reininger, 55 Avenue A, New York, New York 10009. If the actual or anticipated date of Condominium operations is to be delayed more than six (6) months from the budget year projected in the Plan, the Plan shall be amended to include a revised budget disclosing current projections.

If such amended projections exceed the original projections by twenty-five percent (25%) or more, the sponsor must offer all purchasers the right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right, whether or not sponsor offers to guarantee the previous budget projection. Sponsor must return any deposit or down payment to purchasers who rescind within a reasonable period of time. Sponsor may not declare a plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the offering plan.

G-2 BUDGET FOR INDIVIDUAL ENERGY COSTS, SCHEDULE B-1

Individual Unit Electricity Costs:

Unit	Electricity Consumption Per Year In KWH	Electricity Cost Per Month Including 4% Sales Tax	Electricity Cost Per Year Including 4% Sales Tax
2	10,076	$166.00	$1,991.00
3	10,076	$166.00	$1,991.00
4	10,076	$166.00	$1,991.00
5	12,210	$201.00	$2,413.00
Commercial A/B	32,793	$540.00	$6,480.00
Commercial C	30,790	$507.00	$6,084.00

Footnotes to Schedule B-1 Electricity

1. The above Schedule sets forth the Sponsor's estimate of the cost of electricity for running a/c unit, appliances, lighting, exhaust fans, washer and dryer and heat pump for Residential Units and air conditioning, lighting, signage, water heater, boiler pump, space heaters and elevator where applicable to the individual Commercial Units.

2. The above estimates were based upon the letter received from Sponsor's energy expert Dickinson Design & Consulting, Inc., 25 Bellwood Avenue, South Setauket, New York 11720

3. The above cost estimates are based upon the Con Edison rate of $0.19 per KWH plus a 4% sales tax.

4. The above cost figures are estimates only and will vary based upon actual occupancy and usage.

Individual Unit Gas Costs:

Unit	Gas Consumption Per Year In Therms	Gas Cost Per Month Including 4% Sales Tax	Gas Cost Per Year Including 4% Sales Tax
2	1,214	$188.33	$2,260.00
3	1,214	$188.33	$2,260.00
4	1,214	$188.33	$2,260.00
5	1,334	$206.92	$2,483.00
Commercial A/B	828	$128.42	$1,541.00
Commercial C	1,116	$173.13	$2,078.00

Footnotes to Schedule B-1 Gas

1. The above Schedule sets forth the Sponsor's estimate of the cost of gas for heating, cooking, hot water and clothes dryer for Residential Units and for heating of the Commercial Units.

2. The above estimates were based upon the letter received from Sponsor's energy expert Dickinson Design & Consulting, Inc., 25 Bellwood Avenue, South Setauket, New York 11720

3. The above cost estimates are based upon the rate of $1.79 per therm plus a 4% sales tax.

4. The above cost figures are estimates only and will vary based upon actual occupancy and usage.

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H-1. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

[SEE FOLLOWING PAGE]

HENRY REININGER
Licensed Real Estate Broker

55 AVENUE A
NEW YORK, N.Y. 10009

PHONE:
(212) 982-2080

March 27, 2008

172 Stanton Street
AKA 32 Clinton Street
New York, New York 10002

Re: 172 Stanton Street, AKA 32 Clinton Street, New York, New York 10002

Ladies/Gentlemen:

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

It is my opinion the allocation of the Percentages of Common Interest allocated to the respective Units as set forth in Schedule A of the Plan of Condominium Organization are in compliance with the regulations issued pursuant to Real Property Law Article 9-B, Section 339-I(1).

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

I have been in the real estate sales and brokerage business for a period of over 25 years. My experience in this field includes the management of co-op and condominium apartments for 25 years. I have managed and currently manage approximately 25 co-op and condominium apartments in the Manhattan area. I have been active in the preparation of budgets for the co-op which I am the treasurer for 19 years. I have been consulted as a lawyer and as a certified public accountant for numerous real estate ventures. This included expenses, budget preparation and rental income. In the past, as the certified public accountant for the co-op, I was responsible for preparing the financial statements that the appeared in the red and black book for the co-op conversion. In addition, I am a Real Estate Broker in the East Village for over 25 years.

I will not act as the Selling Agent under the Plan. I have no beneficial interest in the Sponsor and no interest in the profits of this offering plan.

Very truly yours,



Henry Reininger

H-2. - COMMMERCIAL/COMMUNITY FACILITY UNITS

The Condominium will contain two Commercial/Community Facility Units located on portions of the first and cellar floors of the Building. The Commercial/Community Facility Units are hereby offered for sale by the Sponsor.

The basis for projecting the share of expenses attributable to the Commercial/Community Facility Units is based upon the Percentage of Common Interest allocated to the Commercial/Community Facility Units applied to those Common Elements that are used by the Commercial/Community Facility Units. The Common Charges payable by the Commercial/Community Facility Units will be sufficient to cover the expenses fairly attributable to the Commercial/Community Facility Units. The By Laws authorize the special allocation of specific items of expense based upon special or exclusive use or availability or exclusive control of particular Common Elements or Common Areas. In the event of a dispute between the Commercial/Community Facility Unit Owner(s) and the Board of Managers of the Condominium as to the allocation of Common Expenses the matter will be submitted to arbitration as set forth below. See Section G.-1 for the budgets for the Condominium and for the Commercial/Community Facility Units which set forth which items of expense are payable by the Commercial/Community Facility Units and which are payable solely by the Residential Units.

The portion of the insurance premiums payable by the Commercial/Community Facility Unit Owners shall not be less than the estimated amount allocated to the Commercial/Community Facility Units by the insurance carrier of the Condominium. Any dispute as to such allocation shall be resolved by arbitration.

The Owner(s) of the Commercial/Community Facility Unit(s) shall have the right to jointly designate 1 member of the Board of Managers of the Condominium as the Commercial/Community Facility Unit Owner(s) representative. No amendment may be made to the Declaration, By-Laws and/or House Rules of the Condominium that adversely affects the Commercial/Community Facility Unit Owner(s) without the written consent of such Commercial/Community Facility Unit Owner(s). As long as the Sponsor owns the Commercial/Community Facility Units the Sponsor or its representative will be the Board representative for these Units.

The following is a summary of additional provisions of the Declaration and By-Laws that pertain to the Commercial/Community Facility Units.

As more particularly set forth in the Declaration and By-Laws, the Commercial/Community Facility Units may only be used for retail, commercial and professional use and in accordance with the uses permitted by local law and zoning regulations and the Certificate of Occupancy such as retail store, travel agency, insurance office, doctor's office, dentist or physical therapist office etc.. Moreover the Commercial/Community Facility Units may not be used for any adult uses as such term is defined by any applicable New York City or State laws and regulations, and also as a

massage parlor, tattoo shop, drug paraphernalia shop, theater, night club, coffee shop, restaurant, luncheonette, funeral parlor, drug treatment facility or clinic, governmental office, betting parlor and other such potentially objectionable uses (See Article 5 of the By-Laws.) The Sponsor and/or the Owner of the Commercial/Community Facility Unit has the right to combine and/or subdivide these Units.

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The Sponsor, its designee, if any, and the Commercial/Community Facility Unit Owners or the holder of Unsold Units shall have all of the rights granted to the Condominium Board under the Declaration and By-Laws for purposes of access in connection with their respective ownership, use and operation of the Commercial/Community Facility Units. These rights shall be in addition to and not in limitation of those rights of access and egress and ingress that they may have as a Unit Owner under the Declaration and under the Condominium Act.

The Sponsor, its designee if any, Owners or the holder of Unsold Units, shall have the right to make any structural or non-structural alteration, addition, improvement, or repair in or to the Commercial/Community Facility Units, or to the Common Elements contained in or servicing the Commercial/Community Facility Units, provided same does not impair the structural integrity of the Building or impair the operation, use or integrity of any Common Element. Any such alteration done by the Commercial/Community Facility Unit Owner shall require the approval of the Board, which shall not be unreasonably withheld, and shall be done in accordance with the By-Laws and the Commercial Rules and Regulations with regard to alterations or improvements by a Unit Owner.

The Board of Managers shall be obligated to permit the Sponsor, its designee, if any, the holder of Unsold Units or the Commercial/Community Facility Unit Owner, at such Unit Owner's sole cost and expense, to install and use additional equipment in the risers and conduits serving the Building, provided the Sponsor, its designee, if any, or the Commercial/Community Facility Unit Owners or holder of Unsold Units, as the case may be reimburses the Board of Managers for the actual costs attributable to such installation and use.

The Board of Managers shall at the request of the Sponsor, or its designee if any, or the Commercial/Community Facility Unit Owner or the holder of Unsold Units (i) approve any change in the use of the Commercial/Community Facility Units or any part thereof or (ii) to apply for or cause any amendment to the Building's Certificate of Occupancy to authorize a different use of the Commercial/Community Facility Units, unless the change would affect the character of the Building or require a variance from the City of New York..

The Sponsor, its designee if any, and the holder of Unsold Units and the Commercial/Community Facility Unit Owners shall have the right, without obtaining the consent of the Board of Managers or the Residential Unit Owners or mortgagees of Units other than the affected Commercial/Community Facility Units, to subdivide each of the Commercial/Community Facility Units into two or more Commercial/Community Facility Units and to reallocate the Percentage of Common Interest of the Commercial/Community

Facility Unit among the newly established Commercial/Community Facility Units in proportion to their respective floor areas. Such subdivision must be reflected in a duly recorded amendment to the Declaration filed by the Unit Owners. Under no circumstances will the Percentage of Common Interest of any Residential Unit Owner be changed as a result of such subdivision or will the aggregate Percentage of Common Interest for the new Units be greater than the Percentage of Common Interest for the original Units. If the Commercial/Community Facility Unit is so subdivided the Owner or Owners thereof shall have the right, without obtaining the consent of the Board of Managers, Residential Unit Owners, or mortgagees of Units other than the affected Commercial/Community Facility Unit, to thereafter change the size, layout, use, and/or number of the respective Commercial/Community Facility Units under the same terms, conditions and restrictions as those imposed on the original Commercial/Community Facility Unit Owner. Any such alteration done by the Commercial/Community Facility Unit Owner, other than the Sponsor, shall be done in accordance with the By-Laws and the Commercial Rules and Regulations with regard to alterations or improvements.

At the request of the Sponsor, a Sponsor-designee, if any, or a Commercial/Community Facility Unit Owner(s) or the holder of Unsold Units, the Board of Managers 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, repair or subdivision of such Commercial/Community Facility Unit or operation or use of the Commercial/Community Facility Unit, at which time, the requesting party shall indemnify and hold the Board of Managers of the Condominium and the other Unit Owners harmless from any expense or liability by virtue of the execution of the application or such other documents.

If any Unit Owner or the Condominium Board or any other Person who is subject to the terms of the Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefore, to take any action that the Board of Managers of the Condominium, Unit Owner, or other Person is required to take pursuant to the Declaration at the request of the Managing Agent or the Sponsor, its designee, or the Commercial/Community Facility Unit Owner or holder of Unsold Units, then the Managing Agent or the Sponsor, its designee, or the Commercial/Community Facility Unit Owner or the holder of Unsold Units, as the case may be, is hereby authorized as attorney-in-fact for the Board of Managers of the Condominium, such Unit Owner, or other Person, 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 Person, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other Person, as the case may be.

No amendment shall be made to the Declaration or By-Laws which adversely affect the rights of Sponsor, its designee, or the Commercial/Community Facility Unit Owner(s) or the holder of Unsold Units as the owner of the Commercial/Community Facility Unit(s) in

any way without the written consent of the Sponsor, its designee, or the holder of Unsold Units or the Commercial/Community Facility Unit Owner(s).

The Commercial/Community Facility Unit Owner(s) shall have the right, without the payment of any fee or charges to the Condominium, the Board of Managers or the Managing Agent, to sell or lease the Commercial/Community Facility Unit(s), or any part thereof, without the Board of Managers having any right of first refusal to purchase or lease such Unit, and all sale and/or rental proceeds shall belong solely to the Commercial/Community Facility Unit Owner in question.

The Owner(s) of the Commercial/Community Facility Unit(s), and any tenant or tenants of the Commercial/Community Facility Unit(s) pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation, and with the consent of the Board of Managers, which consent shall not be unreasonably withheld, to install, repair and maintain either within or in the immediate location of the Commercial/Community Facility Unit below the windows at the 2nd floor level and on the sidewalk adjacent to the Commercial/Community Facility Unit(s) entrance or entrances, a sign or signs, which may be illuminated, including neon, flags, banners, lettering, fixtures or decorations of any size, material or content, for advertising or identification purposes.

Additionally, the Owner(s) of the Commercial/Community Facility Unit(s), and any tenant of tenants of such Unit pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation and with the consent of the Board of Managers or the Managing Agent, which consent shall not be unreasonably withheld, to install, or erect, repair and maintain in the immediate location of the Commercial/Community Facility Unit(s) below the windows at the 2nd floor level, but not to interfere with the windows or entrance of any other Unit, (i) a canopy and/or awning for advertising or identification purposes, and (ii) an automatic teller machine ("ATM") which shall be used in conjunction with the use of the Commercial/Community Facility Unit(s).

The restrictions on the types of signs and/or awnings that the Commercial/Community Facility Unit Owner(s) may install and the obligations to maintain and repair said signs and/or awnings are set forth in the Commercial Rules and Regulations as attached to the By-Laws and are set forth in Document 7 of the Plan.

Such Commercial/Community Facility Unit Owners and any tenant of space in such Units shall comply with all of the laws, orders, rules and regulations of the governmental authorities, having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Commercial/Community Facility Unit Owner(s) or their respective tenants or subtenants shall obtain and pay for all permits required for such signs, ATM, canopies and/or awnings and/or any necessary renewal fees related thereto.

In the event of a dispute between the Commercial/Community Facility Unit Owner(s) and the Board of Managers of the Condominium as to any issue relating to the Commercial/Community Facility Unit(s), the Commercial/Community Facility Unit Owner(s)

or any tenant of the Commercial/Community Facility Unit(s) and the Board of Manager of the Condominium shall be obligated to arbitrate, on an expedited basis, the dispute pursuant to the provisions of Article 10 of the By-Laws of the Condominium. The decision of the arbitrators shall be final and binding. This provision shall not apply to the Sponsor or its designee for as long as it owns the Commercial/Community Facility Unit and the Sponsor, or its designee, if any, may exercise all remedies available to them in equity and at law.

H-3. CHANGES IN PRICES AND UNITS

(1) Changes in Prices & Terms of Sale

The Offering Prices set forth in Section F. "Offering Prices and Related Information, Schedule A", must be changed by a duly filed amendment to the Plan when the change in price is an across the board increase or decrease affecting one or more Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser.

Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without prior notice and without the consent of the Board of Managers, Unit Owners or mortgagees, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect may be made without the consent of the Purchaser.

Prices and specified terms of sale may, in the sole discretion of Sponsor, be negotiable. Sponsor reserves the right to enter into a Purchase Agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A. As a result of such changes, a Purchaser may pay more or less than other Purchasers for a similar Unit, but this will not result in any right of a Purchaser to rescind his or her Purchase Agreement.

(2) Changes in Size, Number & Percentage of Common Interest

No change will be made in the size or number of Units and/or their respective Percentage of Common Interest, and no material change will be made in the size or quality of the Common Elements, except by a duly filed Amendment to the Plan and to the Declaration if applicable.

While Sponsor does not anticipate changing the size, number and Percentage of Common Interest of the Units, Sponsor, in order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, reserves the right at any time and from time to time, before or after the recording of the Declaration, without prior notice, except as set forth above, and without the consent of the Board, the Unit Owners or mortgagees, to (a) change the layout of, or number of rooms in, any Unit, (b) change the size and/or number of Units by subdividing a Unit into two or more separate Units, or combining separate Units (including those resulting

from such subdivision or otherwise) into one or more Units, and (c) if appropriate, reapportion among the Units affected by any such change, their Percentage of Common Interest.

(3) Notwithstanding the foregoing, unless an affected Purchaser consents, no material change will be made in Unit size, layout, or Percentage of Common Interest, if a Purchase Agreement has been executed and delivered to the Sponsor and accepted by the Sponsor, for that Unit and the Purchaser is not in default under the Purchase Agreement beyond any applicable grace or notice to cure period.

Nothing contained herein shall give rise to any right on the part of a Purchaser to have the size or layout of a Unit changed or to combine two or more Units into one Unit, all of which changes to Units shall be at Sponsor's sole discretion.

(4) Change in Common Elements

No material change will be made in the size and no material adverse change will be made in the quality of Common Elements unless all Purchasers consent. Consent of all Purchasers shall be deemed given when an Amendment to the Plan is presented to all Purchasers containing a fifteen right of rescission. After the Declaration has been recorded the consent of all Unit Owners shall be required as well as the consent of the Board of Managers to any such changes.

Before changing the size or number of Units, Sponsor or its designee or such owner or lessee of an Unsold Unit shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall first obtain the approval of all authorities whose approval is required by law.

So long as the layout and dimensions of a Unit conform substantially to the Floor Plans, a Purchaser who is a party to a binding Purchase Agreement will not be excused from purchasing his Unit and will not have any claim therefore against the Sponsor by virtue of any insubstantial change or discrepancy in the Floor Plans.

(5) Alterations to or Combination of Units Requested by Purchasers

Sponsor may, in its sole discretion, at the request of any Purchaser, agree to modify the interior of any Unit, including the fixtures contained therein, or perform such other specialized work in any Unit prior to closing as a Purchaser may request, or to combine two or more Units into one Unit. Such work shall be performed upon terms and conditions as shall be determined by Sponsor; provided, however, that in all cases, a sum equal to the cost of such work (the "Additional Deposit") shall be deposited with Sponsor prior to any obligation on Sponsor's part to perform such work. Sponsor shall have the right, in Sponsor's sole discretion, to demand that Purchaser increase the amount of the Additional Deposit to cover any bona fide increase in the cost of the work to be performed by Sponsor. In the event that the Purchaser does not increase the Additional Deposit then

Sponsor shall no longer be required to complete the work and shall be required to close notwithstanding that the work has not been completed and a temporary certificate of occupancy cannot be obtained. In the event that Purchaser defaults and the Purchase Agreement is terminated, Sponsor shall be entitled to retain any Additional Deposit made by the Purchaser.

I. INTERIM LEASES

(1) Sponsor reserves the right, in its sole discretion, to rent any Unit whether prior to the recording of the Declaration or after, under a Use and Occupancy Agreement or under a lease. The Sponsor may permit a Purchaser who has executed a Purchase Agreement to use and occupy a Unit, prior to the date of Closing, upon such rental charges and on other conditions as the Sponsor in its sole discretion shall decide (hereinafter referred to as a "Use and Occupancy Agreement.")

Sponsor also reserves the right to permit a person who is not a Purchaser to use or occupy, or to lease any Unit not conveyed or with respect to which a Purchase Agreement is not then outstanding. Accordingly, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at the Closing free and clear of all leases, tenancies and rights of occupancy. Further, all Units will be conveyed to Purchasers vacant and free of leases, tenancies and rights of occupancy

Purchasers or any other persons entering into a Use and Occupancy Agreement for a Unit shall be required to pay to Sponsor the sum of not less than $750.00 and not more than $1,500.00 for the cost to Sponsor of having a Use and Occupancy Agreement or lease prepared provided that such Use and Occupancy Agreement is not modified by Purchaser or Purchaser's attorney.. Any rental charges or other fees due under a Use and Occupancy Agreement shall be adjusted by the parties as of the Closing Date of the Unit.

Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Use and Occupancy Agreement or lease at all or containing any or all of the above terms and conditions. The Sponsor shall not permit occupancy of any Unit unless at least a temporary Certificate of Occupancy has been obtained for such Unit.

(2) There are no rental protection laws that will apply to Use and Occupancy Agreements or to leases for Unit at the Property.

(3) An uncured default by the Purchaser under the Purchase Agreement will constitute a default under the Use and Occupancy Agreement or the lease and a default under the Use and Occupancy Agreement or lease will constitute a default under the Purchase Agreement. Before the Sponsor may utilize the default under the Use and Occupancy Agreement or lease to declare a default under the Purchase Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court of competent jurisdiction against the occupant or lessee unless the lessee has vacated the Unit.

J. PROCEDURE TO PURCHASE

(1) A person desiring to purchase a Unit will be required to execute a Purchase Agreement in the exact same form set forth in Part II of the Plan and return four (4) executed counterparts to the Sponsor's Attorney, together with a certified or bank check (the "Down Payment Check") for the down payment in an amount equal to ten (10%) percent of such Unit's purchase price (the "Down Payment"). The Purchase Agreement must be returned to the Sponsor's Attorney within ten (10) days of the date the Purchaser or the Purchaser's Attorney receives the copies of the Purchase Agreement.

(2) The Sponsor shall comply with the escrow and trust fund requirements of Sections 352-e(2)(b) and 352-h of the General Business Law of the State of New York and also Section 71-a(3) of the Lien Law of the State of New York. Pursuant to these laws Sponsor will cause all Down Payments received by it directly or by its agents or employees to be delivered to the law firm of Dennis R. Krasner, Esq. counsel to the Sponsor, as escrow agent ("Escrow Agent") and will be handled as more fully described below.

(3) (i) All Down Payments, deposits, or advances made by Purchasers prior to Closing of each Unit, whether received before or after the First Closing, shall be placed with five (5) business days after the Purchase Agreement is signed by all parties and a copy is delivered to Purchaser or Purchaser's Attorney, in a segregated special escrow account of the law firm of Dennis R. Krasner, Esq., entitled "Dennis R. Krasner, Esq. Attorney Trust - 32 Clinton Escrow Account" (the "Special Account") or a similar name at Citibank N.A., 201 East 34th Street , New York, NY 10001. The Special Account will be covered by federal deposit insurance in the amount of $100,000.00. It is a special risk of this Plan that Down Payments in excess of $100,000, will not be covered by federal deposit insurance. The signature of Dennis R. Krasner, Esq., shall be required before any Down Payments may be withdrawn from the Special Account. Neither the Sponsor nor any principal of the Sponsor shall be a signatory on the Special Account. The Special Account shall be a separate Interest-On-Lawyer's Account ("IOLA") pursuant to New York State Judiciary Law Section 497. There shall be no interest paid to Purchasers on their Down Payments under this Plan. No fees of any kind may be deducted from the Special Account and Sponsor shall bear any administrative costs for the maintenance of the Special Account.

(ii) All funds received from Purchasers for the Down Payment, whether in the form of bank or certified checks, wire transfers or other instruments, which Sponsor may elect to accept in its sole discretion, shall be made payable to the direct order of the "DENNIS R. KRASNER, ESQ.ATTORNEY TRUST -32 CLINTON ESCROW ACCOUNT." The balance of the Purchase Price shall be paid by certified check of Purchaser, or official bank or cashier's check drawn on a bank which is a member of the New York Clearing House Association, to the direct order of Sponsor or to such other party or parties as Sponsor may designate, in writing, and shall be delivered to Sponsor at Closing. **FUNDS DRAWN ON OUT-OF-STATE OR NON-U.S. BANKS OR OTHER FINANCIAL INSTITUTIONS AND/OR NOT MADE PAYABLE DIRECTLY TO THE ORDER OF**

SPONSOR OR AS SPONSOR DIRECTS AND/OR WITH ANY ENDORSEMENT THEREON WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE.

(iii) The law firm of Dennis R. Krasner, Esq., having an addressed at Two Penn Plaza, Suite 1500, New York, New York 10121 telephone number 212 292-5108, shall be the Escrow Agent under this Plan. Dennis R. Krasner, Esq. the sole partner of Escrow Agent is a duly licensed attorney in the State of New York and is independent of the Sponsor. He shall comply with the New York State Appellate Division, First Department rules for the preservation of client funds. Dennis R. Krasner, Esq. will be the sole signatory on the Escrow Account.

(iv) The Escrow Agent and the Sponsor have entered into an Escrow Agreement in the form as contained in Document 10 in Part II of the Plan. The Escrow Agreement provides in part that Escrow Agent, shall have no responsibility or liability for any act or omission to act except for its own gross negligence or willful misconduct and that Sponsor shall indemnify and hold Escrow Agent harmless from any liability in connection with acting as Escrow Agent except as set forth above. The Escrow Agent shall serve without compensation and the Sponsor shall be responsible to pay any fees charges by the depository bank.

(v) Within ten (10) business days after the Purchaser has received a fully executed Purchase Agreement the Escrow Agent shall notify the Purchaser that the Down Payment has been deposited in the bank indicated in the Plan and shall furnish the account number. If Purchase does not receive notice of the deposit of the Down Payment with 15 business days after the Purchaser's receipt of a fully executed Purchase Agreement, then Purchaser may cancel the Purchase Agreement and rescind within 90 days after the receipt of the fully executed Purchase Agreement, or may apply to the Attorney General's Office for relief. Rescission may not be afforded where proof satisfactory to the Attorney General's Office is submitted establishing that the Down Payment was timely deposited in accordance with the Regulations and the requisite notice was timely mailed to the Purchaser.

(vi) In the event a new escrow account is opened or a new escrow agent is designated by Sponsor, the Plan shall be amended to provide the same information with respect to the new account, the substituted escrow agent and the terms of the substituted escrow agreement as is contained above. A bond, letter of credit or other security may be substituted for the Escrow Account only after the Attorney General's Office approves in writing the use of such alternate form of security.

(vii) Under no circumstances shall the Sponsor apply for the release of funds from the Escrow Account belonging to a defaulting Purchaser until after the First Closing. The Escrow Agent shall hold the funds in the Escrow Account until otherwise directed in (a) a writing signed by the Sponsor and Purchaser; or (b) a determination of the Attorney General's Office; or (c) a judgment or order of a court of competent jurisdiction. The Sponsor shall not object to the release of the funds from the Escrow Account to a

Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or in an Amendment or to all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Attorney General's Office. The Escrow Agent may also release the funds to the Sponsor after the Escrow Agent has given Purchaser at least ten business days' written notice of intent to release such funds and may thereafter deliver such funds to the Sponsor unless the Escrow Agent prior thereto receives notice that the Purchaser has made an application to the Attorney General's Office pursuant to the dispute resolution provisions contained in the Regulations and set forth below.

(viii) In the event of a dispute, the Sponsor shall apply and the Purchaser or the Escrow Agent may apply to the Attorney General's Office for a determination on the disposition of the Down Payment. A form for this purpose is included as Document 9 in Part II of the Plan. The party applying for a determination shall send copies of the application to all other parties. Pending the determination of the Attorney General's Office to grant or deny the application, the Sponsor, the Purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General's Office. If the application permitting release of the funds is granted, the Down Payment shall be disposed of in accordance with the determination of the Attorney General's Office, subject to any court action in which preliminary relief is granted. The Attorney General's Office shall act upon the application within 30 days after its submission to the Attorney General's Office, 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 the funds is denied than the Escrow Agent shall continue to hold the Down Payment in the Escrow Account until (a) both the Sponsor and Purchaser direct payment to a specified third party in accordance with a written direction signed by both the Sponsor and Purchaser; or (b) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or (c) the Escrow Agent deposits the Down Payment or such lesser 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's Office or by order or judgment of a court of competent jurisdiction or by a written agreement signed by both the Sponsor and Purchaser.

(ix) Upon the first deposit in the Special Account, the Sponsor shall file with the Attorney General's Office a signed copy of the Escrow Agreement and the forms provided by the depository bank for opening the Special Account.

(x) The Escrow Agent shall maintain all records concerning the Special Account for seven years after the release of all of the funds in the Special Account. Upon the dissolution of the law firm of Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by the successor firm, if any, or by the individual partners and/or members themselves, and shall notify the Attorney General's Office of any such transfer.

(xi) The Attorney General's Office may perform random reviews and audits of any records involving the Special Account and any successor escrow accounts, to determine compliance with the applicable statutes and regulations.

(xii) Any provision of the Purchase Agreement, or of any other contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of this paragraph (3) regarding the holding and disposition of trust funds shall prevail over any conflicting or inconsistent provision contained elsewhere in this Plan or in the Purchase Agreement.

(xiii) Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to GBL Section 352-h and Lien Law Section 71-a, to the extent applicable to this Plan, to hold all deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the Plan shall not relieve the Sponsor of its obligations pursuant to GBL 352-h and Lien Law Section 71-a., to the extent applicable to this Plan, funds in the Special Account shall remain the property of the Purchaser until employed in connection with the consummation of the transaction. Such funds shall not be deemed to be a part of the estate of the Sponsor or the Escrow Agent upon any bankruptcy, incapacity or death.

(4) to (7) [Intentionally Reserved.]

(8) The Down Payments made by Purchasers shall be held in compliance with Section 71-a. paragraph 3 of the New York State Lien Law. Down Payments may only be released from the Escrow Account upon the closing, default of the Purchaser, or release of the Escrow Agent and are trust funds for the completion of the improvements. The Purchase Agreement shall contain the statement required by Section 71-a.3. (e) as follows: "YOU, AS THE PURCHASER OF THIS RESIDENCE, 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."

(9) Each prospective Purchaser should note that Sponsor is only obligated to provide the equipment, fixtures and furnishings as described in Document 4 in Part II of this Plan "Description of Property and Specifications". If a person desiring to purchase a Unit requests that Sponsor perform special work on such Unit or provide extra appliances or equipment, including, but not limited to, any deviation from the materials or specifications described in Document 4 in Part II, "Description of Property and Specifications", and Sponsor agrees to perform such special work and/or provide such appliances or equipment, then Sponsor may require such person to deposit an amount greater than ten (10%) percent of the offering price of such Unit. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Unit will contain such furniture, furnishings, equipment or decorations upon

delivery of the Unit to the Purchaser unless the Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for such Unit.

If a Purchaser desires any changes in the Unit or any special or additional work or finishes not described in Document 4 in Part II of this Plan in "Description of Property and Specifications", Purchaser and Sponsor must insert a description of such work or finishes as an addition to the Purchase Agreement. Any and all special or additional work a Purchaser desires to be performed with regard to a Unit shall be done only upon Sponsor's written consent therefore and Sponsor's approval of all contractors and suppliers in connection therewith, which consent and approval are within the sole discretion of Sponsor.

The Sponsor may not seek specific performance of the Purchase Agreement. The Sponsor's remedy, as set forth below, is to cancel the Purchase Agreement and retain the Down Payment.

(10) **"TIME IS OF THE ESSENCE" AS TO PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT, INCLUDING WITHOUT LIMITATION, THE OBLIGATION TO PAY THE BALANCE OF THE PURCHASE PRICE AT CLOSING.** "Time is of the essence" shall mean that if Purchaser (a) fails to make such payment when required under the Purchase Agreement, or (b) fails to perform any of Purchaser's obligations under the Purchase Agreement or (c) becomes an occupant of a Unit in the Building and fails to pay any use or occupancy fees or other charges or otherwise to comply with Purchaser's use and occupancy agreement or obligations, then Sponsor may give notice to Purchaser of Sponsor's intention to cancel the Purchase Agreement thirty (30) days thereafter; provided however in the case of (c) above Sponsor must obtain a court order terminating the Purchaser's tenancy prior to canceling the Purchase Agreement. If Purchaser fails to cure such default by the expiration of said thirty (30) day period of notice of cancellation to Purchaser, Sponsor shall have the right to treat the Purchase Agreement as cancelled. In the event of such a cancellation, the Sponsor may retain as damages all payments made under the Purchase Agreement, including without limitation the Down Payment made under the Purchase Agreement and any interest earned thereon. (see "Special Risks" Section A of the Plan).

(11) After the Plan is declared effective, Sponsor will fix dates for closing title to Units for which Purchase Agreements are outstanding. Sponsor shall give each Purchaser no less than thirty (30) days notice of the closing date for his or her Unit by personal delivery or by mailing either by regular or certified mail return receipt requested. Purchasers at their option may waive the thirty day notice requirement. The notice will state that the balance of the Purchase price shall be due and payable at Closing and when Common Charges shall be due and payable. Sponsor may, in its discretion, by three (3) day's prior written notice served by personal delivery or certified mail, reschedule any closing date previously set by notice to Purchaser as provided herein. Any such rescheduled closing date shall be "time of the essence."

(12) Sponsor expects the first closing of a Unit to take place on or about November 1 2008. If such date is delayed by Sponsor for twelve months or more, Purchasers will be offered the right to rescind their Purchase Agreements.

(13) Failure by a Purchaser to close on or before a rescheduled closing date shall constitute a substantial default of Purchaser's obligations under his Purchase Agreement, which may result in Purchaser's losing all payments, including the Down Payment, made thereunder or in Purchaser's defending an action for specific performance and/or damages incurred by Sponsor.

(14) The Purchaser shall be required to sign a Unit Power of Attorney ("Unit Power") in the form as substantially set forth in Document 2 in Part II of the Plan, at or prior to closing. The Sponsor may send the form of Unit Power to the Purchaser at least ten days prior to the scheduled closing and the Purchaser must return the Unit Power at the closing. Failure to deliver a duly executed Unit Power at closing shall constitute a default under the Purchase Agreement.

The balance of the purchase price shall be paid by certified check of the Purchaser, or official bank or cashier's check drawn on a bank which is a member of the New York Clearing House Association, to the direct order of Sponsor or to such other party or parties as Sponsor may designate, and shall be delivered to Sponsor at Closing. **FUNDS DRAWN ON OUT-OF-STATE OR NON-U.S. BANKS AND/OR NOT MADE PAYABLE DIRECTLY TO THE ORDER OF SPONSOR OR TO THE PARTY(IES) AS DIRECTED BY SPONSOR, AND/OR WITH ANY ENDORSEMENT THEREON WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE PRICE FOR A UNIT.**

(15) At Sponsor's sole option Purchasers will be afforded either: (i) not fewer than three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement or (ii) not fewer than seven (7) days after delivering an executed Purchase Agreement together with the required Down Payment to rescind the Purchase Agreement and have the Down Payment refunded promptly. The Purchaser must either deliver a written notice of rescission by hand delivery to the Sponsor or Selling Agent within the seven (7) day period or mail the notice of rescission to the Sponsor or Selling Agent and have the mailing post-marked within the seven (7) day period.

(16) The risk of loss resulting from damage to a Unit by fire or other casualty shall be assumed by Sponsor prior to Closing; provided, however, that if a Purchaser occupies a Unit prior to the Closing the Purchaser shall assume the risk of such loss if not caused by the fault of the Sponsor.

(17) The Purchase Agreement, as set forth in full in Part II of the Plan, sets forth in detail the terms of sale with respect to a Unit, including the consequences of a defect in title upon Closing, and the circumstances which constitute a default by the Purchaser. **THE PURCHASE AGREEMENT IS A LEGALLY BINDING DOCUMENT AND SHOULD BE READ CAREFULLY BY EACH PROSPECTIVE PURCHASER AND EACH**

PURCHASER'S ATTORNEY. A PROSPECTIVE PURCHASER SHOULD SUBMIT THE PURCHASE AGREEMENT TO HIS ATTORNEY BEFORE EXECUTING IT.

(18) Provided that the mortgage shall be substantially in the form of the New York statutory form of mortgage (with such changes as may be necessary to enable a particular lending institution to make the loan), each Purchaser will be permitted to finance his purchase of a Unit by obtaining a mortgage on his Unit in such amount, and to such percentage of its value, as he chooses or is able to secure, from an institutional lender. **THE PURCHASER'S OBLIGATIONS UNDER THE PURCHASE AGREEMENT WILL BE CONTINGENT UPON SUCCESSFULLY OBTAINING A COMMITMENT FOR FINANCING PROVIDED THE PURCHASER PROPERLY ELECTS TO HAVE A MORTGAGE CONTINGENCY BY COMPLETING AND EXECUTING THE MORTGAGE CONTINGENCY RIDER AND ATTACHING IT TO THE PURCHASAE AGREEMENT.** (See the form of Purchase Agreement and Mortgage Commitment Rider set forth in Document 1 in Part II of this Plan). Sponsor makes no representations with respect to the availability, amount, rate, term or any other condition or feature of mortgage financing of the Units.

A Purchaser shall have thirty (30) days from the date of receipt of notice from the Sponsor that the Mortgage Contingency Period has commenced to obtain a mortgage loan commitment in the amount and upon the terms as set forth in the Mortgage Contingency Rider (the "Commitment"). A Purchaser shall have five (5) days from the expiration of the Mortgage Contingency Period to either elect to cancel the Purchase Agreement or waive the right to obtain the Commitment. A Purchaser who fails to notify the Sponsor within said five (5) day period that he elects to cancel the Purchase Agreement shall be required to close on the Purchase and pay the balance of the Purchase Price, regardless of whether he has received the Commitment. In the event a Purchaser does not close, then, at the sole option of Sponsor, he or she shall forfeit his or her Down Payment.

If a Purchaser's obligations are contingent on obtaining the Commitment, as set forth above, or the Purchaser has not waived the contingency to obtain the Commitment, and the Commitment lapses or expires prior to Closing, the Purchaser must make a diligent and good faith effort to extend the Commitment. The Purchaser must pay any fees to extend the Commitment or supply any updated or additional information required by the lender to extend the Commitment. The Purchaser shall accept the risk of any change in the terms of the Commitment other than the amount the lender is willing to lend, and any such change shall not relieve the Purchaser of his obligation to extend the Commitment and to close. If the Purchaser has complied with all of the above and the Commitment still has lapsed or expired, then the Sponsor shall offer the Purchaser a ten (10) right of rescission.

Notwithstanding any other provision of the Plan or of the Purchase Agreement to the contrary, any portion of the balance of the purchase price of a Unit to be financed by a bank, trust company or other lending institution may be paid at the closing for such Unit from the proceeds of the loan; provided, however, that the failure of the lending institution

to fund the loan will not relieve a Purchaser from his obligations under a Purchase Agreement.

Purchasers shall be given thirty (30) days to cure a default in the payments required under the Purchase Agreement.

(19) Conflicts between the Purchase Agreement and this Plan shall be resolved in favor of the Plan. A Purchaser may not waive any of his rights nor may the Sponsor avoid any of its obligations under Article 23-A of the General Business Law of the State of New York by means of any of the terms and provisions contained in the Purchase Agreement or the Plan.

(20) Within thirty (30) days after a prospective Purchaser delivers to Sponsor: (i) a Purchase Agreement executed by such prospective Purchaser in quadruplicate; and (ii) a check for the Down Payment in an amount equal to ten (10%) percent of such Unit's purchase price (and, if Sponsor is providing special work or extra furnishings, additional amounts to be determined by Sponsor), Sponsor must either: (a) return a fully executed Purchase Agreement to the Purchaser or (b) notify such prospective Purchaser that Sponsor has rejected such prospective Purchaser's Purchase Agreement and refund to such prospective Purchaser the Down Payment previously tendered.

If Sponsor fails to return a fully executed Purchase Agreement to a prospective Purchaser no later than thirty (30) days after such prospective Purchaser delivers an executed Purchase Agreement in proper form to Sponsor, then Sponsor shall be deemed to have rejected such prospective Purchaser's Purchase Agreement, and promptly after such thirty (30) day period, Sponsor will refund to such prospective Purchaser the Down Payment previously tendered.

Sponsor reserves the right at any time prior to closing, in its discretion, to check the credit rating of any Purchaser; provided, however, that such credit check shall be performed in accordance with any applicable laws, rules or regulations of any governmental authority having jurisdiction there over. Purchaser shall promptly upon request of Sponsor complete and return a purchase application and to any and all other things as Sponsor may reasonably request to enable Sponsor to perform such credit check.

For purposes of this Plan, a Purchase Agreement shall be valid and binding only if (i) executed by both Purchaser and the Sponsor and (ii) a fully executed counterpart of such Purchase Agreement has been delivered to the applicable Purchaser or his or her attorney within thirty (30) days after submission to Sponsor.

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

(22) As set forth below the Purchase Agreement is not assignable.

(23) The Sponsor reserves the right, prior to accepting a Purchase Agreement, to have a credit check made against a Purchaser to determine credit worthiness and/or to ascertain whether the prospective purchaser(s) will qualify for a loan. If Sponsor elects to have a credit check and/or to ascertain whether the prospective purchaser(s) will qualify for a loan it may use its lender Metropolitan Bank to conduct such credit check and/or loan pre-approval process.

K. ASSIGNMENT OF PURCHASE AGREEMENTS

The Purchase Agreement is expressly not assignable or in any other way to be transferred or encumbered except upon the express prior written consent of the Sponsor. The Sponsor may in its sole and absolute discretion grant or deny permission for the assignment of a Purchase Agreement and may condition the granting of consent upon such conditions as the Sponsor in its sole judgment deems appropriate, including without limitation, the payment of a fee to the Sponsor or its attorneys, to cover the legal expenses incurred by Sponsor in connection with such assignment.

Under the terms of the Purchase Agreement and this Plan it is expressly forbidden for a Purchaser to market a Unit for sale prior to the closing of title to the Unit. It is a material default of the Purchase Agreement for such marketing to take place prior to closing.

It is a special risk of this Plan that Purchasers may not resell their Units for a period of one year from the First Closing, without the prior written consent of the Sponsor which may be withheld in the Sponsor's sole discretion. After this period of restriction on resale, the Unit Owners will be only subject to the right of first refusal of the Board of Managers.

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L. EFFECTIVE DATE

The Sponsor's obligation to sell any Unit is contingent upon the Plan being declared effective. The following provisions will determine whether, when and how the Plan will be declared effective:

(1) The Plan, at the sole option of Sponsor, may be declared effective by (a) an amendment to the Plan or (b) by personal service of notice to all Purchasers or by commencement of service by mail in the manner required by Section 20.1 (d) of the Regulations stating that the Plan is declared effective and submitting an amendment to the Attorney General's Office within five (5) days confirming that the Plan was declared effective on a specified date. The amendment shall conform to Section 20.5 (e) of the Regulations. The First Closing shall not occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Attorney General's Office. If the Attorney General's Office so requests, Sponsor shall submit to the Attorney General's Office copies of all executed Purchase Agreements (and any amendments or modifications thereto) within five (5) days after such a request.

(2) The Plan may not be declared effective unless bona fide Purchasers, including investors, have signed Purchase Agreements for at least fifteen (15%) percent or more of the Units being offered for sale under this Plan. In this case the sale of one (1) Unit will constitute 16.67% of the Units offered for sale. In such event the Sponsor may, at the Sponsor's sole option, declare the Plan effective at any time thereafter, but not later than twenty-four (24) months after the date the Plan was accepted for filing.

(3) The Plan may not be declared effective based on Purchase Agreements: (i) signed by Purchasers who have been given a right of rescission that has not yet expired or been waived; (ii) where the Purchaser was not afforded the protections required by Section 20.3 (o) (15) of the Regulations; or (iii) signed by any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a principal of is the Sponsor, the Selling Agent, or the Managing Agent or is related to is the Sponsor, 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 Attorney General's Office establishing that the Purchaser is bona fide.

(4) When Purchase Agreements have been executed and accepted for the sale to Purchasers of at least eighty (80%) percent of the Units offered for sale under the Plan (5 or more Units) , the Sponsor must declare the Plan effective.

(5) The Plan may be abandoned by the Sponsor at any time before the Plan is declared effective. If the Plan is abandoned, then not later than thirty (30) days after such abandonment all Down Payments paid by Purchasers will be refunded to them in full with interest earned thereon, if any. Upon abandonment, Sponsor shall promptly submit to the Attorney General's Office an amendment confirming such abandonment or file a notice of

abandonment on form RS-3 or such other form as required by Attorney General's Office explaining the reason for abandonment and the disposition of all funds received.

(6) Once the Plan has been declared effective and notice thereof given to Purchasers the Plan may not thereafter be abandoned, except in the event of (i) the existence of a defect in title which cannot be cured without litigation or cannot be cured for less than one-half (½) of one (1%) percent of the total amount of the offering (the "Abandonment Amount"), (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than the Abandonment Amount, or (iii) the taking of any material portion of the Property by condemnation or eminent domain. In calculating the Abandonment Amount no attorneys fees will be included nor the cost of curing any such title defects or the cost of complying with the determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to Sponsor or are a matter of public record. Except as set forth above, Sponsor will have no obligation to incur more than the Abandonment Amount in total expenses to cure all title defects on the Property, including all of the Units. After Sponsor incurs more than such sum in expenses to cure any title defect or defects on any Unit, Units, or the Property, Sponsor will have no further obligation to cure any title defect on any Unit, Units or on the Property.

(7) In the event that the Plan is abandoned or is not declared effective or title does not close in accordance with the terms of the Purchase Agreement because of (i) the Sponsor's inability to convey title to the Property, subject only to Permitted Encumbrances , or (ii) the Sponsor's inability to obtain a temporary or permanent Certificate of Occupancy for residential use, or (iii) casualty to or condemnation of the Building, or (iv) Sponsor's refusal to expend the sums in excess of the Abandonment Amount (½ of 1% of the total aggregate offering price of all Units offered for sale under the Plan), then the Sponsor shall comply with its obligations under this Plan relating to the refund of payments made by Purchasers who have executed, and who are not in default under, Purchase Agreements and such Purchase Agreements shall be deemed cancelled and of no further force and effect. In such event, neither the Sponsor nor the Purchaser under such Purchase Agreement shall have any rights, claims or demands against the other.

M.TERMS OF SALE

The term "closing", "First Closing" or "Closing", shall mean that the conveyance of fee title to the Unit in question is conveyed to the Purchaser pursuant to such Purchaser's Purchase Agreement. Thereafter, a Purchaser will own fee title to the Unit in question.

(1) Upon delivery to the Sponsor of the Balance of the Purchase Price, the Unit Owner's Power of Attorney and the applicable and necessary real property transfer tax and real estate transfer tax returns duly executed and acknowledged by the Purchaser, the Purchaser shall receive the delivery of fee title to the Unit by bargain and sale deed with

covenants against grantor's acts, in the proper form for recording in substantially the form as set forth in Document 3 in Part II of the Plan.

The Unit Power of Attorney, coupled with an interest, in the form as set forth in Document 2 in Part II of the Plan irrevocably designates the Board of Managers as such Unit Owner's attorney-in-fact for the purpose of (i) managing, selling, mortgaging, leasing, or otherwise dealing with (but not voting the votes appurtenant to) any Unit acquired by the Board of Managers in accordance with the provisions of the By-Laws (ii) to sign and record any amendment to the Declaration of Condominium that has been adopted by the Unit Owners or (iii) to sign any document required in order to comply with any law affecting the Condominium or the Common Elements. The Unit Power also grants the Sponsor a Power of Attorney to carry out any rights granted to the Sponsor under the Plan. See Document 2 "Unit Owner's Power of Attorney" in Part II of the Plan for the complete terms of the Unit Power.

On the Closing Date for each Unit, fee title to the Unit in question will be conveyed to the Purchaser, and the Purchaser will thereupon become obligated for the payment of Common Charges, whether or not such Purchaser has taken possession of the Unit.

The Purchaser's obligation for payment of the Common Charges and Expenses applicable to a particular Unit will begin to accrue on the Closing Date. Thereupon, the Purchaser will become obligated for the payment of real estate taxes and assessments (including water charges and sewer rents if separately assessed) and all other expenses with respect to the Unit in question, whether or not the Purchaser has taken possession of such Unit.

(2) The risk of loss by fire or other casualty until Closing or unless Purchaser is in occupancy of the Unit, is assumed by Sponsor, but without any obligation or liability by Sponsor to repair or restore the Unit, except that if Sponsor elects to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to rescind the Purchase Agreement, reject title or receive a credit against, or abatement in, the Purchase Price. If the Sponsor elects not to repair or restore the Unit the Purchaser's sole remedy will be to rescind the Purchase Agreement and receive a refund of the Down Payment, but not including any deposits or advances made for special work done in the Unit.

(3) The Closing to a Unit will take place only after or concurrently with the issuance of a temporary or permanent Certificate of Occupancy for the Building or issuance of a partial, temporary or permanent Certificate of Occupancy for the Unit.

A permanent Certificate of Occupancy is required for permanent residential use of the Building and the Units contained therein. Temporary residential use of the Building is permitted upon the issuance of a temporary Certificate of Occupancy, but a temporary Certificate of Occupancy may only be renewed for a total period of two years after the date of such original issuance. If a temporary Certificate of Occupancy expires prior to obtaining

a permanent Certificate of Occupancy, residential occupancy of the Property will be in violation of the Multiple Dwelling Law, subjecting the occupants of the Building, the Unit Owners and the Condominium to penalties under the Multiple Dwelling Law, including, possibly, the eviction of residential occupants. The Sponsor is responsible for renewing the Temporary Certificate of Occupancy until the permanent Certificate of Occupancy is obtained.

(4) Title to each Unit and the Common Interest appurtenant thereto shall be conveyed to the Purchaser free and clear of all liens and encumbrances other than the following "Permitted Encumbrances":

a. The terms, burdens, conditions, covenants, restrictions, easements and provisions, all as set forth in the Declaration (Document 6); the By-Laws and the Rules and Regulations made thereunder (Document 7); the Power of Attorney from Purchaser to the Board (Document 3); and the Floor Plans (Document 5), all as may be amended from time to time.

b. State of facts shown on the survey of the Property made by, Earl B. Lovell - S.P. Belcher, Inc. dated April 8, 2001 and updated April 25, 2007 and any additional state of facts which a subsequent survey or inspection would show provided such additional state of facts does not render title to the Unit in question uninsurable.

c. State of facts which an accurate survey or inspection of the Unit would show provided such facts would not prevent the use of the Unit for dwelling or Commercial/Community Facility purposes.

d. Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets on which the Land may abut.

e. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Land and Building.

f. Revocability of licenses for vault space, if any, under the sidewalks and streets.

g. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the street or sidewalks abutting the Property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.

h. Service, maintenance and license agreements, if any, affecting all other Units or the Common Elements or any portion or portions thereof.

i. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted between Sponsor and Purchaser at the Closing.

j. The lien of any unpaid assessment payable in installments except that Sponsor shall pay all such assessments due prior to the Closing Date and the Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted pro rata at Closing).

k. Any other declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

l. Any use and occupancy agreement covering the Unit made from Sponsor to the Purchaser.

m. Certificate of Occupancy (temporary or permanent) to be secured by Sponsor.

n. Violations noted or issued of record after the First Closing by any governmental authority. Any violation which Sponsor is obligated to remove will not be an objection to title, provided Sponsor agrees in writing with the Board of Managers to remove same of record.

o. Any other encumbrance, covenant, easement, agreement or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for residential or Commercial/Community Facility purposes.

p. Variations between the record lines of the Property and fences, hedges, and retaining walls.

A Purchaser is required to accept title to the Property provided that Purchaser's title company agrees to insure fee title in the Purchaser subject only to the Permitted Encumbrances.

In the event of the existence of any lien or encumbrance other than the Permitted Encumbrances, the sole remedy of Purchasers under the Plan will be to rescind their respective Purchase Agreements within fifteen (15) days after the date of an amendment disclosing such lien or encumbrance. A Purchaser electing to proceed with the purchase of

his Unit will not be entitled to any credit against, or abatement of, the purchase price set forth in his Purchase Agreement and will have no claim or right of action against Sponsor by reason thereof. Sponsor has no obligation to institute any action or proceeding or expend any sum of money to make title marketable or to eliminate any encumbrances or title defects, except to incur expenses up to the Abandonment Amount.

(5) 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 is included in the conveyance unless specifically excluded by the terms of this Plan. Each sale will include the appliances, equipment, cabinets and other fixtures attached to or used in connection with the Unit as set out in the "Description of Property and Specifications" as Document 4 in Part II of the Plan. The Sponsor has no obligation to deliver the Unit with any improvements, appliances, equipment, fixtures or any other personal property, other than as provided for in the Purchase Agreement and this Plan. Each Unit, and the improvements, appliances, equipment, fixtures or any other personal property, contained therein are being sold and delivered in the condition as described in the Plan, unless Sponsor and Purchaser agree otherwise. **EACH PURCHASER MUST INSPECT THE UNIT SPACE PRIOR TO CLOSING UPON NOT LESS THAN 3 DAYS NOTICE FROM SPONSOR THAT THE UNIT IS READY FOR CLOSING. FAILURE TO DO SO WILL RELIEVE THE SPONSOR OF ITS OBLIGATION TO DELIVER THE UNIT IN OTHER THAN "AS IS" ON THE DATE OF CLOSING OR AT SPONSOR'S SOLE OPTION IT MAY REFUSE TO CLOSE UNLESS THE PURCHASER WAIVES THE RIGHT TO A PRECLOSING INSPECTION AND AGREES IN WRITING TO ACEPT THE UNIT IN ITS "AS IS" AS OF THE CLOSING.** At the pre-closing inspection a list will be prepared and signed by the parties setting forth those minor items that remain to be completed in the Unit (the "Punch List"). Sponsor shall have the option of either delaying the Closing until the Purchaser has agreed in writing that all of the items on the Punch List have been corrected or to close on the sale with a Punch List that survives the Closing. Sponsor shall be obligated to correct the item on the Punch List within a reasonable period of time after the Closing.

The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that the Sponsor has performed and discharged every agreement and obligation on the part of the 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 352-e to survive delivery of the deed. The failure of Sponsor to complete the construction of a Unit in question shall not relieve a Purchaser of the obligation to close provided Sponsor has obtained a temporary or permanent Certificate of Occupancy for the Unit. Nothing herein shall be deemed to relieve Sponsor of its obligation to obtain a Permanent Certificate of Occupancy for the Building.

(6) The Declaration, By-Laws, Floor Plans and architect's and tax authority certifications required by Section 339-p of the Condominium Act, if applicable, will be recorded or filed prior to the First Closing in accordance with the Condominium Act in the New York County office of the New York City Register, in New York, New York.

(7) (a) Metropolitan National Bank and Inter-Ocean Industries, LLC, both having a place of business and office at 99 Park Avenue, New York, New York 10016, are the holders of existing mortgages encumbering the Property (collectively the "Mortgages") Under the terms of the Mortgages, the holders of the Mortgages are entitled to receive principal and interest payable from the proceeds of a sale or other disposition of the Premises and the Units. The Mortgages are due upon the sale of the Property. At the First Closing Sponsor shall arrange for Metropolitan National Bank and Inter-Ocean Industries, LLC to subordinate the lien of the Mortgages to the Declaration of Condominium and release their liens from the Unit(s) being conveyed.

(b) The existence of the Mortgage or other mortgages, liens and encumbrances, other than the Permitted Encumbrances, shall not be objections to title, provided that either (i) properly executed instruments, in form for recording, necessary to satisfy or release Units from the Mortgage and other such impermissible liens or encumbrances are delivered at Closing, or (ii) the Purchaser's title company agrees to insure that enforcement of such lien or encumbrance or collection of the amounts due under such lien or encumbrance will not be made against the Unit. In either or both cases Sponsor shall bear the full responsibility and cost of recording or filing any instruments necessary to remove such liens or encumbrances from the record and/or to release such liens or encumbrances from the Unit.

N. UNIT CLOSING COSTS AND ADJUSTMENTS

(1) The Purchaser will pay the following closing costs and adjustments at the time of the closing of title of the Purchaser's Unit as follows:

(a) Sponsor hereby designates Rockwell Abstract LLC, ("Rockwell") 1333 60th Street, Brooklyn, New York 11219 the title company/abstract company of record for the project, and from which Purchasers may obtain title insurance. Nevertheless, Purchasers are under no obligation to use Rockwell and may order title insurance from any reputable title/abstract company licensed to do business in the State of New York that they choose ("Purchaser's Title Company").

The general rates for fee title insurance are $1,499 for the first $500,001 of insurance and then $2.37 per each $1,000 thereafter up to $1,000,000 of insurance. The mortgage title insurance rates are $137.00 for the first $100,001 of insurance and then $0.77 per thousand up to $500,001 of insurance. For mortgages over $500,000 the rates are $445.00 for the first $500,001 of mortgage and then $0.70 for each $1,000.00 of mortgage thereafter up to $1,000,000 of mortgage amount. (Note: these rates reflect the

fee bulk rate discount for condominiums of 10 or more and the simultaneous mortgage and fee rate discount)

In any event, the Purchaser shall be required to pay any fees for recording any release of mortgage, UCC-3 termination statement, termination of assignment of leases and rents and any other document required to be recorded and/or filed by Rockwell or Purchaser's Title Company in order to clear title.

If Purchaser elects to obtain fee title insurance from Rockwell or Purchaser's Title Company Purchaser will pay the premium therefore which will vary depending upon the purchase price of the Unit. The cost of extended protection fee title insurance and mortgage title insurance at the current rate for new condominium sales in projects with less than ten units for a hypothetical sale price of $1,927,000, with 75% mortgage financing, as estimated by Sponsor is as follows:

Fee: $1,927,000 Purchase Price	$9,480.00, plus $474.00 for the optional market value rider
Mortgage: $1,445,250 Mortgage	$1,538.00*

*(Reflects a simultaneous mortgage and fee rate which would reduces the cost for mortgage title insurance to about 30% of the standard mortgage title insurance amount). Purchasers should check with their title companies for the exact cost of such insurance.

At Closing the Purchaser has the option of obtaining additional fee title insurance protection by buying a "Market Value Rider" to the fee title policy. This optional rider increases the amount of the fee title insurance to the then current market value of the Unit at the time a claim is made against the Unit. Should the Purchaser suffer a complete loss of title to the Unit either to a party claiming a prior and superior ownership of the Property or Unit or a prior and superior lien against the Unit or Property, the title company would pay Purchaser for the then market value of the Unit, but not less than the original Purchase Price of the Unit.

(b) A fee for recording the Unit Deed and Unit Power of Attorney, at the rates as charged by the New York City Register's office, which at the time of this Plan is $15.00 for each instrument plus $5.00 per page. There may also be a service charge payable to the title company of anywhere from $50.00 to $200.00 per instrument to be recorded which shall be the sole responsibility of the Purchaser;

(c) If the Purchaser obtains a mortgage loan, the Purchaser will pay a mortgage recording tax, which in New York County is currently $2.175 for each $100.00 of the principal amount of the mortgage, less the lender's share of $0.25 per $100.00 or 1.925% for mortgages of more than $500,000.00. At the option of Sponsor, it may arrange to have part of the Mortgages assigned to Purchaser's lender in order to transfer the

mortgage tax paid by Sponsor and the difference between the mortgage tax owed to the City and State without an assignment of the mortgage and the amount not paid because of the assignment shall be a credit to Sponsor to be paid by the Purchaser to Sponsor at Closing.

(d) All legal costs, fees and expenses charged by the Purchaser's attorney will be the sole responsibility of each Purchaser.

(e) New York City Real Property Transfer Tax ("RPT Tax"), presently $1.425% of the Purchase Price of a Unit (less existing and continuing mortgages, if any, where the Purchase Price is more than $500,000.00 Purchasers should check with their title companies for availability of this continuing lien deduction) will be the sole responsibility of the Purchaser. This transfer tax is normally imposed on the seller of real property and thus the Sponsor is passing this cost along to the Purchaser. See Special Risks Section A.

The City of New York Department of Finance has taken the position that when a Purchaser assumes the obligation to pay the RPT Tax and or the Deed Stamps (as defined below) the amount of such taxes will be included in the consideration subject to tax. The steps to compute the tax are:

(i) Multiply the purchase price by the RPT tax rate to compute the nominal RPT tax.

(ii) Multiply the Purchase Price by the Deed Stamp rate to compute the nominal Deed Stamp tax.

(iii) Add the nominal taxes to the Purchase Price.

(iv) Multiply (iii) by the RPT tax rate to determine the RPT tax payable.

Example:
Purchase Price = $1,927,000
(1) $1,927,000 x 1.425% = $27,459.75
(2) $1,927,000 ÷ 500 x $2.00 = $7,708
(3) $1,927,000 + $27,459.75 + $7,708 = $1,962,167.70
(4) $1,962,167,70 x 1.425% = $27,960.89

(f) New York State Real Estate Transfer Tax ("Deed Stamps"), presently $2.00 per $500.00 of the Purchase Price of a Unit (less existing and continuing mortgages, if any, where the Purchase Price is less than $500,000.00 Purchasers should check with their title companies for availability of this continuing lien deduction) will be the sole responsibility of the Purchaser. This transfer tax is normally imposed on the seller of real property and thus the Sponsor is passing this cost along to the Purchaser. See Special Risks Section A.

The State of New York Department of Taxation and Finance has taken the position that when a Purchaser assumes the obligation to pay the Deed Stamps and/or the RPT Tax, the amount of such taxes will be included in the consideration subject to tax. The steps to compute the tax are:

(i) Multiply the purchase price by the Deed Stamp tax rate to compute the State tentative tax.

(i) Multiply the purchase price by the RPT tax rate to compute the nominal RPT tax.

(iii) Add the nominal taxes to the purchase price.

(iv) Multiply (iii) by the Deed Stamp tax rate to determine the Deed Stamp tax payable.

Example:

Purchase Price = $1,927,000
(1) $1,927,000 ÷ 500 x $2.00 = $7,708
(2) $1,927,000 x 1.425% = $27,459.75
(3) $1,927,000 + $7,708 + $27,459.75 = $1,962,167.70
(4) $1,962,167.70 ÷ 500 x $2.00 = $7,849.00

(g) If applicable to the purchase prices for this offering, the New York State additional real estate transfer tax (the so called "Mansion Tax") of 1% of the gross Purchase Price on the sale of residential property where the Purchase Price is $1,000,000 or more. This tax is payable by the Purchaser and the consideration includes any consideration Purchaser pays to the seller or on behalf of the seller at closing. It would include by way of example the transfer taxes Purchaser is required to pay on behalf of Sponsor as set forth above.

(h) Those Purchasers obtaining mortgage loans will be responsible for the payment of all closing costs and expenses in connection therewith in amounts determined by the applicable lender. These costs and expenses will probably include an origination fee, appraisal fee, fees of the lender's counsel, and a fee for mortgage title insurance as set forth above, as well as related recording fees. Purchaser's title company will insure lenders at simultaneous rates if a fee policy and mortgage policy are both obtained by the Purchaser of a Unit. In addition to the specified costs and expenses, a mortgage on a Unit may provide that the Unit Owner deposit monthly with the lender one-twelfth (1/12) of the estimated annual real estate taxes, water rates, sewer charges and assessments which are assessed or are to be assessed against the Unit, together with one-twelfth (1/12) of the annual fire and casualty insurance policy premiums for the Unit, or other amounts, and at the Closing the Purchaser may be required to deposit with the lender, a multiple of the aggregate of one or the other amounts so that sufficient funds will be available for the

lender to pay real estate taxes and insurance premiums when due. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources.

(i) A Working Fund capital contribution equal to two month's Common Charges for the Unit as set forth on the latest amended version of "Offering Prices and Related Information, Schedule A" in Section F of the Plan.

(j) Common Charges for the month in which Closing occurs shall be adjusted as of midnight of the day preceding the Closing Date for each Unit based upon the number of days in the month from the date of Closing to the end of the month. After the First Closing the Board of Managers will fix the amount of Common Charges to be assessed against each Unit. It is estimated that the Common Charges for the first year of operation of the Building will not exceed the amounts for each Unit set forth in "Offering Prices and Related Information, Schedule A," in Section F of the Plan, but such amounts may vary to the extent that the costs of services change and/or to the extent that the Board of Managers decides to provide increased services or to discontinue any of the present services.

(k) New York City real estate taxes for the Unit for the applicable tax year in which title to a Unit closes will be apportioned between the Sponsor and the Purchaser as of midnight of the day preceding the Closing Date. In the event that a Unit has not been separately assessed on the Closing Date for City taxes for the then current applicable tax year, the apportionment of real estate taxes shall be based upon such Unit's estimated taxes as set forth in "Offering Prices and Related Information, Schedule A., " in Section F. of the Plan.

l) The RPTT filing fee and/or the RP-5217NYC filing fee of $75.00, or at the applicable rate as then charged by the City of New York for filing such forms, or any substitute or additional forms, at the time of Closing.

m) As set forth above any fees for recording any release of mortgage, UCC-3 termination statement, termination of assignment of leases and rents and any other document required to be recorded and/or filed by Rockwell or Purchaser's Title Company in order to clear title.

n) A fee to the Sponsor of $1,500.00 to reimburse the Sponsor for the costs of filing the Plan with the Attorney General's Office and for recording the Declaration with the Register's Office, to be paid by Purchaser to Sponsor in addition to the Purchase Price at Closing (the "Sponsor Plan Fee.").

All closing costs and adjustments payable by the Purchaser shall be paid in the form of a certified or bank check, unless some other arrangement is agreed to and accepted by Sponsor prior to closing.

For a Unit with a Purchase Price of $1,927,000 and a mortgage of $1,445,250 the following is an example of the estimated closing costs:

Fee Title Insurance:	$9,480.00
Mortgage Title Insurance:	$1,538.00
Market Value Rider:	$474.00
Recording Charges:	$425.00
Departmental Searches:	$325.00
Continuation Search	$35.00
Bankruptcy & Patriot Act Searches	$170.00
Title Endorsements	$125.00
Mortgage Recording Tax:	$27,790.10*
RPT Tax	$27,960.89
Deed Stamps:	$7,849.00
Mansion Tax	$19,270.00
Sponsor's Attorneys' Fee:	$1,500****
Lender's Attorneys' Fee	$1,000.00
Total Hypothetical Closing Costs	$97,941.99

*(Based upon the mortgage tax rates in effect as of June 1, 2005)
**** (Per Unit Closing Fee, whether residential unit, commercial unit, parking unit, if any, storage unit, if any, etc.)

The above example of closing costs is intended to be a general guide and not a guarantee of the precise costs a Purchaser will incur. Each Purchaser should request an exact list of the title charges and taxes payable from Rockwell or Purchaser's Title Company prior to the closing.

In addition at closing the Purchaser would have to pay a real estate tax closing adjustment, common charges for the month of closing and in some cases for the month following the closing, a move in deposit and a contribution to the Working Capital Fund. Using Unit 4, as an example the amount of payments that would have to be paid at closing by the Purchaser would be as follows:

6 Month's Real Estate Tax Adjustment:	$8,136.49*
Common Charges for Month of Closing:	$893.02**
Common charges for Month Following Closing	$893.02
2 Month's Working Capital Contribution:	$1,786.04
Move-In Deposit	$1,000.00***
Total Projected Purchaser Additional Outlay of Funds	$12,708.57

*(Assumes Sponsor has prepaid taxes for the period six months after Closing and no tax exemption and/or abatement benefits. This is the maximum hypothetical amount that a Purchaser would have to pay as an adjustment to Sponsor.)

** (Purchaser would receive a credit back from the Sponsor for the number of days in the month that have elapsed prior to the Closing)

*** (Refundable to Purchaser if no damage done to elevator, if any or building)

(2) It is anticipated that a mortgage tax credit will be available pursuant to Section 339-ee (2) of the Condominium Act. Purchaser shall pay the amount of any credit available to the Sponsor as a closing adjustment in favor of Sponsor.

(3) There is no financing for qualified purchasers being offered or arranged for by Sponsor in connection with this Plan. However Sponsor's lender Metropolitan National Bank having a place of business and office at 99 Park Avenue, New York, New York 10016, may be used by Sponsor to determine credit worthiness and/or to ascertain whether the prospective purchaser(s) will qualify for a loan. Purchasers may wish to apply to Metropolitan National Bank for a loan commitment, but Sponsor makes no representation or guaranty whatsoever that they will receive a commitment or as to any of the terms of such loan commitment.

(4) The Purchaser shall be required to pay a fee to the Sponsor's attorneys in connection with this Plan as follows: (i) A Closing fee of One Thousand and 00/100 ($1,500.00) dollars per Unit closed payable to Sponsor's Attorneys for preparing the closing documents, clearing title, interfacing with lenders and title companies and for attending the closing; (ii) In the event that the Closing date is confirmed or the Closing is commenced and thereafter adjourned at the request of or at the sole fault of a Purchaser or any party representing or acting on behalf of the Purchaser , a closing adjournment fee of $500.00 shall be payable by Purchaser to the Sponsor's Attorneys; and (iii) If the Closing is held at an office other than Sponsor's or Sponsor's attorney then a travel fee of $500.00.

If the Purchaser finances the acquisition of the Unit, the Purchaser shall have to pay a fee to its lender's attorneys which can range anywhere from $700 to $1,000.00 per loan or Unit.

(5) If the Units have not been separately assessed for real estate tax purposes prior to the First Closing, Sponsor will either pay directly to Rockwell or to the City Department of Finance or place in escrow in the name of the Board of Managers with its counsel an amount equal to the unpaid real estate taxes (or estimates thereof based on current assessments) due for the next ensuing six months (or until the Units are separately assessed, whichever is shorter); provided, however, that as Closings occur, the portion of such funds held in escrow which represent the portion allocable to the Unit being sold, shall be disbursed to Sponsor, with interest accrued thereon, if any. All interest accrued on such escrow, if any, shall inure to the benefit of, and belong to, Sponsor. Sponsor will cause to

be paid the real estate taxes from the escrow account when taxes are due and payable and is entitled to reimbursement from Unit Owners at each closing.

Until separate tax bills are issued with respect to each Unit, Sponsor and all other Unit Owners shall pay their proportionate share of real estate taxes based upon the respective Percentage of Common Interest of their respective Units to the Board of Managers as and when required by the Board of Managers, and the Board of Managers shall thereafter pay such taxes to the New York City Department of Finance

(6) The following items will be apportioned between the Sponsor and the Board of Managers on behalf of the Unit Owners as of the date of the First Closing (hereinafter referred to as the "Adjustment Date"):

a. Water charges (and all related sewer rents) on the basis of the fiscal or calendar year for which assessed;

b. Cost of fuel on hand (plus sales tax), if any;

c. Charges for electricity and other utilities for the Common Elements, if any;

d. Charges and receipts in connection with service and maintenance and concession contracts, if any;

e. Wages and payroll expenses, including vacation pay accruals if any;

f. Deposits with utility companies (if any) and fees for assignable permits and licenses, if any;

g. Premiums on existing transferable insurance policies, if any;

h. Cost of Building supplies on hand (plus sales tax), to be reimbursed to Sponsor, if any;

i. Other customary adjustments; and

j. Management fees, if any.

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

If the net closing adjustments are in favor of the Board of Managers, they will be paid by the Sponsor into the Working Capital Fund. If the net closing adjustments are in favor of the Sponsor they will be paid by the Board of Managers from the Working Capital Fund (see Section X. "Working Capital Fund"). However, the Closing adjustments to be paid by the Board of Managers to the Sponsor at the First Closing shall not reduce the Working Capital Fund below $2,000.00. In connection therewith the Board of Managers may pay any excess Closing Adjustments in twelve equal monthly installments starting the month after the Working Capital Fund is equal to or greater than $2,000.00. Such amounts due the Sponsor will be evidenced by an unsecured promissory note payable with interest at a rate of ten (10%) percent per annum to be executed by the Board of Managers on behalf of the Unit Owners as of the First Closing. If such unsecured interest bearing promissory note is necessary, then payments to be made under the note may result in an increase in the Common Charges payable by the Unit Owners.

O. RIGHTS AND OBLIGATIONS OF THE SPONSOR

Sponsor has certain rights and obligations under this Plan and applicable law with respect to this Plan including but not limited to the following:

(1) Although it is Sponsor's intention to sell the Units, Sponsor is not obligated to offer or sell all of the Units within any set period of time. The Sponsor reserves the unconditional right not to offer or sell certain Units and rather to rent certain of the Units. There are no restrictions in Sponsor's construction financing regarding the Sponsor's right to rent Units or a minimum number of Units that must be under contract before the Plan can be declared effective

(2) Sponsor shall defend any suit or proceeding arising out of Sponsor's acts or omissions and indemnify the Board of Managers or the Unit Owners in any such action or proceeding. Sponsor shall have the sole right to select counsel to defend the Board of Managers and/or the Unit Owners in any such suit or action. In any action or proceeding brought by the Board of Managers against the Sponsor, the Sponsor shall not have the right to select counsel for the Board of Managers.

(3) All representations under this Plan, all obligations pursuant to the General Business Law, and such additional obligations under this Plan which are to be performed by Sponsor and/or its principals, subsequent to the First Closing will survive the delivery of the Deed.

(4) Disclaimers or limitations of liability on the part of the Sponsor or its principals for failure to perform any obligations imposed by applicable statute or regulation may not be included in this Plan. There shall be no financial limitation on Sponsor's liability for failure to perform its obligations under this Plan.

(5) Sponsor is obligated, from and after the date of the First Closing, to pay the Common Charges, special assessments and real estate taxes with respect to each Unsold Unit. No bond or other security will be posted by Sponsor for this obligation. Sponsor

represents that it will have sufficient financial resources to meet its obligations with respect to the Unsold Units, including proceeds from the sale of Units and rental income from the Unsold Units if any.

(6) The risk of loss by fire or other casualty until Closing or unless Purchaser is in occupancy of the Unit, is assumed by Sponsor, but without any obligation or liability by Sponsor to repair or restore the Unit, except that if Sponsor elects to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect. In such case the Purchaser shall not have the right to rescind the Purchase Agreement, reject title or receive a credit against, or abatement in, the Purchase Price. If the Sponsor elects not to repair or restore the Unit then the Purchaser's sole remedy will be to rescind the Purchase Agreement and to receive a refund of the Down Payment, but not including any deposits or advances made for special work done in the Unit.

(7) Sponsor is obligated to procure the initial fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance in the amounts described in the Footnotes to "Budget for First Year of Operation, Schedule B." Section G-1, on behalf of the Condominium, and the cost of such procurement shall be apportioned between the Sponsor and the Condominium.

(8) Sponsor, is a limited liability company organized under the laws of the State of New York. In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more Units or twenty percent (20%) or more of the total number of Units, whichever is less, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Plan, applicable law and regulations.

(9) There is construction financing encumbering the Property. The lenders are Metropolitan National Bank and Inter-Ocean Industries, LLC both with an address at 99 Park Avenue, New York, NY 10016. The lenders have agreed to subordinate their liens to the Declaration and to release the Units from their liens when there are sold provided Sponsor complies with all of the terms of the loan agreement, including but not limited to paying a release price of 100% of the net sale proceeds of the Unit. The Sponsor's construction loan financing does not contain an obligation on the part of Sponsor to rent rather than sell Units or does it contain a requirement that a minimum number of Units be under contract before the Plan may be declared effective.

(10) Sponsor is obligated to build and complete the Condominium substantially in accordance with the building plans and specifications submitted to the Attorney General's Office as part of the Plan. No bond or other security, other than those required by law or governmental regulation, will be posted by Sponsor for this obligation. During the course of the construction the Sponsor retains the right to change such building plans or specifications, and substitute equipment or materials and modify layout or design; provided, however, that Sponsor may not: (i) substitute equipment or materials of lesser quality or design; or (ii) subject to the terms of the Plan, change the size or location of Units, or

Common Elements, if such changes affect the Percentage of Common Interest in the Common Elements without Sponsor amending the Plan and offering recession to those Purchasers whose Units are adversely affected thereby.

Each Unit, and the fixtures and personal property therein are being sold and delivered in the condition as described in the "Description of Property and Specifications" in Document 4 in Part II of the Plan, unless Sponsor and Purchaser agree otherwise. Sponsor will maintain each Unit, and the fixtures and personalty contained therein, up to the Closing of the Unit in question. When the Purchaser of a Unit inspects such Unit, as required, at least ten (10) days prior to the Closing Date and finds that Sponsor's improvements are not completed by the Closing for such Unit but such improvements have been substantially completed and a temporary or permanent Certificate of Occupancy has been obtained for such Unit, Sponsor and the Unit Owner in question will prepare a memorandum of incomplete work required under the Purchase Agreement and/or this Plan to be completed (a "Punch List") and will enter into an agreement under which the Sponsor will agree to complete the work in the Unit described on the Punch List following the Closing for the Unit in question. The Sponsor will not have any obligation to do any work in the Unit unless such work or item is expressly included in the Plans and Specifications for the Building and specifically designated by Purchaser on the Punch List, except for work necessary to cure violations or to obtain a temporary or permanent Certificate of Occupancy. Without limitation, incomplete work of a material nature shall not include such conditions as nail pops, ridging on sheetrock walls, lumber shrinkage, door or window sticking due to weather, door warpage, missing bath tile grouting, slight separation in joints of kitchen tile or wood flooring, levelness of floors, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settlement (including, without limitation, concrete cracks which do not impair the structural soundness of the Building), normal plumbing, heating and air conditioning noises, carpet discoloring and stretching, or minor chips, mars, breaks or other similar defects in window sashes, electric fixtures and globes, interior painted surfaces, sinks, tubs, bowls, kitchen cabinets, counter tops, vanity tops and bases, medicine cabinets, doors, mirrors, hardware, flooring and appliance cabinets. The obligation of Sponsor to complete the work described on the Punch List shall survive delivery of the Unit Deed to such Unit Owner. No Unit Owner shall be excused from the obligation to close because of incomplete work once the Sponsor has obtained a temporary or permanent Certificate of Occupancy for the Unit in question.

Sponsor's Architects, in consultation with the Sponsor have prepared the Floor Plans for the Units. The Sponsor will have no liability or responsibility to a Purchaser, nor will a Purchaser be relieved from his obligations under the Purchase Agreement, by reason of any minor or insubstantial inaccuracy or error in the Floor Plans, or by reason of any minor or insubstantial difference between the Floor Plans and the actual physical state of a Unit. Actual layout and dimensions of a Unit may differ from those on the Floor Plans.

The Sponsor has no obligation to repair or improve a Unit or the fixtures or personal property attached to or used in connection with the operation of the Unit, except as

otherwise expressly provided in this Plan. Sponsor, however, shall deliver to each Unit's Purchaser all warranties, if any, in Sponsor's possession at the closing for the Unit. All warranties, if any, in Sponsor's possession as of the First Closing which relate to Common Elements will be assigned to the Board of Managers at the First Closing. Sponsor agrees to pay for the authorized and proper work involved in the establishment and sale of the Condominium that Sponsor is obligated to incur under the Plan and to complete the construction and to cause all mechanic's liens with respect to the construction of the Condominium to be promptly discharged or bonded (all subject to Sponsor's rights to abandon the Plan).

The Sponsor will promptly correct any defects in the construction of the Common Elements, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided that such defects occur prior to the expiration of the following time periods commencing after the First Closing: 1 year for defects in workmanship, design, installation or materials, 2 years for defects in plumbing, electrical, heating or ventilation systems or 6 years for major structural defects..

Under the present construction schedule, it is anticipated that, the Building will be substantially completed by November 1, 2008 subject to Unavoidable Delays. Sponsor, however, makes no warranty or representation that the Building will be substantially completed or that all work will be completed by the above dates.

(11) No closing will occur prior to the issuance of a temporary or permanent Certificate of Occupancy ("CO") for the Building or prior to the issuance of a temporary or permanent CO for the Unit which is the subject of a particular Closing unless the Purchaser has elected not to have the kitchen and bathrooms completed as set forth in the Plan. A permanent CO is required for permanent use of the Building and the Units. Temporary use of the building is permitted upon the issuance of a Temporary CO ("TCO"), but if a TCO expires prior to obtaining a permanent CO, residential occupancy of the Condominium will be in violation of the Multiple Dwelling Law, subjecting the occupants of the Building, the Unit Owners and the Board of Managers to penalties under the Multiple Dwelling Law, including, possibly, the eviction of residential occupants. The Sponsor and its principals anticipate obtaining a permanent CO within two years from the date of the First Closing. The Sponsor shall also be obligated to obtain the permanent CO before the TCO expires, unless an extension can be obtained.

Sponsor is responsible for renewing the TCO until the permanent CO is obtained. It has been customary for units in newly constructed and gut rehab co-ops and condos to close after a TCO covering the units has been issued. Sponsor will send Closing Notices for unit(s) covered by the TCO and Purchasers will be required to close with a TCO, rather than a permanent CO in place. TCO's are issued for three months at a time.

The NYC Department of Buildings ("DOB") advises purchasers of houses and apartments, who close with only a TCO in place, to consult with their attorneys and engineers to assure that sufficient funds are escrowed or otherwise secured for Sponsor to

obtain a permanent CO. It is strongly recommended by the DOB that buyers consult the "DOB Website/Consumer Tips" for its recommendation when buying units in a building that does not have a permanent CO.

(12) This Property is not subject to the provisions of General Business Law Section 352-ee, which applies to the gut renovation of commercial properties to residential condominiums or cooperatives in the City of New York.

(13) If Sponsor fails to obtain a permanent Certificate of Occupancy for the Property prior to the First Closing, Sponsor will be obligated to: (i) hold and maintain all monies received pursuant to all Purchase Agreements (see "Procedure To Purchase" Section J.) in the special trust account required by the General Business Law of the State of New York, Sections 352-e(2)(b) and 352(h), originally established with the Escrow Agent for the purpose of holding such deposits; provided, however, that if Sponsor's Architect certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy, then the amount exceeding the sum so certified by the Sponsor's Architect shall be released from the special escrow account to Sponsor; or (ii) Sponsor shall deposit with Escrow Agent an unconditional, irrevocable letter of credit or post a surety bond or provide other collateral acceptable to the Attorney General's Office, in an amount Sponsor's Architect, from time to time, certifies is reasonably necessary to complete the work needed to obtain the permanent Certificate of Occupancy. Sponsor shall also amend the Plan to disclose the same and will promptly notify all Purchasers with Purchase Agreements outstanding and not in default beyond any applicable grace period of such Amendment.

(14) The Sponsor does not warrant the materials, design or workmanship of the Units, Limited Common Elements, if any, or the Common Elements. The Sponsor shall not be obligated to correct any defects in the materials, design, installation or workmanship except to the extent as expressly set forth below.

The Sponsor shall correct any material defects in the materials, design, installation or workmanship of the Units, Limited Common Elements, if any and Common Elements due to substantially improper workmanship, substantially inferior design or installation or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects with respect to the Common Elements by the Board of Managers as to patent defects within 6 months from the date the Sponsor relinquishes control of the Board and as to latent defects within 6 months from the date that the latent defect was discovered or could have been discovered and with respect to Units as to latent defects only provided Sponsor is notified by the Unit Owner within 6 months of the Closing. . Notwithstanding the foregoing, the statute of limitations is 6 years with respect to contract claims and 2 years with respect to fraud claims from the time that the fraud is or could have been discovered.

The Sponsor is obligated to construct the Building in accordance with all applicable codes and the filed building plans and specifications.

As the Building to be constructed exceeds five stories it is not subject to Article 36-B of the General Business Law "Warranties on Sales of New Homes."

(15) Prior to the Closing of the Unit Sponsor will cause to be delivered to the Purchaser, all manufacturers' warranties in Sponsor's possession, if any, for appliances, fixtures and personal property installed in the Purchaser's Unit, and (ii) to the Board of Managers, all manufacturers' warranties in Sponsor's possession, if any, as of the First Closing which relate to equipment and appliances installed in or as part of the Common Elements. The Board of Managers and each Purchaser shall be assigned any such warranties subject to the terms, provisions and conditions contained therein, and Sponsor makes no representation relating thereto and shall not under any circumstances be liable to the Board of Managers or Purchaser for any matter arising from or relating to any warranty, guaranty or bond which has been delivered or assigned to the Board or Purchaser.

(16) The Sponsor agrees to pay for the authorized and proper work involved in the construction and establishment and sale of the Condominium that Sponsor is obligated to complete under the Plan and will cause all mechanics liens with respect to such construction to be promptly discharged or bonded.

(17) Sponsor will deliver a set of "as-built plans" to the Board of Managers.

(18) No bond or other security other than that required by applicable law has been furnished to secure Sponsor's obligations including Sponsor's obligation to complete the construction of the Building.

(19) Sponsor and/or any other person authorized by the Sponsor shall have, by grant from each Unit Owner, a right of access to each Unit and to all storage areas and all other appurtenances to each Unit, if any, during normal working hours(except in emergency situations) for the purpose of completing the construction of the Common Elements or any Unit or any part or portion of either of same, during working hours (except in emergency situations) provided that requests for entry are made in advance (except in emergency situations). Sponsor and/or any other person authorized by the Sponsor shall take reasonable care not to interfere with the Unit Owner's use of the Unit. In case of any emergency, such right of entry shall be immediate, whether or not the Unit Owner is present at the time. If reasonable care, under the circumstances, is exercised to safeguard the Unit Owner's property, any such entry whether in an emergency or not, shall not render the Sponsor or its authorized agents liable for any damage to the Unit, or the personalty or fixtures contained therein. In the event that Sponsor or its agents are negligent in exercising a right of access, then Sponsor and/or any other person authorized by the Sponsor shall be liable for the repair and restoration of the Unit and the Unit Owner's personal property that may be damaged as a result.

(20) Sponsor has the right to designate the first members of the Board of Managers, and such members shall have voting control of the Board of Managers until the sale of all Units

or 5 years from the First Closing whichever is sooner. So long as Sponsor or its designee shall continue to own at least one Unsold Unit, the Board of Managers may not undertake certain actions without Sponsor's prior written consent (see "Control By The Sponsor" Section Q.).

(21) Sponsor has the right, prior to the date of First Closing, to renew, extend or modify the existing service and maintenance contracts at the Building, and to enter into new contracts, on such terms as Sponsor deems desirable subject, however, to certain limitations.

(22) Sponsor reserves the right, without prior notice or amendment to the Plan, to use any Unsold Unit on any floor of the Building as a sales office, promotional office, or model apartment in connection with the sale or rental of Units. In the event Sponsor thereafter elects to sell such Unit, Sponsor may amend the Plan to require the Purchaser thereof to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unit, such amounts as Sponsor determines. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Unit to the Purchaser of the Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for such Unit.

(23) The Sponsor and any owner of an Unsold Unit as designated by Sponsor shall not be subject to the restrictions upon use and occupancy of Units as described in "Use of Units" in "Rights and Obligations of the Unit Owners and the Board of Managers" Section S., except as otherwise described therein and so long as they comply with applicable state and local laws regulating such use. The Sponsor and any owner of an Unsold Unit as designated by Sponsor shall not be subject to restrictions in connection with the sale or lease of units by Unit Owners (see "Rights and Obligations of the Unit Owners and the Board of Managers" Section S.). In no event shall the Board of Managers have a right of first refusal with respect to the sale or lease of an Unsold Unit or a Commercial/Community Facility Unit. In no event shall the Sponsor be subject to any restrictions on the use of "For Sale", "For Rent", or "For Lease" signs.

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

(25) The Sponsor shall have the right, without the authorization of the Board of Managers or the Unit Owners, to file an amendment to the Declaration for the purpose of complying with the provisions of Section 339p of the Condominium Act.

Q. CONTROL BY THE SPONSOR

Until the earlier of i) the sale of all Units or ii) 5 years from the date of the First Closing (the "Sponsor Control Period"), Sponsor or its designee, will have the right to exercise voting control of the Board of Managers and to run the affairs of the Condominium. During this period, Sponsor or its designee will thus have control of the level of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Unit Owners, and the enforcement of the obligations of Sponsor or its designee.

Notwithstanding its right to control the Condominium Sponsor or its designee may decide in their sole discretion at any time prior to the end of the Sponsor Control Period to transfer control of the Board of Managers to Unit Owners not related to the Sponsor. At such time Sponsor will cause a special meeting of the Unit Owners who are not related to Sponsor (the "First Annual Meeting of the Unit Owners".) to be held for the purpose of electing a new Board of Managers composed of Unit Owners or other qualified individuals a majority of whom are unrelated to the Sponsor or its designee, if any,

Within thirty days after the end of the Sponsor Control Period, the Sponsor must cause the First Annual Meeting of the Unit Owners to be held to elect a new Board of Managers composed of Unit Owners or other qualified individuals with at least a majority of whom are unrelated to the Sponsor or its designee, if any. The By Laws do not contain a provision that that a majority of the Board of Managers must be owner occupants.

The Sponsor or its designee shall be entitled to designate a majority of the members of the Board of Managers for five years or until Sponsor or its designee no longer owns any Units whichever occurs first.

The number of Board members may not be changed except in accordance with the procedures described in the By-Laws. Annual meetings shall be held within thirty (30) days after each anniversary of the First Annual Meeting of the Unit Owners.

Sponsor or its designee may not exercise veto power over the expenses described in the "Budget for the First Year of Condominium Operation, Schedule B" or over expenses required to (i) comply with applicable laws or regulations; or (ii) remedy any notice of violation; or (iii) remedy any work order by an insurer.

Sponsor or its designee may exercise veto power over expenses, other than those described above, for 5 years or until the Unsold Units owned by Sponsor or its designee have allocated thereto in the aggregate less than 25% of the total Percentage of Common Interest, whichever is sooner. Such expenses or actions may include but are not limited to

the (i) making any addition, alteration or improvement to the Common Elements or to any Unit; (ii) assessing any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; (iii) hiring any employee in addition to the employees referred to in the Plan; (iv) entering into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing; (v) borrowing money on behalf of the Condominium or (vi) exercising a right of first refusal to lease or purchase a Unit.

Sponsor or its designee shall also have the right to limit or delay the availability of any services and facilities described in "Description of Property and Improvements" in Part I, Section D of the Plan, provided that all services and facilities shall be available in accordance with the terms of the Plan following the date upon which a total of fifty (50%) percent or more of the Units have closed or are occupied by tenants.

R. BOARD OF MANAGERS

(1) The affairs of the Condominium shall be governed by a Board of Managers. The initial Board of Managers shall have three all of whom shall be designated and appointed by the Sponsor. Members of the initial Board of Managers are not required to be Unit Owners or related to Unit Owners.

The By-Laws of the Condominium do not include a provision that after an initial Sponsor voting control period of no more than 2 years a majority of the Board of Managers must be owner occupants or member's of an owner occupant's household who are unrelated to Sponsor or its principals. Because Sponsor is retaining the right to rent rather than sell Units, this Plan may not result in the creation of a Condominium in which a majority of the Units are owned by owner occupants or investors unrelated to Sponsor. Moreover owner occupants may never control the Board of Managers of the Condominium under the terms of this Plan. Owner occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase of the Unit as a home rather than an investment.

After the expiration of the Sponsor Control Period or when the Sponsor elects to relinquish control, the Board of Managers shall consist of at least three and no more than five members, a majority of which shall be Unit Owners not related to the Sponsor or principals of the Sponsor. Board members must be at least 18 years of age and must be either Unit Owners or certain other interested parties. No member of the Board of Managers shall continue to serve on the Board of Managers if, during his or her term of office, said member and/or his or her spouse shall cease to be a Unit Owner. The By Laws do not contain a provision that a majority of the members of the Board of Managers be owner occupants or members of an owner occupant's household.

Unit Owners shall have the right to elect members to the Board of Managers at elections held upon prior written notice at a place to be designated in the notice. The Unit

Owner of record at the time such notice is sent or his or her duly authorized proxy shall be entitled to attend and vote in such election. At all meetings of Unit Owners, the presence in person or by proxy of Unit Owners owning in the aggregate more than 50% of the total Percentage of Common Interest shall constitute a quorum. Except as otherwise provided in the By-Laws or Declaration, a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Unit Owners.

The Sponsor must cause a meeting of the Unit Owners to be held for the purpose of electing a new Board of Managers within thirty days after the earlier of the sale of all Units or five (5) years after the First Closing (the "First Annual Meeting").

At the First Annual Meeting of the Unit Owners, Unit Owners will elect a majority of the new Board of Managers. The Board of Managers will cause annual meetings to be held each year thereafter within thirty days of the anniversary date of the First Annual Meeting. The term of office of the members of the Board of Managers shall be for one (1) year or until their successors are elected.

Special meetings of the Unit Owners can be called by the Board of Managers at any time. Special meetings of the Unit Owners shall be called by the Board of Managers upon receipt of a petition signed by Unit Owners owning in the aggregate 25% or more Percentage of Common Interest.

The Secretary shall mail a notice of each annual or special meeting of the Unit Owners to all Unit Owners of record. The notice shall state the purpose of the meeting as well as the time and place where it is to be held, and the notice will be given at least 30 days prior to such meeting.

(2) The anticipated initial Board of Managers and officers of the Condominium shall be Sheldon Reiter, Linda Mekeel and Stacy Hammel. They will be appointed by the Sponsor and are principals of the Sponsor, employees of the Sponsor, business associates of the principals of the Sponsor or otherwise related to the Sponsor or principals of the Sponsor.

The initial officers of the Condominium shall be appointed by the Board of Managers or the Sponsor and shall consist of a President, a Treasurer, and a Secretary. None of the initial officers of the Condominium need be Unit Owners. No officer shall receive any compensation for acting as such After the First Annual Meeting the Board of Managers shall hold an organizational meeting to elect officers. The officers elected by the Board of Managers shall be members of the Board or Unit Owners.

(3) All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Percentage of Common Interest, indemnify each Board of Managers member against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Board may contract or effect any transaction with any Board member, any Unit Owner, Sponsor or its designee or any affiliate of any of them

without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing. Appointees of Sponsor still have a fiduciary duty to the Condominium.

Every contract made by the Board of Managers or by any delegatee, superintendent or managing agent thereof shall state that (a) it is made only as agent for the Condominium and all Unit Owners and such Board members or managing agent, delegatee or superintendent shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contracts shall be limited to (i) such proportionate share of the total liability as the Percentage of Common Interest owned by such Unit Owner bears to the aggregate Percentage of Common Interest of all Unit Owners, and (ii) to the extent permitted by law, unless otherwise determined by the Board of Managers in its sole and absolute discretion, such Unit Owner's interest in his Unit and its appurtenant Percentage of Common Interest. A member of the Board shall have no liability to Unit Owners except to the extent permitted by applicable law, except that a Board member shall be liable for his own bad faith or willful misconduct.

Any member of the Board of Managers, who is an appointee of Sponsor, may contract or deal with Sponsor, or a partner, affiliate or entity controlled by Sponsor, and no other member of the Board of Managers or any Unit Owner may claim that such designee is engaging in self-dealing.

(4) All Board members whether appointed by the Sponsor or its designee or elected by the Unit Owners shall serve without compensation.

(5) A member of the Board of Managers may be removed for cause by an affirmative vote of Unit Owners owning in the aggregate more than 50% Percentage of Common Interest, at a meeting of Unit Owners or by written consent in lieu of a meeting as provided in the By-Laws. The Sponsor or its designee shall have the right to appoint a replacement to the Board of Managers for any member so removed who was appointed by the Sponsor or its designee.

The Board of Managers may remove any officer with or without cause at any meeting of the Board of Managers. The Sponsor or its designee shall have the right to appoint a replacement officer for any officer so removed who was originally appointed by the Sponsor or its designee.

The number of Board members may not be changed except in accordance with the procedures described in the By-Laws. Annual meetings shall be held within thirty (30) days after each anniversary of the First Annual Meeting.

(6) At all meetings of Unit Owners each Unit Owner (or his or her proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each .0001% rounded off to the nearest .0001% Percentage of Common Interest allocated to his or her Unit or Units.

(7) Generally, subject to certain exceptions concerning, among other things, the Sponsor and Unsold Units, and provided that required consents of the Mortgage Representatives, if any, are obtained, any provision of the Declaration, or By-Laws affecting the Condominium as a whole, the Unit Owners collectively or the Common Elements may be amended, modified, added to or deleted by an affirmative vote or by written consent of Unit Owners owning in the aggregate sixty-six and 2/3's percent or more Percentage of Common Interest.

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

(1) Sale or Lease of Units By Residential Unit Owners

(i) (a) Each Residential Unit Owner may sell or lease his entire Unit, including all interests appurtenant thereto, without restriction provided that he or she shall first give to the Board of Managers, on behalf of all other Unit Owners, an opportunity to purchase or lease such Unit, at the same price or rent and on the same terms as were offered by the proposed purchaser or lessee (the "Right of First Refusal".) The Right of First Refusal shall not apply to Sponsor or its designee to Unsold Units or to a mortgagee acquiring title to a Unit in foreclosure or by deed in lieu of foreclosure; each of them shall be free to sell or lease without first offering to sell or lease to, or obtaining the consent of, the Board of Managers.

(b) A Residential Unit Owner may sell or lease his Unit to his spouse or to any of his adult children or to his parent or parents or to his brothers or sisters, or to any one or more of them, without first offering to sell or lease to the Board of Managers or having to obtain the consent of the Board of Managers, and may devise his Unit by will, or have it pass by intestacy, without any such restriction.

(c) The restrictions and limitations upon the sale and lease of Units set forth in this section may be amended from time to time by affirmative vote or written consent of Unit Owners owning sixty-six and 2/3[r]s percent or more Percentage of Common Interest.

(d) As the Building is being newly constructed the leasing of a Unit should not be subject to any governmental controls or restrictions as to rent or other terms, however the Sponsor makes no representation or warranty as to same and Purchasers are advised to check with local authorities as to whether any restrictions on renting may apply

All Units acquired or leased by the Condominium shall be held by the Board of Managers, or its designees, on behalf of all Unit Owners, and the rent or purchase price, closing costs and adjustments payable in connection therewith shall be assessed against all Unit Owners. No Units held by the Board of Managers on behalf of the Unit Owners shall carry any voting rights.

(ii) (a) Any Unit Owner who receives a bona fide offer for the sale or lease of his Unit ("Outside Offer"), which he intends to accept, shall notify the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, or to lease such Unit, to the Board of Managers on behalf of all other Unit Owners on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received an Outside Offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of the offer, the Board of Managers may elect, by notice to such Unit Owner, to purchase such Unit, or to lease such Unit, as the case may be, on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

(b) In the event the Board of Managers shall elect to purchase such Unit or to lease such Unit, title shall close or the lease shall be executed in accordance with the terms of such Offer, but in no event later than forty-five (45) days after the giving of notice by the Board of Managers of its election to exercise its right of first refusal. If the selling Unit Owner's existing mortgage is not satisfied, the Board of Managers will purchase the Unit and assume or take subject to said existing mortgage, if possible.

In the event the Board of Managers or its designee shall fail to accept such offer within thirty (30) days after receipt of notice as aforesaid, the offering Unit Owner shall be free to contract to sell such Unit, or to lease such Unit, as the case may be, within sixty (60) days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, to the person making the Outside Offer (the "Outside Offeror") on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such 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 such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing of the Board of Managers, that the tenant shall not sublet the demised premises or any part thereof without the prior consent in writing of the Board of Managers, and that 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 default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease shall be the then current form of lease recommended by the Real Estate Board of New York, Inc. with such modifications as shall be approved in writing by the Board of Managers.

(c) The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of Unit Owners owning in the aggregate 66.67% Percentage of Common Interest. The Board of Managers may raise funds for the acquisition and maintenance of a Unit on behalf of all Unit Owners by using the Working Capital Fund or Common Charges in the hands of the Board of Managers, or by levying a special assessment against each Unit Owner in proportion to his or her Percentage of Common Interest, or by borrowing money to finance the acquisition of such Unit.

While the Unit is owned by the Board of Managers it may be used for any purpose permitted in the By-Laws or Declaration. The Board may keep the Unit for rental or may sell the Unit upon such terms as the Board deems desirable in its sole discretion. The net proceeds from the sale or leasing of the Unit shall used by the Board to add to the Working Capital Fund or to offset Common Charges, as the Board in its sole discretion shall deem advisable.

(d) In deciding whether to exercise the Right of First Refusal the Board of Managers shall not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

(2) Mortgaging of Units

Each Unit Owner may mortgage his Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan, (b) the Board of Managers is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage and (c) the owner making such mortgage first satisfies all unpaid liens against his Unit, other than Permitted Mortgages.

(3) Common Charges: and Assessments

(i) At least annually, but not later than 30 days prior to the annual meeting of Unit Owners, the Board of Managers will prepare a budget for Common Expenses and assess Common Charges to the Unit Owners to meet such Common Expenses. Common Expenses include, among other things, all costs and expenses in connection with the repair, maintenance, replacement, restoration, and operation of, and any alteration, addition or improvement to the Common Elements and certain other expenses common to all Unit Owners, such as premiums for insurance covering the Building; charges for electricity, gas water charges unless separately assessed to individual Units, and may include amounts for certain other items as the Board of Managers may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Board of Managers of any Unit.

The Board of Managers will furnish copies of the budget on which Common Charges are based to all Unit Owners and advise such Unit Owners of the amount of Common Charges payable by them. Unless otherwise determined by the Board, Common Charges will be payable monthly, in advance, on the first day of each month. The Board of Managers may also decide to impose a special assessment to pay for capital improvements or repairs or to accumulate a reserve. Capital Improvements or repairs or to accumulate reserves aggregating over $10,000 shall require a special meeting of Unit Owners for approval.

Common Charges and assessments are the obligation of all Unit Owners and are allocated amongst Unit Owners pro rata in proportion that the Percentage of Common Interest allocated to their Unit(s) bears to the Percentage of Common Interest allocated to all Units

(ii) The Board of Managers shall have the right to accumulate reserves for capital expenditures or otherwise as herein described either by special assessment or by Common Charges.

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

On a resale of a Unit, the purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to his acquisition. In the event of a foreclosure by the Board of Managers of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. The Board of Managers will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

(iv) Under the provisions of Section 339-z of the Condominium Act, the Board of Managers on behalf of the Unit Owners shall have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Condominium, together with interest thereon. Such lien shall be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record on such Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the New York County Office of the City Register, and until all sums secured thereby with the interest thereon shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of

Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser of a Unit shall be entitled to a statement (an "Estoppel Letter") from the Board, setting forth the amount of the unpaid Common Charges accrued against the Unit, and neither such seller nor purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement.

Except as set forth above pursuant to an Estoppel Letter, a purchaser of a Unit shall be required by the Board of Managers to pay unpaid Common Charges, with interest thereon, and expenses assessed against his Unit prior to his acquisition of such Unit, except that either (i) a mortgagee acquiring title to a Unit at foreclosure sale or (ii) a purchaser at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such mortgagee or purchaser. However, such mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. In the event the Board of Managers forecloses a statutory lien for unpaid Common Charges, and the proceeds of the foreclosure sale are insufficient to pay the unpaid Common Charges, the unpaid balance may be proportionately charged to all Unit Owners as a Common Expense.

(v) The Sponsor shall cause the Board of Managers to file a lien as provided in Section 339-aa of the Real Property Law on Unsold Units in which Sponsor is more than 30 days in arrears in Common Charges while Sponsor or its designee is in control of the Board of Managers.

(4) Repairs

(i) (a) The Unit Owner shall have the responsibility to repair and maintain the Unit and any Limited Common Element contained therein or appurtenant thereto, including without limitation the repair, maintenance and replacement of the interior portions of the Unit, including the walls, floors and ceilings, the electrical, plumbing, heating and cooling systems contained in the Unit, and any portions of the heating and cooling systems, if any, located outside of the Unit, which service the Unit exclusively, the doors and windows of the Unit (except for the painting of the exterior side of entrance doors and windows which is the responsibility of the Board of Managers), the interior surfaces of any terraces or balconies and generally anything contained within the Unit or outside the Unit which services the Unit exclusively.

(b) The Board of Managers shall have the responsibility to maintain, repair and replace the Common Elements including without limitation, the exterior walls, the roof, exterior grounds of the Property, common entranceways, common stairways, the portions of the heating, plumbing and electrical systems that service the common areas or all of the Units, any common facilities and generally any portion of the Property that services or is for the benefit of all of the Building and/or all of the Unit Owners

(ii) The Unit Owners will have the responsibility to decorate their own Units and to provide carpeting, wall coverings, and other decorations to the Unit.

(iii) No Unit Owner shall have liability for the maintenance, repair or replacement of the Common Elements, except in the event that such repair or replacement is necessary or required as a result of the negligence of a Unit Owner.

(iv) Unit Owners shall grant, and by acceptance of a deed for his or her Unit shall have granted, a right of access to his Unit and limited common element, if any, to the Managing Agent and/or any other person authorized by the Board of Managers or the Managing Agent, for the purposes of performing installations, alterations or repairs to the Common Elements, including without limitation, the mechanical or electrical systems, the exterior walls or roof, the balconies etc., to remove violations, to cure defaults by a Unit Owner, to correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purpose provided in the Plan, Declaration or as may be required by law or governmental regulation. Any request for entry (except in emergency situations) shall be made in advance and any such entry (except in emergency situations) shall be made at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, such entry shall not render the Board of Managers or its authorized agents liable for damage incurred in connection with the exercise of such right of entry.

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for purposes of fulfilling Sponsor's obligations hereunder and performing alterations and repairs in or about Unsold Units.

(5) Additions, Alterations and Improvements

(i) Any additions, alterations or improvements to the interior of a Unit are the sole responsibility of the Unit Owner, who shall bear all of the cost and expense, including any administrative costs to be incurred by the Board of Managers in connection with the review, approval and filing with any applicable government agency for such work.

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

(ii) No Residential or Commercial Unit Owner may make any structural addition, alteration or improvement in his Unit, or do any work which would jeopardize the soundness or safety of the Building, reduce the value thereof or impair any easement or hereditament of the Property, without the prior written approval of the Board of Managers. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition or improvement to a Unit, the Board of Managers may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, or improvement may be made, including, without limitation, the days and hours during which any work may be done. No application shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit, unless approved and executed by the Board of Managers; such approval, however, shall not result in liability on the part of the Board of Managers and the other Unit Owners, to any contractor, subcontractor, materialmen, architect or engineer, by reason of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising there from. The provisions of this paragraph shall not apply to an Unsold Unit provided that any alteration to such Unsold Units shall be in accordance with, and only as permitted by, the Condominium Act and all governmental regulations.

The Board of Managers will not unreasonably refuse to approve or execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement; provided, however, that neither the Board of Managers nor the other Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application of such document.

Generally Unit Owners do not need prior Board approval for ordinary, non-structural interior repairs and decorations to their Units. However, under the Condominium Documents, the Board has the authority to regulate the conduct of any work done on the Property, including but not limited to, the days and hours that work may be done, the number of projects that may be done at the same time, the level of noise that may be tolerated, the entry and storage of supplies and equipment, the removal of debris from the Property and the requirements for insurance and worker's compensation coverage by contractors working on the Property.

(iii) The Board shall have the right to prescribe rules regarding aesthetic controls and architectural restrictions for the Property including without limitation, the types of window coverings and treatments that may be used on any windows or exterior doors, the items that may be kept or stored on any exterior portion of the Property, the structures that may be allowed to be installed on the roof or any other exterior portion of the Building, whether of a transitory or permanent nature, including planters, the installation of satellite

dishes or antennas and such other rules and regulations covering the exterior of the Property as the Board of Managers in its sole discretion may deem advisable.

(6) Insurance

(i) The Board of Managers shall obtain and maintain for the benefit of Unit Owners, to the extent obtainable and to the extent deemed necessary or applicable in the judgment of the Board of Managers, the following insurance coverages: (a) fire insurance with extended coverage insuring the Building (including all of the Units, but not including furniture, furnishings, or other personal property supplied to or installed by Unit Owners) together with other service machinery contained therein and covering the interests of the Board of Managers and all Unit Owners and their mortgagees, as their respective interests may appear, in the amount equal to the full replacement value of the insured property as determined and approved by the Board of Managers and as approved by mortgagees holding mortgages on two or more Units; (b) worker's compensation insurance; (c) a fidelity bond or bonds in sufficient amounts to fully protect the interest of the Condominium and Managing Agent, including any person or persons handling or responsible for funds of the Condominium; (d) disability benefits insurance; (e) machinery insurance; (f) water damage legal liability insurance; (g) public liability insurance covering each member of the Board of Managers and the Managing Agent, if any, and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or Units, except that such policy shall not cover liability of a Unit Owner arising from occurrences within his own Unit; and (h) such other insurance as the Board of Managers may determine.

The fire insurance policies shall contain a Condominium Property Endorsement and 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 described in Section 6.2 of the By-Laws.

The amount of fire insurance and all risk extended coverage to be maintained until the first Board meeting following the First Annual Meeting shall be in at least the sum as set forth in the Footnotes to Schedule B under item (7)"Insurance" in Section G-1 of the Plan.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners, (ii) co-insurance, (iii) other insurance, or (iv) invalidity arising from any acts of the insured or any Unit Owners and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all Unit Owners and mortgagees of Units.

Unit Owners may carry additional casualty insurance protection for their furniture and furnishings and other personal property and the interior of their Units and for personal liability coverage, for their own benefit and at their own expense, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers.

(ii) In addition to the coverage for Unit Owners personal property and improvements made to the interior of their Units, the Board of Managers shall not provide coverage for flood, hurricane, garage keeper's liability, elevator liability boiler and machinery and any other coverage not expressly set forth in Schedule B Footnote (7) of this Plan.

(iii) In the event of a casualty or condemnation the Board of Managers shall receive the proceeds from the insurance policy or award up to the amount of $1,000,000.00 and shall hold such proceeds for the repair and restoration of the Property. In the event the proceeds exceed such amount they will be given to the Insurance Trustee who will hold such amount for the repair and restoration of the Property. The proceeds will be used first for the repair and restoration of the Common Elements, then for the repair and restoration of the Limited Common Elements and then to the Units affected by the casualty in accordance with the Percentage of Common Interest of the Units so affected.

(7) Restrictions on Occupancy and Use

(i) Subject to obtaining the prior written consent of the Board of Managers or the Managing Agent which consent may be withheld, the Unit Owners shall be limited to having only one domesticated dog or cat in their Unit.

(ii) The Board shall have the right to prescribe rules regarding aesthetic controls and architectural restrictions for the Property including without limitation, the types of window coverings and treatments that may be used on windows and balcony doors, if any, the items that may be kept or stored on balconies, if any, the structures that may be allowed to be installed on balconies, if any, whether of a transitory or permanent nature, including planters, the installation of satellite dishes or antennas and such other rules and regulations covering the exterior of the Property as the Board of Managers in its sole discretion may deem advisable.

No awnings, air conditioning equipment or ventilators shall be installed or modified without prior written approval of the Board of Managers. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof.

No "For Sale", "For Rent", "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Unit therein, except that these sign restrictions shall not apply with respect to Unsold Units. No radio or television aerial or other similar device shall be erected on the roof or exterior walls of the Building on the Property, without obtaining in each instance the written consent of the Board of Managers.

(iii) A Unit may be used as a residence and for no other purpose. Notwithstanding the foregoing, Sponsor or its designee may, without the permission of the Board of Managers (a) use or grant permission for the use of any Unsold Unit as a home office or for any other purpose, provided such use is permitted by law, does not violate the then existing Certificate of Occupancy covering such Unit and the user of such Unit complies with all applicable governmental regulations and (ii) retain ownership of one or more Units for use as models and sales and/or promotion offices in connection with the sale or rental of other Units.

(iv) A Unit may be owned or leased by a corporation, partnership, fiduciary or any other entity. Such Unit may only be occupied by an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, the fiduciary or beneficiary of said fiduciary, a principal or employee of such other entity, respectively, or by members of the immediate family or guests of any of the foregoing. Only one family may occupy a Unit at any one time.

(v) No nuisances shall be allowed on the Property nor shall any use or practice be allowed in any Unit which interferes with the peaceful possession or proper use of the Property by its residents or occupants.

No immoral, improper, offensive, or unlawful use shall be made of any Unit or any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having or claiming jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations, or requirements of any governmental agency having or claiming jurisdiction thereof, relating to any Unit, shall be eliminated by and at the sole expense of the respective Unit Owner or by the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property, or comply with such law.

(vi) No guest may stay in a Unit for more than four weeks consecutively or more than sixty days in a calendar year without the prior written consent of the Board of Managers being obtained. A guest(s) may only stay in a Unit if the Unit Owner is in occupancy at the same time.

(vii) In general the Common Elements may only be used for the purposes intended and permitted in the Certificate of Occupancy and by local zoning codes.

(viii) The Certificate of Occupancy for the Building will provide that each Residential Unit may be only used for residential purposes.

(8) Compliance With Declaration, By-Laws and Rules and Regulations

Each Unit Owner shall be required to pay the Common Charges levied by the Board of Managers. All Unit Owners, mortgagees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner, are subject to the By-Laws, the Declaration and the Rules and Regulations of the Residential Unit and the Rules and Regulations of the Commercial/Community Facility Units. A copy of the Declaration and By-Laws and the Rules and Regulations appear in Part II of this Plan as Documents 6 and 7, respectively. The By-Laws, together with the Rules and Regulations, will be recorded with the Declaration in the City Register's Office. The violation of any of the Rules and Regulations or the breach of any By-Law or provision of the Declaration shall give the Board of Managers, in addition to other rights set forth in specific provisions of the By-Laws (see "Rights and Obligations of the Unit Owners and the Board of Managers" Section S.), the right to: (i) enter any Unit in which, or as to which, such violation or breach exists and to abate and remove summarily, at the expense of the defaulting Unit Owner, any structure, thing or condition causing such violation or breach and the Board of Managers shall not thereby be deemed guilty or liable in any matter of trespass nor be liable for any damage to the Unit Owner; or (ii) enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach. The costs incurred by the Board of Managers by virtue of the exercise of its rights to correct such breaches or violations, including attorney's fees, shall be due upon demand from the Unit Owner in question, and shall constitute an assessment against his Unit.

Under the provisions of Section 339(j) of the Condominium Act, the Board of Managers has the right to enforce any obligation of the Unit Owner by foreclosure of the statutory lien against the Unit for the amount of any unpaid Common Charges by suit brought to collect same; by injunction; or, by other appropriate relief.

(9) Repair or Reconstruction After Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Board of Managers will, except as set forth below, arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit).

If the insurance proceeds are insufficient to cover the cost of repairs or restorations, Unit Owners may be assessed for deficits, if any, in insurance proceeds. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Percentage of Common Interest, except that no payment shall be made to a Unit Owner until there has first been paid out of his share of such funds, such amounts as may be

necessary to reduce unpaid liens on his Unit, other than Permitted Mortgages, in the order of priority of such liens.

If such damage or destruction by fire or other casualty affects the Units, the Building and the Common Elements, or any combination thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Percentage of Common Interest in the proportion that the cost of repairing the damage or destruction to the Units, the Building and the Common Elements bears to the total cost of repairing all damage or destruction. The provisions of this paragraph are subject to the next paragraph.

If seventy-five (75%) percent or more of the Building is destroyed or substantially damaged and if within sixty (60) days from the date of such damage or destruction Unit Owners owning in the aggregate seventy-five percent (75%) or more Percentage of Common Interest, do not affirmatively vote or give written consent to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owner or lienors, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Percentage of Common Interest; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his share of such funds, such amounts as may be necessary to discharge all unpaid liens on his Unit (other than mortgages which are Permitted Mortgages) in the order of the priority of such liens.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Board of Managers shall be payable as hereinabove provided in the event of a loss amounting to $1,000,000.00 or less. In the event that such proceeds are in excess of $1,000,000.00 such proceeds shall be payable to a New York City bank or trust company designated by the Board of Managers as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

(10) Reports to Units Owners

The Managing Agent or the Secretary of the Board of Managers shall keep detailed records of the actions of the Board of Managers and the Managing Agent, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium. In addition, an annual financial report of the receipts and expenditures and financial condition of the Condominium, by an independent certified public accountant, shall be rendered by the Board of Managers to all Unit Owners within four (4) months after the end of each fiscal year. In addition, to the extent applicable to this Condominium, the Board of Managers shall also send to each Unit Owner an income tax deduction statement

by March 15 of each calendar year, setting forth that portion of the Common Charges paid by each Unit Owner during such year has been used by the Board of Managers for payment of real estate taxes and interest on mortgages or other indebtedness with respect to the Common Elements, if any.

(11) Examination of Books and Records

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

(12) No Severance of Common Elements

No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Unit Owner's interest in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and take to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all Unit Owners.

(13) Real Estate Tax Assessments

For each tax fiscal year each Unit Owner may submit to the Board of Managers a written notice requesting that the Board of Managers act as his agent for the purpose of contesting real estate taxes levied against his Unit. If Unit Owners owning in the aggregate 50% or more Percentage of Common Interest make such a request, then, the Board of Managers shall act as the agent on behalf of such Unit Owners for the purpose of contesting real estate taxes. If more than thirty-three and one-third (33 1/3%) percent but less than fifty (50%) percent of such Unit Owners submit such a request, then the Board of Managers shall act as the agent on behalf of such Unit Owners if at least two-thirds (2/3) of the members of the Board of Managers vote to do so. If no more than thirty-three and one-third (33 1/3%) percent of such Unit Owners request that the Board of Managers act as the agent on behalf of such Unit Owners, the Board of Managers shall not act as the agent of such Unit Owners for purposes of contesting real estate taxes. If the Board of Managers acts as the agent of Unit Owners who so request, then such Unit Owners must pay a proportionate share of expenses incurred to contest such real estate taxes, and if the Board's action lowers the assessed value of a Unit whose Unit Owner did not request that the Board of Managers contest the assessed value of his Unit, then such Unit Owner must also pay a pro-rata share of such expenses.

(14) Mechanic's Liens

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

(15) Termination of Condominium

The Condominium shall continue (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the affirmative vote or written authorization to do so of Unit Owners owning in the aggregate eighty percent (80%) or more Percentage of Common Interest. In addition, the written consent of the Mortgage Representatives, if any, shall be required before such vote is effective. Sponsor or its designee will not vote its interests appurtenant to Unsold Units for such withdrawal unless the necessary Unit Owners as set forth above, without counting the Units owned by the Sponsor or its designee elect to withdraw, at which time Sponsor or its designee may choose to vote either in favor of or against withdrawal from condominium ownership, as it sees fit. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Percentage of Common Interest after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his Unit, in the order of priority of such liens.

(16) Easements

In order to facilitate the operation and maintenance of the Building (and particularly the Common Elements) and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of other Unit Owners, Sponsor and the Board. These easements, which are more particularly set forth in the Declaration, include an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace Common Elements and generally, an easement of support and necessity in favor of all Units and the Common Elements. These easements shall be exercised in such manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In addition, Sponsor, its designee shall have an easement to

erect, maintain and replace any sign permitted by law on the Property for the purposes of advertising the sale of any Unit or the leasing of space in any Unit.

(17) Section 339kk

The Board of Managers shall have the authority, pursuant to Section 339kk of the Condominium Act, to collect rent from the tenant of any Unit Owner who is delinquent in the payment of Common Charges or assessments. Any lease entered into by a Unit Owner shall be subject to Section 339kk of the Condominium Act and shall contain a provision requiring the tenant to pay rent to the Board of Managers upon notice from the Board that the Unit Owner is delinquent in the payment of Common Charges, assessments or any other charges due to the Condominium.

T. REAL ESTATE TAXES

(1) Each Unit will be taxed as a separate tax lot for real estate tax purposes. No Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the payment of real estate taxes on any other Units. The City of New York subdivides tax lots into separately assessed tax lots as of July 1st of every tax year. Accordingly, depending upon when the Declaration is recorded, there can be a delay of up to one year until a separate assessment will be issued by the City.

If on the date of the First Closing the Units have not received a separate assessment from the City, then until such time as said separate assessment is in effect, each Unit Owner, including the Sponsor as holder of Unsold Units, shall be responsible to pay for the cost of their proportionate share of the aggregate real estate taxes due for the entire Property to be determined by their respective Percentage of Common Interest multiplied by the aggregate real estate taxes due.

All Unit Owners shall be required to pay to the Board of Managers their share of the real estate taxes due as set forth above. The Board of Managers shall bill each Unit Owner for their share of real estate taxes as additional common charges. In order to facilitate the payment of taxes when due, the Sponsor may, but shall not be required to, pay the taxes for the tax period(s) ending after the First Closing. The Sponsor shall then be entitled to receive at the closing of Units at the First Closing and subsequent thereto a credit for any such real estate taxes paid by the Sponsor in advance. The credit shall be paid at closing and shall be calculated based upon the total taxes paid for the period after the First Closing multiplied by the Percentage of Common Interest of the Unit in question.

(2) The New York City Real Property Assessment Bureau of the Department of Finance is responsible for issuing the separate tax assessments for the Units, the tax rates and the amounts payable by each tax lot.

The projections of real estate taxes due for each Unit set forth in Section F "Schedule of Offering Prices and Related Information, Schedule A" for the anticipated First year of Condominium are based upon the total estimate of the post construction assessment valuation multiplied by the respective Percentage of Common Interest of the Units.

These are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the City of New York Real Property Assessment Bureau and future increases in the tax rates for the City New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates.

(3) The assessed valuation of the Units for (i) the first year of operation projected by the Sponsor to be January 1, 2009 to December 31, 2009 and (ii) for the first post 100% completion of construction tax year projected to be July 1, 2009 to June 30, 2010 has been projected by Sponsor based upon the opinion of the firm of Podell, Schwartz, Schechter & Banfield LLP, 605 Third Avenue, New York, New York 10158 (the "Podell Firm") to be approximately an average of $492,958 and $895,000 respectively without taking into account any possible 421-A tax exemption that may be obtained.

At the tax rates currently in effect for the 2007/2008 tax year of 10,059% for class 4 and 11.928% for class 2 the total amount of taxes for all Units for the projected first year of operation of January 1, 2009 to December 31, 2009 without 421-a tax exemption would be as follows:

Tax Year Period	Assessed Valuation	Rate	Taxes Payable
1/1/09 - 6/30/09	$104,684	10.059%	$5,265
7/1/09-12/31/09	$895,000	11.928%	$53,378
		Total	$58,643

At the tax rates currently in effect for the 2007/2008 tax year of 11.928% for class 2 the total amount of taxes for the first post 100% completion of construction tax year without 421-a tax exemption would be as follows:

Tax Year	Assessed Valuation	Rate	Taxes Payable
Full 2009/2010 Tax Year	$895,000	11.928%	$106,756

(4) The Sponsor does not know of any tentative changes in the assessed valuations or tax rates except as set forth in this Section T. and in this Plan. Section 339-Y of the Real Property Law and Section 581 of the Real Property Tax Law provide that the total aggregate assessed valuations of the Units shall not exceed the assessed valuation of the Property if it was owned as one tax parcel.

(5) There are no certiorari tax reduction proceedings pending for the Property.

(6) As provided for in the By-Laws, the Board of Managers shall have the power to execute, acknowledge and deliver any documents necessary for filing an appeal for reduction of assessment of real estate taxes on behalf of all units in the Condominium, unless written notice is received by the Condominium Board from any Unit Owner not to do so on behalf of his or her condominium unit. Unless and until real estate taxes, water charges and sewer rents are billed directly to the Unit Owners by the New York City Department of Finance and/or the Department of Environmental Protection, the Board of Managers shall promptly pay such taxes, charges and rents as a common expense and shall have the power to bill Unit Owners for their proportionate share of such expenses as Common Charges.

(7) 421-a Tax Benefits

Sponsor shall apply to the New York City Department of Housing Preservation and Development ("HPD"), on behalf of the Unit Owners, and will use its best efforts to obtain a 10 year phased –in partial real estate tax exemption under Section 421-a of the New York Real Property Tax Law ("Section 421-a") In the opinion of Sponsor's counsel, the Unit Owners will be eligible for the real estate tax benefits described in this paragraph. However this opinion is not a guarantee; it is based upon existing rules of law applied to the facts and on the opinion of Sponsor's 421-a expert the Podell Firm contained in Section V. of the Plan. No assurances can be given that the laws upon which counsel based their opinion will not change. In no event will Sponsor, Sponsor's counsel, the Board of Managers, the Selling Agent or any other person be liable if there are changes in facts on which counsel relied in issuing this opinion or if there are changes in applicable statutes, regulations, decisional law or HPD rulings on which counsel relied which cause the Unit Owners not to be or cease to be entitled to the benefits or the level or duration of benefits described in this paragraph. If, for any reason, applicable credit certificates cannot be obtained by Sponsor or an application is not approved by HPD, the Units will be subject to full taxation and will receive no benefits under Section 421-a. See Schedule A in Section F. of the Plan for projected monthly and annual taxes for each Unit, with and without benefits under Section 421-a.

THE PLAN AND THE OBLIGATION OF PURCHASERS TO CLOSE ARE NOT CONTINGENT UPON THE PROPERTY RECEIVING 421-A TAX BENEFITS OR OF RECEIVING BENEFITS IN ANY SPECIFIED AMOUNT. PURCHASER SHOULD EXAMINE THE PROJECTIONS FOR REAL ESTATE TAXES FOR THE UNITS WITHOUT ANY 421-

A TAX BENEFITS SET FORTH IN SCHEDULE A FOR THE PROJECTIONS OF THE REAL ESTATE TAXES THAT THEY WILL HAVE TO PAY.

Prospective purchasers should note that increases in a property's assessed valuation resulting from changes in its market value (other than changes resulting from new construction or alteration of an existing improvement) are phased in over five fiscal tax years in annual increments of twenty percent each. The full increased assessed valuation targeted to be in effect after the end of the five-year period is called the "actual" assessed valuation, and the amount of the incremental assessed valuation upon which taxes are actually computed for each fiscal year during such five-year period is called the "transitional" assessed valuation.

Prospective purchasers should note that the real estate taxes that will be payable by the Unit Owners for future years will vary in accordance with the amounts of the Unit's assessed valuation (transitional and actual) and of the real estate tax rate. In this regard, prospective purchasers should note that, assuming the partial exemption from real estate taxes pursuant to Section 421-a is maintained, the real estate taxes payable by Unit Owners will in any rate increase periodically over the 15 years of condominium ownership as an integral part of the Section 421-a program. The 15 year exemption from taxation consists of 11 years of full exemption following the first taxable status date immediately following the completion of construction, followed by 80% in year 12, 60% in year 13, 40% in year 14, 20% in year 15 and full taxation starting in year 16.

Benefit Years	% of Exemption
1 to 11	100%
12	80%
13	60%
14	40%
15	20%
16	0%

Sponsor shall keep all records required by HPD and shall make them available to HOD whenever requested to do so. HPD routinely conducts audits which can result in the reduction or revocation of benefits if proper documentation is not provided. Upon recoding of the Declaration Sponsor shall make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits and Sponsor shall file all applications and timely comply with all procedures required to properly process and maintain the benefits.

Sponsor has not yet applied for the benefits under 421-a but will apply prior to the issuance of a temporary or permanent certificate of occupancy for the Building.

U. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The following discussion provides a summary of certain significant Federal income tax consequences of, or relating to, the ownership of a Unit and the Federal income taxation of the Condominium. No income tax rulings will be requested from the Internal Revenue Service ("IRS") or any other administrative agency with respect to any of the income tax consequences attributable to the Condominium's activities or ownership of a Unit. Although the Sponsor will receive an opinion of the firm of Dennis R. Krasner, Esq. (hereinafter referred to as the "Opinion" and "Counsel", respectively) with respect to certain aspects of the includibility in income of the Condominium of Common Charges it receives and with respect to the deductibility of the interest on mortgages and real estate taxes allocable with respect to the Units, such opinion is not binding on the IRS.

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986 (the "Code"), New York State Tax Law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of the applicable administrative agency, in particular, the position of the IRS stated in published Revenue Rulings and Revenue Procedures and judicial decisions. It is emphasized, however, that legislative, judicial or administrative changes may be made which would require modification of such statements or that the IRS or another applicable administrative agency may disagree with Counsel's interpretations and conclusions.

Each Unit Owner will own his Unit and an undivided interest in the Common Elements in fee simple and each Unit will be a separate tax lot for purposes of real estate taxes and assessments. Since each Unit Owner owns his Unit in fee simple, he may mortgage his Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

Unit Owners should, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid or accrued, under sections 163 and 164 of the Code. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Opinion. Each individual Unit Owner should, for New York State and New York City income tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid or accrued during the taxable year.

The Condominium will be governed by a Board of Managers. Common Charges will be borne by all Unit Owners and assessed and collected by the Board. Under present law, there is no direct authority as to the tax status of the Condominium for Federal income tax purposes. However, Counsel is of the view that the Condominium will be treated as an association taxable as a corporation. As a result, unless other limitations or exemptions apply, the Condominium will be subject to Federal corporate income tax and New York State Corporation Franchise Tax and New York City corporate income tax to the extent of its taxable income, if any.

Receipt of assessments for operating expenditures constitutes gross income attributable to a management association's business of rendering services to the members of the organization. The expenses of providing such services are considered to be deductible from gross income by the management association. Therefore, income may result to the extent such Common Charges for operating expenditures exceed the expenses of the management association in rendering the services for which operating assessments are charged, in addition to interest earned with respect to the temporary investment of the Common Charges.

Excess assessments, however, will not be included in the income of the Condominium if the management association has no discretion as to the application of these excess funds. For example, one Revenue Ruling indicates that no such discretion exists when the members may determine by a vote at a meeting of the members whether the excess funds are to be returned to them or applied towards the following year's expenses. Since the Board of Managers will decide whether to apply the excess Common Charges to next year's assessments, Counsel is of the view that this procedure may not reduce the Condominium's taxable income.

Since the Condominium will not satisfy the requirements of Code Section 528, the Condominium may not elect to be exempt from Federal income tax on the Common Charges. However the Sponsor projects that there will be no or a de minimus amount of income taxes that may be due as a result thereof, because the Condominium will have no income other than Common Charges and the only possibility of having to pay income taxes would be if Common Charges collected for the year exceed the actual Common Expenses paid or accrued for the year.. The Condominium is projected to have no or very little income other than from common charges.

Generally, the requirements of Section 528 are:

(i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;

(ii) Sixty (60%) percent or more of the gross income of the condominium management association must consist of assessments from Unit Owners ("Exempt Function Income");

(iii) Ninety (90%) percent of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;

(iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, maintenance, and care of the condominium management association's property; and

(v) Substantially all (defined as 85% of the total of the square footage of all units) of the units must be used as residences.

IT IS COUNSEL'S OPINION THAT WITH RESPECT TO THE CONDOMINIUM'S QUALIFICATION AS A HOMEOWNERS ASSOCIATION WITHIN THE MEANING OF CODE SECTION 528 THE CONDOMINIUM WILL NOT QUALIFY DUE TO THE AMOUNT OF COMMERCIAL SPACE RELATIVE TO RESIDENTIAL SPACE IN THE BUILDING AND THE CONDOMINIUM MAY HAVE TO PAY FEDERAL AND STATE INCOME TAXES ON THE AMOUNT OF COMMON CHARGES IT COLLECTS.

EACH PURCHASER SHOULD CONSULT HIS OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF UNIT OWNERSHIP.

NEITHER THE SPONSOR NOR COUNSEL FOR THE SPONSOR NOR THE SELLING AGENT MAKES ANY WARRANTY THAT THE UNITED STATES TREASURY DEPARTMENT OR THE NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE OR THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK WILL ALLOW THE DEDUCTIONS OR EXEMPTIONS OR THAT THE TAX LAW OR THE REGULATIONS OR RULINGS ISSUED THEREUNDER, OR ANY JUDICIAL INTERPRETATION THEREOF, UPON WHICH COUNSEL TO THE SPONSOR BASES ITS OPINION, WILL NOT CHANGE SO AS TO DISALLOW THE DEDUCTIONS OR EXEMPTIONS IN WHOLE OR IN PART.

EXCEPT AS SET FORTH, COUNSEL TO THE SPONSOR HAS MADE NO INDEPENDENT ATTEMPT TO VERIFY THE FACTS RECITED HEREIN. THIS OPINION IS NOT A GUARANTEE: IT IS BASED UPON EXISTING RULES OF LAW APPLIED TO THE 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 OR ANY OTHER PERSON BE LIABLE IF THE UNIT OWNERS ARE NOT ENTITLED TO SUCH INCOME TAX DEDUCTIONS OR SPECIAL EXEMPTIONS, AS AFORESAID, IF THERE ARE CHANGES IN THE FACTS ON WHICH COUNSEL RELIED IN ISSUING THIS OPINION, OR IF THERE ARE CHANGES IN THE APPLICABLE STATUTES, REGULATIONS, DECISIONAL LAW OR INTERNAL REVENUE SERVICE RULINGS ON WHICH COUNSEL RELIED. MOREOVER, NO OPINION IS EXPRESSED NOR IS ANY REPRESENTATION OR WARRANTY MADE WITH RESPECT TO THE TAX CONSEQUENCES OF THE PLAN OR ANY OTHER MATTER EXCEPT AS HEREIN EXPRESSLY SET FORTH.

V. OPINIONS OF COUNSEL

[SEE FOLLOWING PAGES FOR THE OPINIONS OF COUNSEL]

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[*COUNSEL'S INCOME TAX OPINION LETTER*]

April 17, 2008

The Board of Managers of
32 Clinton Condominium
32 Clinton Street
New York, NY 10002

Re: Offering Plan for Condominium Ownership of Premises
32 Clinton Street, New York, New York 10002

Gentlemen/Ladies:

You have requested our opinion concerning (i) the deductibility for Federal, New York State and New York City income tax purpose, of mortgage interest and real estate taxes paid by individual residents who purchase Residential Units for private residential use ("Residential Unit Owners") under the Plan and (ii) the income tax treatment to the Condominium Board of the assessments payable by Residential Unit Owners to meet Common Expenses of the Condominium ("Common Charges"). Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

The condominium units of the "32 Clinton Condominium" will be organized under the laws of the State of New York for the purpose of providing for the management, maintenance and care of a multistory residential building to be constructed at 32 Clinton Street, New York, New York 10002. The newly constructed building will contain Residential Units. The By-Laws of the Condominium provide that in addition to the status conferred upon the Condominium Board pursuant to the provisions of the New York Condominium Act, to the extent permitted by applicable law, the Condominium Board is deemed to constitute an unincorporated association for all purposes under the provisions of the General Association Law of the State of New York. This Opinion addresses the tax consequences that would result from the ownership of a Residential Unit by an individual taxpayer for use as his or her primary or secondary residence. It does not address the tax consequences of ownership of non Residential Units such as Parking Units, if any, Commercial Units, if any or Storage Units, if any, by any person or entity, and does

not address tax consequences of the ownership of Residential Units by corporations, other entities or foreign persons.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986, as amended ("Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other materials as we deemed relevant. The opinions expressed herein are based upon the assumptions that (1) the Plan becomes effective and is consummated in accordance with its terms, (2) condominium ownership of Residential Units located in the Premises is established under applicable law and (3) the legal consequences of the Plan are as described therein.

Deductions for Mortgage Interest and Real Estate Taxes

A Residential Unit Owner will own his Residential Unit and its Appurtenant Interest in the Common Elements in fee simple absolute. Accordingly, each Residential Unit will be taxed as a separate tax lot for real estate tax purposes and the Residential Unit Owner, pursuant to the terms of the Offering Plan, may also mortgage such Residential Unit(s) and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a non-corporate Residential Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal income tax purposes for bona fide mortgage interest incurred with respect to his Residential Unit in the year paid provided that (a) the indebtedness is incurred in acquiring, construction or improving the Residential Unit, (b) the indebtedness is secured by the Residential Unit, (c) the indebtedness does not exceed $1 million, or $500,000 in the case of a married individual filing a separate return, and (d) the Residential Unit is a " qualified residence." Interest paid on indebtedness that refinances indebtedness incurred to acquired, construct or improve a Residential Unit is similarly deductible. A Residential Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" within the meaning of Code Section 121 or (ii) a residence as defined by Code Section 280A(d)(1) that the Owner selects as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence,"" unless by written agreement they consent of one of them taking into account a principal residence and one other residence. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

In addition, an individual may deduct interest on an additional $100,000 of indebtedness in excess of the $1 million limit mentioned above as interest on home equity indebtedness. In our opinion, a Residential Unit Owner who itemizes his deductions and whose Residential Unit is used by him for residential purposes will, for Federal income tax purposes, be entitle to a deduction for real estate taxes incurred with respect to his Residential Unit in the year paid under Section 164 of the Code.

It is also our opinion that each Residential Unit Owner whose Unit is used in an active profession and/or trade or business, other than the rental of such Residential Unit, in which the Residential Unit Owner materially participates, will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Residential Unit in the year paid under Section 164 of the Code.

Other rules are applicable to a Residential Unit Owner if the Residential Unit is to be used in a trade or business or is to be held for rental. In these cases, the Tax Reform Act of 1986 will have broad impact, and no opinion is offered as to the consequences to such a Residential Unit Owner.

It is also our opinion that each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid during the taxable year. (Section 615 of the New York State Tax Law.) However, in the case of a Residential Unit Owner whose New York State adjusted gross income exceeds $100,000, the amount of such deduction may be reduced by up to twenty five percent (25%) of such deduction.

It should be noted, however, that the benefit of a Residential Unit Owner's deductions for interest and real estate taxes may be reduced if the Residential Unit Owner is subject to the Federal alternative minimum tax. (Section 55 of the Code) In addition, it should be noted that state and local taxes, including real estate taxes, are not deductible for purposes of calculating an individual's federal alternative minimum taxable income.

It should be noted that our opinion as to the availability of deductions to a Residential Unit Owner with respect to mortgage interest and real estate taxes in connection with his or her Residential Unit used in an active profession and/or trade or business, other than the rental of such unit, is based on Code, in such profession, trade or business, an amount equal to, or in excess of his loses in connection with said profession, trade or business, including such deduction.

Common Charges

Common Charges will be borne by the Unit Owners in proportion to their respective percentage interests in the Common Elements and assessed and collected by the Board of Managers ("Condominium Board") in order to pay for the costs and expenses of operating, repairing and maintaining the Common Elements.

Under Section 528, added to the Code by the Tax Reform Act of 1976, some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. If the Condominium qualifies as a condominium management association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, common charges, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses directly connected with the production of such income).

To qualify as a condominium management association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments form Residential Unit Owners, (3) 90% or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private Unit Owner or individual (other than by acquiring, construction, or providing management, maintenance , and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must annually elect to be treated as a condominium management association, and (6) at least 85% of the total square footage of all Units within the condominium must be used by individuals for residential purposes. As it is presently contemplated that less than 85% of the total square footage of all the Units in the Condominium will be used for residential purposes, the Condominium Board will not be eligible to be treated as a homeowner's association even if all of the other tests are met.

See Treasury Regulation Section 1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless, qualify in one or more future years.

Based on the information contained in Schedule A, the Description of the Property and Building Specifications and the Plot and Floor Plans to the Plan, we opine that the Property will not qualify as a condominium management association under Section 528 of the Code because the commercial units in the Property have a total square footage which exceeds 15% of the total square footage of all of the Units.

Even if the Condominium Board were eligible to make a Section 528 election, it would still be subject to tax on any income not received as assessments or other such payment from Unit Owners; thus, if the Condominium Board realized interest income from funds on deposit, such interest may be taxable to it.

If an election under Section 528 is not applicable or in effect for the taxable year, the tax status of the Condominium Board will be governed by the rules in effect prior to the enactment of Section 528 ("existing law").

Under existing law, the tax status of Condominium Board is uncertain. The By-Laws provide that the Condominium Board will act as the agent of the Unit Owners. Thus, the Condominium Board may take the position that it is simply a conduit for receipts and payments of the Unit Owners for whom it acts as agent and not a separate entity. In such case, the Unit Owners would themselves be taxable on any interest of similar income which is earned from investments of the amounts which are assessed and collected from the Unit Owners and/or held as reserve funds.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board, constitute an association taxable as a corporation. In such event, such association may be deemed subject to the Federal corporate income tax (and also to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for Federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected, Rev. Rul.75-370, 1975-2 Cum. Bull. 25 or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association. Rev. Rul. 75-371, 1975-2 Cum.

Bull. 52 Cf. Concord Village, Inc., 65 T.C. 142 (1975). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefits the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent of the distributee's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

In this connection, it should be noted that if the Condominium Board is determined to be a separate taxable entity for federal income tax purposes, it is possible that the limitations of Section 277 may be found to apply. If this were the case, the Condominium Board's income from sources other than Unit Owners, if any, could not be offset by the Condominium Board's expenses incurred in the provision of services to Unit Owners. If is unclear how interest or other income earned on the investment of a required reserve fund would be treated for this purpose; if such income were treated as not derived from the Unit Owners in consideration of services rendered them by the Condominium Board, then such income may not be reduced by the Condominium Board's operating expenses with respect to the property and may result in a liability for taxes.

In the event that the Condominium Board is required to pay any Federal or New York State or New York City income tax, and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax. See, Old Colony Trust Co. v. Commission, 279 U.S. 716 (1929); rev. Rul. 74-75. 1974-1 Cum. Bull. 19; Rev. Rul. 86-14 I.R.B. 1986-5, 33.

We express no views as to any Federal or New York State or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan or a Unit under the laws of any other U.S. or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Residential Unit in connection with the Residential Unit Owner's trade or business, other than set forth herein, or for purposes of investment or the production of income, or which may result to a foreign Residential Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units or Limited Common Elements are acquired and/or leased by the Condominium Board. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

In our opinion, Residential Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium 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 Residential Unit Owners not to be entitled to income tax deductions.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan.

Very truly yours,



Dennis R. Krasner

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[*COUNSEL'S 339(i) OPINION LETTER*]

April 17, 2008

32 Clinton Associates LLC
c/o Merchants Properties, Inc.
20 Clinton Street, #4
New York, New York 10002

Re: 32 Clinton Condominium
20 Clinton Street, New York, NY 10002 (the "Condominium")

Gentlemen:

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

In connection with rendering this opinion we have reviewed the allocation of Percentage of Common Interest as shown on the Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials, as we deemed relevant. Our opinion is based upon the factual determinations and opinion made by Henry Reininger, licensed real estate broker, as set forth in his opinion letter dated March 27, 2008, contained in the Plan as required by NYCRR Section 20.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Henry Reininger, licensed real estate broker.

Based upon our review of the foregoing, we have determined that Percentage of Common Interest was allocated pursuant to the method set forth in Real Property Law Section ("RPL") 339-(i) (1) (iv) i.e. based upon floor space, subject to relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

April 17, 2008
32 Clinton Condominium
32 Clinton Street
New York, NY 10002

Accordingly, based on the foregoing it is our opinion that Real Property Law Section 339-i (1) has been complied with in assigning Percentage of Common Interest to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to Purchasers. In no event will the Sponsor, Dennis R. Krasner Esq., the Selling Agent or the Condominium Board be liable if there are changes in the facts on which I have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law.

The opinion expressed herein is based solely on New York law.

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

Very truly yours,

Dennis R. Krasner

LAW OFFICES

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SENIOR COUNSEL
ALLAN C. SCHWARTZ

SPECIAL COUNSEL
VICTOR HADE

OF COUNSEL
OWEN B. CARRAGHER

March 24, 2008

32 Clinton Associates, LLC
C/O Merchants Properties, Inc.
20 Clinton Street, #4A
New York, NY 10002

Re: THE CLINTON CORNER CONDOMINIUM
32 Clinton Street
Block: 350 Lot: 38
Borough: Manhattan

Gentlemen:

You have requested that we provide you with an estimate of the real estate tax assessment on the mixed-use condominium to be constructed at 32 Clinton Street.

You have also requested an estimate of the real estate taxes that would be applicable to the condominium upon completion of construction, without regard to any potential tax exemption or abatement benefits, as well as an estimate of real estate taxes assuming the property's eligibility for partial tax exemption pursuant to section 421-a of the New York Real Property Tax Law (the 421-a program).

You have advised us that you are the fee owner of certain real property located at 32 Clinton Street, New York, New York, and designated as Block 350, Lot 38 on the Official Tax Map of the City of New York. According to NYC Department of Finance records, the property consists of 2,062 square feet of vacant, unimproved, land.

You have advised us that you are in the process of constructing a new, five (5) story plus penthouse, 8,446 square-foot (gross, above grade), mixed-use condominium consisting of the following:

- Four (4) residential units located on floors 2 through penthouse; and
- Two (2) commercial/professional office units - - one located on the ground level and the other in the cellar - - consisting of 1,310 and 1,270 square feet respectively.

You have informed us that you commenced construction during November, 2007 and anticipate completing construction during October, 2008. You have further informed us that the first year of condominium operation will be from January 1, 2009, through December 31, 2009.

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

The assessment history of the 32 Clinton Street property is as follows:

			Land	Total
Tentative	2008/09	Actual	$ 127,710	$ 127,710
		Transition	$ 104,684	$ 104,684
Final	2007/08	Actual	$ 127,710	$ 127,710
		Transition	$ 94,742	$ 94,742
Final	2006/07	Actual	$ 95,000	$ 95,000
		Transition	$ 86,300	$ 86,300

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

For "class 2C" condominiums (i.e., a "class 2" residential condominium of less than eleven (11) units), assessment increases are limited pursuant to section 1805 of the New York Real Property Tax Law. In this regard, equalization assessment increases on "class 2C" properties are limited to a maximum of 8% of the property's assessed value in any one year, or 30% during any five (5) year period. Annual physical or alteration increases on "class 2C" properties are limited to one-third of the increase in assessed value otherwise allowed resulting from the improvements made to the property.

As set forth above, the New York City Department of Finance has tentatively set the property's taxable assessed value (i.e., the lesser of the actual or transitional assessment) for the fiscal 2008/09 tax year in the amount of $104,684. The City's tentative assessment roll, which was published on or about January 15, 2008, also continues to classify the property for tax purposes in commercial tax "class 4."

The most recent tax rates available as of the date of this letter are those passed by the City Council for the 2007/08 tax year. Assuming a "class 4" tax rate of 10.059% (i.e., the 2007/08 "class 4" tax rate), based on the tentative taxable 2008/09 assessed value (i.e., the lesser of the estimated actual or transitional assessed value), we estimate that the property's gross real estate taxes due for the fiscal year July 1, 2008 through June 30, 2009 will be in the approximate amount of $10,600.

The first taxable status date subsequent to the anticipated completion of the property's renovation and conversion will be January 5, 2009, which will be the basis for the property's 2009/10 assessed values. We assume the completed property will be classified in tax "class 2C" (i.e., a "class 2" residential condominium of less than eleven (11) units) and that the related statutory limitations on assessment increases will apply. We estimate that the assessed value of the property for the 2009/10 tax year (exclusive of any potential tax exemption benefits) will be as follows:

Residential Units . . .	$ 575,000
Commercial/Professional Office Units . . .	$ 320,000
Total . . .	$ 895,000

Assuming a "class 2" residential tax rate of 11.928% (i.e., the 2007/08 residential "class 2" tax rate), based on the projected taxable 2009/10 assessed values, we estimate that the gross real estate taxes (exclusive and any potential exemption or abatement benefits) due for the fiscal year July 1, 2009 through June 30, 2010 (exclusive of any potential tax

exemption benefits) will be in the following amounts:

Residential Units . . .	$ 68,600
Commercial/Professional Office Units . . .	$ 38,200
Total . . .	$106,800

You have advised us that the first year of Condominium operation will be from January 1, 2009 through December 31, 2009. Apportioning the 2008/09 estimated tax liability between the residential and commercial/professional office units based on their relative 2009/10 post-construction estimated assessed values (i.e., 64% residential, 36% commercial), based on the foregoing projections for the 2008/09 and 2009/10 fiscal tax years, we estimate real estate taxes for the Condominium's first year of operation (exclusive of any potential tax exemption benefits), to be in the following amounts:

Residential Units . . .	$ 37,800
Commercial/Professional Office Units . . .	$ 21,000
Total . . .	$ 58,800

We have been advised that it is the policy and practice of the New York City Department of Finance to assign separate tax lots and apportion the assessed valuation of a condominium among the various units based upon the percentage of common interest contained in the Condominium Declaration.

You have advised us that you intend to apply for partial tax exemption benefits pursuant to section 421-a of the New York Real Property Tax Law ("421-a") on behalf of the 32 Clinton Street property. Should your application be approved, the 2008/09 and 2009/10 exemption on the property will be based on the increase in assessed valuation over the property's pre-construction taxable assessed value. The exemption will be reduced by the percentage of non-residential space, if any, in excess of 12% of the building's aggregate floor area. Exemption benefits under the 421-a program would run for up to three years during construction and, thereafter, for ten (10) years following the completion of construction as follows: Two (2) years at 100% with a semiannual 20% reduction in benefits for years 3 through 10.

According to New York City Department of Finance records, the property's 2006/07 pre-construction taxable assessed value was in the total amount of $94,742. Based upon square footage numbers that you provided, there would be a reduction in potential benefits due to excess non-residential space in the approximate amount of 15%. This reduction in benefits would be first applied against the commercial units. Given the

project's start and anticipated completion dates, the 2008/09 tax year would represent the first and only construction benefit year and 2009/10 would represent the first year of the 10-year post-construction benefit period. Should your 421-a Application be granted, we estimate the property's assessed value and tax liability for the 2008/09 and 2009/10 tax years to be as follows:

	Est. Taxable Assessment	2007/08 Tax Rate	Est. Tax Liability
2008/09 . . .	$ 96,242	10.059%	$ 9,600
2009/10:			
Residential Units . . .	$ 61,820	11.928%	$ 7,400
Commercial/Professional Office Units . . .	$159,400	11.928%	$19,100
Total . . .	$221,220		$26,500

Based on the foregoing projections for 2008/09 and 2009/10, for the period from January 1, 2009 through December 31, 2009 (i.e., the Condominium's first year of operation), apportioning estimated taxes between the residential, and commercial portions of the property based on their relative 2008/09 projected assessed values (i.e., approximately 91% residential and 9% commercial) we estimate real estate taxes after 421-a exemption benefits to be in the following amounts:

Residential Units . . .	$ 6,800
Commercial/Professional Office Units . . .	$ 11,300
Total . . .	$ 18,100

As of the date of this letter, no application for 421-a benefits has been filed with the New York City Department of Housing Preservation and Development. **No representations or warranties are made herein regarding the property's eligibility for RPTL 421-a exemption benefits, that the New York City Department of Housing Preservation & Development will approve these benefits, or that these benefits will ultimately be realized or realized in the amounts set forth.**

This letter was prepared at the sponsor's request. The figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation. No government agency has passed upon these figures or the estimates of assessed valuation and taxes herein. We have not passed on the accuracy of any figures

or estimates contained in the Offering Plan, and offer no warranties on real estate assessments, tax classifications, taxes, or tax rates for any period. All prospective purchasers are advised that, although the estimate of assessed valuation upon completion of conversation is a good faith estimate, such assessed valuation when actually made may be less or greater than as estimated herein.

The above estimates do not take into account any future increases in the level of assessed valuation applied to residential and commercial property or any increase in the real estate tax rates. The above opinion is based upon our interpretation of The New York State Real Property Tax Law and The Administrative Code of the City of New York and is not intended to be a guarantee or assurance that the actual tax assessments or actual taxes will be as estimated.

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

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

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

Very truly yours,
PODELL, SCHWARTZ, SCHECHTER
& BANFIELD, LLP

BY: _____
PAUL V. GRECO

PVG:rh

W. RESERVE FUND

There will be no initial reserve fund for the Condominium. Since the Building will be newly constructed, renovated and/or rehabilitated and contain all new fixtures and equipment it is not anticipated that the Board of Managers will find it necessary to replace any portions of the Building's structure or mechanical systems in the first few years of operation of the Building. There is a reserve for contingencies in the Budget and there is an amount in the Budget for repairs. In the opinion of Sponsor's budget expert these are sufficient to cover any repairs in the first years of the Condominium.

X. WORKING CAPITAL FUND

At closing of title to each Unit the Unit Owner for such Unit will contribute an amount equal to two (2) months Common Charges to the capital of the Condominium as a Working Capital Fund (see "Unit Closing Costs and Adjustments" Section N.). The Working Capital Fund will be held and used for working capital, a reserve for repairs or for such other appropriate purposes as will be determined by the Board of Managers and will be augmented by allocations from the monthly Common Charges collected from each Unit. While the Sponsor controls the Board of Managers (see "Control By The Sponsor" in Section Q.), the Working Capital Fund will not be used to reduce estimated Common Charges.

Any Closing adjustments Sponsor owes the Condominium will be paid by the Sponsor into the Working Capital Fund. Any Closing adjustments the Condominium owes the Sponsor will be paid by the Board of Managers from the Working Capital Fund to the Sponsor at the First Closing. If the net closing adjustments are in favor of Sponsor to such an extent that payment thereof would reduce the Working Capital Fund to less than $2,000, then payment of such net closing adjustments shall be evidenced by an unsecured, interest bearing promissory note to be executed and delivered by the Board of Managers on behalf of the Unit Owners at the First Closing. Such promissory note shall be paid in twelve (12) equal monthly installments commencing one (1) month after the Working Capital Fund has a balance equal to or greater than $2,000 (the "Payment Base"), and the Board of Managers shall pay interest on the principal amount of said promissory note at a rate of ten (10%) percent per annum, such interest to accrue from the date of the First Closing. If such unsecured, interest bearing promissory note is necessary, then payments to be made under such promissory note will result in an increase in the Common Charges payable by the Unit Owners.

The Working Capital fund may be applied at the discretion of the Board of Managers toward unforeseen expenses and for other appropriate residential purposes. While the Sponsor controls the Board of Managers this fund will not be used to reduce estimated Common Charges.

The Board of Managers will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Units. In addition, within three (3) months following the first to occur of (i) Closing of title to all Units or (ii) three (3) years following the date of First Closing, Sponsor shall deliver to the Board of Managers a statement from a member of Sponsor, certifying in reasonable detail, as to any changes in the amount of the Working Capital Fund which have occurred since the First Closing.

Other than the Working Capital Fund, and reserve for contingencies, no other provision has been made by Sponsor for the repair or replacement of, or major improvements to the Common Elements.

No representation is made that the Working Capital Fund will be adequate to cover expenses, including repairs or replacements, for the first or any subsequent year of Condominium operation. If funds in addition to the amounts available in the working capital fund are required to cover expenses of Condominium operation, it may be necessary to increase the Common Charges, or make special assessments. But see Section W. for the Reserve Fund above.

Neither the Attorney General's Office nor any other government agency has passed upon the adequacy of the Working Capital Fund or the physical condition of the building.

Y. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

It is presently contemplated that the Condominium will be managed by Merchants Properties, Inc. 20 Clinton Street, #4A, New York, New York, 10002-1703, (212) 475-2280 The Management Agreement provides for a year to year contract at $6,000 per year. Either party may cancel at any time upon sixty days prior notice without cause and upon thirty days notice for cause and the contract is not assignable. If the management agreement is terminated while Sponsor controls the Board the Sponsor shall obtain a new management company who shall perform the services of the managing agent for the same $6,000 per year or less.

Normally a Managing Agent performs the following services, among others:

1. hire, supervise and discharge employees;

2. cause ordinary repairs and alterations to be made and building violations to be corrected;

3. contract for services for the Building, such as electricity, gas, window cleaning, exterminator service and elevator service;

4. check and pay bills for services, work and supplies;

5. bill and collect Common Charges and other income;

6. cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and other forms relating to employment of building employees and maintenance and operation of the Building;

7. render monthly statements of receipts and disbursements;

8. assist the accountant to prepare and submit annually to the Board of Managers an operating budget setting forth the anticipated income and expenses for the ensuing year; and

9. send notices, prepare agenda and attend Board and Unit Owner's meetings, and record and keep the minutes of such meetings, if requested by the Board.

The Sponsor has the right, prior to the date of First Closing to renew, extend or modify any existing service, maintenance or management contracts for the Building, and to enter into new contracts on such terms as Sponsor deems desirable, subject, however, to the following limitations: (a) Sponsor will amend the Plan if Sponsor modifies an existing contract in a material way; and (b) Sponsor will amend the Plan if Sponsor enters into a new contract that will bind the Condominium for more than $2,500.00 per year.

Merchants Properties Inc. is owned by Lind M. Mekeel, one of the principals of the Sponsor. The annual fee charged by the Managing Agent is comparable to a fee that would be charged by a wholly independent company for managing the building and is not a below market rate.

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Z. IDENTITY OF PARTIES

(1) Sponsor and Principals

The Sponsor is a limited liability company organized under the laws of the State of New York. The Sponsor maintains an office at c/o Merchants Properties, Inc., 20 Clinton Street, #4A, New York, New York 1002 The Sponsor was created for the sole purpose of acquiring the Property and acting as the Sponsor under this Plan. It has no prior background or experience.

The principals of the Sponsor are Sheldon Reiter, Linda M. Mekeel, Richard Reiter, Russell Reiter and Lowell Reiter all maintaining a business address at c/o Merchants Properties, Inc., 20 Clinton Street, #4A, New York, New York 10002. Sheldon Reiter is a real estate attorney and licensed real estate broker with over 20 years experience in the development of real estate. Linda Mekeel is a real estate investor, property manager and real estate broker with over 20 years experience in the development and operation of real estate. Richard Reiter is a litigation attorney and real estate investor with over five years experience. Russell Reiter is a real estate attorney and real estate investor with over five years experience. Lowell Reiter is a computer systems manager, real estate salesperson and construction contractor with over five years experience.

Leonard Binder and Ellen Binder, as husband and wife and the William H. Druckemiller Family Limited Partnership are members of the limited liability company that is the Sponsor entity. They each own a 10% or more membership interest in the Sponsor. They will not actively participate in the planning or consummation of the offering and therefore they are not principals of the Sponsor as defined in the regulations.

Neither Mr. & Mrs. Binder nor The William H. Druckemiller Family Partnership have had any prior convictions, bankruptcies, violations of any securities laws, judgments against them or any other adverse rulings made against them which would be relevant or material to a Purchaser to know prior to purchasing a Unit under this Plan.

(2) Other Offerings of Sponsor and/or Principals

The Sponsor is not presently involved either as a principal or a sponsor in any other offerings of interests in condominiums, cooperatives, timeshares or homeowners' associations in the State of New York or to New York State residents. Both Ms. Mekeel and Mr. Sheldon Reiter are currently involved as principals of the sponsor in the offering of interests in condominiums in the property located at 20 Clinton Street, New York, New York 10002. The units were first offered for sale in April 1999.

(3) Properties Where Sponsor or Principals Own More Than 10% of Units or Shares

Sheldon Reiter and Linda M. Mekeel are principals of Suzanne Realty Associates, LLC, the sponsor of the offering plan for 20 Clinton Street. Suzanne Realty Associates, LLC is current on all of its obligations under the plan for 20 Clinton Street. There are no other properties where offering of interests have been made where the Sponsor and/or any of its principals own more than 10% of the Units or Percentage of Common Interest or 10% of the Shares.

(4) Attorneys for Sponsor

Sponsor has retained the law firm of Dennis R. Krasner, Esq., Two Penn Plaza, Suite 1500, New York, New York 10121 to represent it in connection with the Plan. Mr. Krasner has prepared the Plan, the Declaration, the By-Laws and the forms of Purchase Agreement, Unit Deed and Unit Power of Attorney.

(5) Managing Agent

The proposed Managing Agent is Merchants Properties, Inc. 20 Clinton Street, #4A, New York, New York, 10002, (212) 475-2280 It has over 15 years experience managing condominium, cooperative and rental properties, including 20 Clinton Condominium, 20 Clinton Street, NY, NY, 182 Lafayette Street, NY, NY, 960 Amsterdam Avenue, NY, NY 122 East 25th Street, NY, NY, 213 West 23rd Street, NY, NY, 100 East 17th Street, NY, NY and 211 East 2nd Street, NY, NY.

.(See "Management Agreement, Contracts and Leases", Section Y for details).

Merchants Properties Inc. is owned by Linda M. Mekeel, one of the principals of the Sponsor. In the opinion of Sponsor, the annual fee charged by the Managing Agent is comparable to a fee that would be charged by a wholly independent company for managing the building and is not at an above or below market rate.

(6) Selling Agent

The Sponsor has appointed Merchants Properties, Inc., 20 Clinton Street, #4A, New York, New York 100002 as the Selling Agent under this Plan. Merchants Properties, is a corporation qualified to do business in New York State and a New York State licensed real estate broker with 15 years experience in the marketing and sales of condominium units in New York.

(7) Sponsor's Architect

The Sponsor's Architect is John N. Backos, RA, AIA, of CBA Architects & Consultants, P.O. Box 219 Saddle River, New Jersey 07458 He has prepared the "Description of Property and Specifications," and the Floor Plans of Units set out as Documents 4 and 5, respectively, in Part II of the Plan.

(8) Relationship among the Parties

Linda M. Mekeel a principal of the Sponsor is the owner of the Managing Agent and Selling Agent under the Plan. There is no other relationship between the Sponsor or any of its Principal(s) and the Selling Agent, Managing Agent, Sponsor's Architect, or any person or firm who will provide services to the Condominium subsequent to the commencement of Condominium operation,

(9) Designation of Secretary of State for Service of Process

The Sponsor and its principals are New York State entities or residents and no designation of the Secretary of State for receipt of service of process is required. In the event the Sponsor or any of its principals becomes an out of state entity or resident, the Plan will be amended to disclose that the Secretary of State has been designated as agent for service of process for the Sponsor and/or its principals.

AA. REPORTS TO UNIT OWNERS

It is the obligation of the Board of Managers to cause to be given to each Unit Owner annually:

(1) A financial statement of the Condominium, prepared by a certified public accountant or public accountant within six (6) months after the expiration of the Condominium's fiscal year. While the Sponsor controls the Board of Managers, the financial statement shall be certified.

(2) Prior notice of the annual meeting which shall be not more than thirty days and not less than 10 days.

(3) A copy of the proposed annual budget of the Condominium at least sixty days prior to its adoption. While Sponsor controls the Board of Managers the budget shall be certified in accordance with NYCCR 20.3 (cc)(3).

BB. DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan and all Exhibits submitted to the Attorney General's Office in connection with the filing of the Plan, on file and available for inspection without charge and for copying at a reasonable charge at the office of the Sponsor's attorney for at least six years from the date of the First Unit Closing. At the time of the First Unit Closing the Sponsor shall deliver to the Board of Managers a copy of all documents filed with the Office of the New York City Register in the County where the Property is located in connection with the creation of the Condominium

CC. GENERAL

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

There are no lawsuits or other legal proceedings now pending or any judgments outstanding which could materially and adversely affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof.

Sponsor reserves the right, from time to time, without obtaining the consent of Purchasers or others, subject to the right of rescission for existing Purchasers as set forth below, to substantially revise the terms and conditions upon which the Units are to be sold. However, Sponsor may not unilaterally change the Purchase Price or payment terms contained in a Purchase Agreement. All material revisions will be contained in a duly filed amendment to the Plan.

If there is a material amendment to the Plan that adversely affects Purchasers, existing Purchasers will have a period of fifteen (15) days from the date of presentation of said amendment to exercise a right of rescission. Sponsor shall promptly return the Down Payment, together with any interest earned thereon, if any, to Purchasers who properly exercise their right of rescission.

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

In accordance with the provisions of the laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person because of race, creed, color, national original, sex, age, marital status, disability or ancestry in the sale of Units offered under the Plan or in the leasing of any such Units or any other portion of the Building.

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

To the best of Sponsor's knowledge this Property has not been the subject of any prior public offerings.

Sponsor represents that no contracts or other agreements have been entered into and no deposits or advances of funds accepted as of the date the Plan was accepted for filing. Sponsor also represents that all of the Units offered in the Plan are vacant.

DD. SPONSOR'S STATEMENT OF SPECIFICATIONS

Sponsor hereby adopts the "Description of Property and Specifications" (the "Architects Report") as prepared by John N. Backos, RA, CBA Architects and Consultants dated February 27, 2008, and the Addendum 1 dated March 27, 2008 set forth as Document 4 in Part II of the Plan, and represents that Sponsor has no knowledge of any defect or need for major repairs to the Property, except as may be set forth in the Architects Report. Any needed rehabilitation of the Property, if any, shall be done as part of the construction, renovation and/or rehabilitation of the Property as set forth in the Architects Report.

The number of Units offered for sale is equal to the number of Units which shall be listed in the Certificate of Occupancy for the Building. The proposed use of the Units shall be the same as indicated in said Certificate of Occupancy.

To the best of Sponsor's knowledge there are no official inspection reports reflecting upon the condition of the Property.

Dated: New York, New York
, 2008

32 CLINTON ASSOCIATES LLC
SPONSOR

PART II OF PLAN

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DOCUMENT 1

PURCHASE AGREEMENT

For Unit Number(s) in
32 Clinton Condominium
32 Clinton Street a/k/a 172 Stanton Street
New York, New York 10002-1703

(Please execute in quadruplicate)

THIS AGREEMENT is made as of , between 32 Clinton Associates LLC, a New York limited liability company (hereinafter called the "Sponsor" or "Seller"), having an address at c/o Merchants Properties Inc., 20 Clinton Street, #4A, New York, New York 10002 and

(hereinafter called the "Purchaser"), having an address at

W I T N E S S E T H:

1. Definitions.

The following terms shall have the meanings ascribed to them:

(i) "Building" shall mean the structure and its appurtenances known as 32 Clinton Street a/k/a 172 Stanton Street, New York, New York 10002-1703

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

(iii) "Common Charges" shall mean the charges payable to the Board of Managers by the Unit Owners for the purpose of meeting General Common Expenses which are paid by all Unit Owners pro rata in proportion to each such Unit Owner's Percentage of Common Interest,

(iv) "Condominium" shall mean 32 Clinton Condominium.

(v) "Declaration" shall mean the Declaration of the 32 Clinton Condominium establishing condominium ownership of the Property.

(vi) "Effective Date" shall mean the date set forth in an amendment to the Plan declaring the Plan effective.

(vii) "First Closing" shall mean the Closing at which title to the first Unit(s) is/are

conveyed to a Purchaser under the Plan.

(viii) "Plan" shall mean the Offering Plan to convert the Property to condominium ownership and any Amendments thereto at the time in question.

(ix) "Percentage of Common Interest" shall mean the undivided interest in the Common Elements appurtenant to a Unit.

(ix) "Property" shall mean the Building and the land on which it is situated.

(x) "Selling Agent" shall mean Merchants Properties Inc. or any other entity or person appointed by Sponsor as the selling agent under the Plan.

(xi) "Sponsor" or "Seller" shall mean 32 Clinton Associates LLC the Sponsor under the Plan and either term may be used to designate the Sponsor.

All other terms not defined elsewhere herein shall have the meanings ascribed to them in the Plan.

2. Plan.

Purchaser acknowledges having received and read the Plan and any amendments thereto, at least three (3) full business days prior to Purchaser's signing this Purchase Agreement. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor (including, without limitation, amendments involving any changes, modifications, or updating of the estimated Common Charges, the estimated real estate taxes to be paid by Purchaser, or the "Budget for First Year of Condominium Operation, Schedule B of 32 Clinton Condominium." Any such amendments shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset or credit against the Purchase Price and may be made by Sponsor without Purchaser's consent or approval. The Plan is hereby incorporated in this Agreement with the same force and effect as if set forth at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents, and investigate all statements, made herein and in the Plan.

3. Agreement to Purchase and Sell.

Purchaser agrees to purchase from Sponsor, and Sponsor agrees to sell to Purchaser, the unit designated as Unit Number in 32 Clinton Street a/k/a 172 Stanton Street New York, New York 10002-1703 (hereinafter called the "Unit") in the Declaration, together with its Percentage of Common Interest, on and subject to, the terms and conditions set forth herein.

4. Purchase Price.

A. The purchase price for the Unit (exclusive of closing adjustments and costs referred to in Paragraphs 13 and 14 below) is $ (hereinafter called the "Purchase Price"), which Purchaser agrees to pay to the Sponsor, as follows:

(i) $ (hereinafter called the "Down Payment") is due on Purchaser's signing and submitting of this Agreement and is to be paid by Purchaser's personal *certified* check or by *bank check*, either of which must be drawn on a New York State licensed bank, and a member of the New York Clearing House Association receipt of which (subject to collection) is hereby acknowledged by Sponsor;

(ii) $ (hereinafter called the "Balance"), constituting the balance of the Purchase Price, is due on the delivery to Purchaser of the deed (as hereinafter defined) to the Unit and must be paid by Purchaser's personal certified check or official cashier's check, in either event drawn on a bank that is a member of the New York Clearing House Association.

B. The payment of the Balance and acceptance of Deed to the Unit by Purchaser shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing.

C. Purchaser is not required to pay the Balance or accept title to the Unit unless concurrently with, or prior to closing all the prerequisites set forth in the Plan have been met.

THIS PURCHASE AGREEMENT IS NOT CONTINGENT UPON A PURCHASER SECURING SATISFACTORY FINANCING UNLESS THERE IS COMPLETED AND ATTACHED HERETO THE FORM OF MORTGAGE COMMITMENT CONTINGENCY RIDER, A COPY OF WHICH IS ANNEXED HERETO AS *EXHIBIT B*. SPONSOR IS NOT OBLIGATED TO EXTEND OR ARRANGE FINANCING. NO REPRESENTATION IS MADE THAT BANK FINANCING WILL BE AVAILABLE TO PURCHASER OR AS TO THE AMOUNT, TERMS AND CONDITIONS UPON

WHICH SUCH FINANCING MAY BE GRANTED OR THE COST TO OBTAIN SAME.

5. Purchase Monies Held in Trust.

Sponsor will hold in trust any and monies received by it directly or through its agents, employees or Escrow Agent until the Unit is transferred to Purchaser or the Purchase Agreement is cancelled in accordance with its terms. All monies received hereunder will be deposited with Citibank N.A. 201 West 34th Street, New York, New York 10001 in a segregated special escrow account entitled "Dennis R. Krasner Esq.. 32 Clinton Condominium Escrow Account". This is an IOLA account with no interest paid to the depositor. The funds so deposited will be disbursed only in accordance with the provisions of this Agreement and the Plan. In the event the Plan is abandoned or withdrawn, such funds will be returned to Purchaser without interest, except as otherwise provided in the next sentence. If at the time the Plan is abandoned or withdrawn Purchaser shall be in default hereunder and shall have failed to cure such default within the applicable grace period or if this Agreement had been previously canceled due to Purchaser's uncured default, then Sponsor shall retain as and for liquidated damages the Down Payment (but in no event to exceed ten percent (10%) of the Purchase Price) plus any additional sums deposited on account of any special work in the Unit ordered by Purchaser, and any sums in excess thereof shall be returned to Purchaser within thirty (30) days after the date of such abandonment or withdrawal without interest (unless interest is earned). All funds received under this Purchase Agreement will be handled in accordance with Sections 352-e(2)(b) and 352-h of the New York General Business Law and the Offering Plan. Until such time as completion of the sale and consummation of the Plan, funds deposited in trust as Down Payment or as the Purchase Price for Units, will be disbursed only upon the signature of a member of the firm of Dennis R. Krasner, Esq. Attorney at Law, to be used for purchase of the Unit if the Plan is declared effective and title closes, or returned to the Purchaser if the Plan is abandoned or withdrawn or if title does not close as herein provided or disbursed to Sponsor if Purchaser defaults.

Statement required by Section 71-a.3. (e) "YOU, AS THE PURCHASER OF THIS RESIDENCE, 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."

6. Closing Contingent on Plan Being Declared Effective.

A. The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter, in certain limited cases set forth in the Plan (see the section in the Plan entitled "Effective Date" for

full details). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. Sponsor shall notify Purchaser, in writing or by a duly filed Amendment to the Plan, when the Plan becomes effective or is abandoned.

B. If the Plan is abandoned or does not become effective or if after being declared effective the Plan shall not be consummated for any reason on or before twenty-four (24) months from the date the Offering Plan is accepted for filing by the Department of Law, this Agreement shall be deemed canceled and all monies paid by Purchaser hereunder shall be disbursed in accordance with the provisions of Paragraph 6 above. After the funds are so disbursed, Purchaser and Sponsor shall have no claim against each other or the Selling Agent in connection with this Agreement or the Plan and all of same shall be released and discharged from all liabilities and obligations hereunder and under the Plan.

7. Closing Date and Place.

Once all of the conditions required for Closing under the Plan have been met by Sponsor, the Closing shall occur on the date and at the time and place in the City and State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Sponsor shall have the right, from time to time, to adjourn such date and time for closing on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than ten (10) business days' prior written notice of the new scheduled date and time for Closing.

8. The Deed.

At closing, Sponsor shall deliver to Purchaser a Bargain and Sale Deed with covenant against grantor's acts transferring to Purchaser full ownership (fee simple title) to the Unit (the "Deed"). The Deed shall be substantially in the form reproduced as Document Number 5 in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Such executed Deed shall be delivered immediately to the representative of the title company insuring Purchaser's title (or, if no such representative is present, to Purchaser or Purchaser's attorney).

9. State of Title.

Legal ownership to the Unit shall be transferred to Purchaser at Closing subject only to the liens, encumbrances and title conditions (hereinafter called the "Permitted Encumbrances") enumerated in *Exhibit A* to this Agreement. Any other liens, encumbrances, or conditions shall not be an objection to title if: (i) the instrument required to remove it from the record is delivered to said representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for recording in the proper office, together with the requisite recording or filing fees; or (ii) Purchaser's title insurance company will insure Purchaser against its collection from or enforcement against the Unit.

10. Title Company Approval.

Sponsor shall give, and Purchaser shall accept, such title as any title company duly licensed by the State of New York to issue title policies in New York State will approve and insure, subject only to the liens, encumbrances and conditions affecting title as set forth in the Permitted Encumbrances.

11. Sponsor's Inability to Convey Title.

In the event Sponsor is unable to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of $5,000.00, in the aggregate, to render title marketable or to remove, cure or comply with any violations of record issued prior to the First Closing, and in such case, Sponsor may abandon the Plan. In no event shall Sponsor be obligated to cure violations of record which are the obligations of tenants to cure or which result from the acts or omissions of tenants, or violations noted with respect to radio or television antennae.

12. Purchaser's Remedies.

In the event that Sponsor shall for any reason (except for willful default) be unable to convey and deliver the Unit in accordance with the terms of the Purchase Agreement, (except for any failure to perform any obligation imposed by applicable statute or regulation, or a failure to perform Sponsor's obligations under the Plan) the sole remedy of Purchaser shall be to rescind the Purchase Agreement and be refunded the entire Down Payment without interest, plus the cost of title searches, if any.

Any conflict between the Plan and the Purchase Agreement shall be resolved according to the terms of the Plan.

Nothing contained in the Purchase Agreement or in the Plan shall be construed to waive a purchaser's rights or abrogate Sponsor's obligations under Article 23-A of the GBL.

13. Closing Adjustments.

A. At Closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the Closing:

(i) Real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, including water charges and sewer rents (if separately assessed) and any escrows for real estate taxes;

(ii) Common Charges for the month in which title closes;

(iii) Rent and other charges, if any, pursuant to a lease for, or tenancy of, the Unit between Seller and Purchaser, if any; and

(iv) At the option of the Sponsor, insurance premiums apportioned to the Unit until the policy expiration date.

The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as otherwise provided herein.

B. In the event the Unit has not been separately assessed for the then current fiscal tax year at the time of Closing, the apportionment of real estate taxes shall be based on the Unit's pro-rata share (in proportion to its Percentage of Common Interest) of the then current real estate taxes assessed against the Property. If the Unit has been separately assessed but the Closing occurs before the tax rate is fixed, then the apportionment of real estate taxes shall be based upon the latest tax rate applied to the most recent assessed valuation.

C. Any errors or omissions in computing apportionments at Closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the Closing.

D. Installments for tax assessments due after the delivery of the Deed, if any, shall be paid by Purchaser and shall not be considered a defect in title.

14. Purchaser's Closing Costs.

At the time of title closing, each Purchaser of a Unit will pay certain closing costs in addition to the legal fees of such Purchaser's counsel and the amount of any net credit in favor of Sponsor resulting from the closing apportionments described above. Such closing costs will include the following, the amounts of which are based on rates in effect on the date of the Plan and are subject to change without prior notice or amendment:

(i) If Purchaser elects to obtain fee title insurance, he or she will be charged a premium therefore to his or her title insurance company which will vary based upon the amount of insurance requested. Sponsor has arranged for Rockwell Abstract LLC ("Title Company") to clear title and issue title policies to Purchasers of the Units. The general rates for fee title insurance are $1,499 for the first $500,001 of insurance and then $2.37 per each $1,000 thereafter up to $1,000,000 of insurance. The mortgage title insurance rates are $137.00 for the first $100,001 of insurance and then $0.77 per thousand up to $500,001 of insurance. For mortgages over $500,000 the rates are $445.00 for the first $500,001 of mortgage and then $0.70 for each $1,000.00 of mortgage thereafter up to

$1,000,000 of mortgage amount. (Note: these rates reflect the fee bulk rate discount for condominiums of 10 or more and the simultaneous mortgage and fee rate discount);

(ii) A fee for recording the Deed and Unit Owner's Power of Attorney of $32.00 for each instrument plus $5.00 per page, together with a service charge to the title company for such recording of no less than $50.00 per instrument;

(iii) If Purchaser obtains a mortgage loan, Purchaser will pay the following:

(a) a fee and service charge for recording the mortgage at the same rates given above for recording the Deed;

(b) a mortgage recording tax in the amount provided for by law at the date of the Plan, the tax is 1.925% of the face amount of the mortgage for mortgages over $500,000.00 (Note: the Lending Bank pays an additional .25%).

(c) Purchasers will pay a premium through the Title Company for the mortgage title insurance policy. The mortgage title insurance rates are $137.00 for the first $100,001 of insurance and then $0.77 per thousand up to $500,001 of insurance. For mortgages over $500,000 the rates are $445.00 for the first $500,001 of mortgage and then $0.70 for each $1,000.00 of mortgage thereafter up to $1,000,000 of mortgage amount. (These rates reflect the discount rate for simultaneous fee and mortgage title insurance policies.) In addition Purchaser shall pay for the costs of recording any release of mortgage or termination of assignment of leases and rents and filing any UCC-1 Financing or Termination Statements (approximately $15. each), and will also pay Sponsor a sum equal to the partial mortgage tax credit to which Sponsor is entitled under Section 339-ee(2) of the Condominium Act. All such payments shall be made upon execution of the loan documents.

(d) All costs and expenses in connection with such loan in amounts determined by the lender, *i.e.*, application, points, credit report, survey, appraisal, bank's attorney's fees, Residential and Condominium Endorsements (title insurance forms required by banks) and any other fees required by lender.
Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability of such financing.

(iv) Although usually a Seller's expense, Purchaser shall pay the New York City Real Property Transfer Tax (currently 1% of the purchase price if less than $500,000 and 1.425% if $500,000 or greater) and the New York State Real Estate Transfer Tax (currently $2.00 per $500.00, or fractional portion thereof of the purchase price) imposed by statute on transferors of property. The tax is computed by adding the tax normally paid by Seller to the consideration and then applying the applicable rates of tax.

(v) Purchaser will be required to deposit with the Board of Managers two (2) months' estimated monthly common charges for his or her unit as a non-refundable working capital contribution to the Condominium.

(vi) For Units with a Purchase Price of $1,000,000.00 or more the Purchase is required to pay an additional New York State transfer tax of 1% of the Purchase Price, (the "mansion tax".)

(vii) Purchaser shall be obligated to pay a fee to the law firm of Sheldon Reiter Attorney at Law of $1,500.00 per unit closed, (whether a residential unit, parking unit, if any, or storage unit, if any) for services rendered in connection with the preparation of Closing documents, coordination of Closing and attendance at Closing. In addition, there shall be an additional fee of $1,000.00 if the Closing is held at any location other than Sponsor's attorney's office, should the Sponsor's attorneys, in their sole discretion agree to same and an adjournment fee of $500.00 should the Closing date be confirmed by the parties or the Closing is commenced and the Closing thereafter be adjourned by the actions or omissions of the Purchaser or any party representing or acting on behalf of Purchaser.

(viii) A refundable Move-In Deposit of $1,000 payable to the Condominium.

All fees are cumulative to the extent applicable to an individual Purchaser.

15. Rent Security Deposit.

If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within thirty (30) days following the Closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Unit is occupied by other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred at closing to Purchaser, who will upon receipt sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to sue the tenant to the extent such rent security is insufficient.

Purchaser may not occupy the Unit or perform any work in the Unit prior to closing without the prior written consent of the Sponsor. In the event the Purchaser occupies the Unit or performs any work in the Unit prior to closing without the prior written consent of the Sponsor, such event shall constitute a default under Section 18 of this Agreement.

16. Power of Attorney to Board of Managers and Sponsor.

At Closing, Purchaser shall execute, acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or if no representative is present, then to Sponsor's attorney) for recording in the applicable County Clerk's or New York City Register's Office, a Unit Power of Attorney in favor of the Board of Managers relative to purchasing or leasing of Units and in favor of Sponsor relative to amending the Condominium Documents to the extent permitted in the power of attorney. The power of attorney shall be substantially in the form set forth in Document Number 2 in Part II of the Plan. After being recorded, the power of attorney shall be sent to the Condominium Board.

17. Transfer Tax Return.

At Closing, Sponsor and Purchaser shall each duly complete and sign before a Notary Public the transfer tax return required to be filed with The State of New York. The transfer tax return shall be delivered at Closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer. Purchaser shall be responsible for payment of such tax in accordance with Paragraph 14.

18. Events of Default.

A. The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to pay the Balance on the Closing Date designated by Sponsor pursuant to paragraph 7 and 8 herein; or

(ii) Purchaser's failure to duly sign, notarize and deliver at Closing the Unit Power of Attorney pursuant to paragraph 16 above or the New York City transfer tax return pursuant Paragraph 17 above; or

(iii) If Purchaser is or becomes a tenant of the Building, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations, which results in Purchaser's eviction from Purchaser's Unit (either by voluntary removal or by court order); or

(iv) If Purchaser occupies the unit or performs any work in the unit prior to closing without the prior consent of Sponsor; or

(v) If Purchaser attempts to assign this Agreement or to market or advertise the Unit for sale all without the written consent of Sponsor; or

(vi) The failure to pay, perform or observe any of the Purchaser's other obligations hereunder, which is not cured within fifteen (15) days after the mailing of written notice specifying the nature of such default.

B. Upon the occurrence of an Event of Default, Sponsor's sole remedy shall be to cancel the Purchase Agreement by sending Purchaser thirty (30) days' prior written notice of its intention to do so. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the cancellation notice within which time Purchaser must cure the specified default. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the Down Payment (but in no event to exceed ten percent (10%) of the Purchase Price of the Unit) plus the cost of any special work in the Unit ordered by Purchaser, (hereinafter called the "Liquidated Sum") and any sums in excess thereof, without interest, shall be returned to Purchaser promptly thereafter.

Upon cancellation of the Purchase Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though the Purchase Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

C. In the event that Purchaser does not close on the Closing Date set forth in the Notice of Closing, and Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's closing to his Unit, interest shall accrue on the unpaid amount of the purchase price from the Closing Date until such amount is paid. The interest rate shall be ten percent (10%) per annum. This rate shall be in effect for as long as there are any unpaid amounts owing towards the full purchase price.

D. Notwithstanding the occurrence of an Event of Default Sponsor may, in its sole discretion, keep the Purchase Agreement in effect and proceed to close title without prejudicing Sponsor's right to recover from Purchaser's damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled (including, but not limited to, legal fees and costs of collection).

E. If Purchaser is or becomes a tenant of the Building and Purchaser fails to pay rent or otherwise comply with Purchaser's lease or tenancy obligations, or Purchaser vacates or abandons the leased premises, then such failure, vacating or abandonment (as the case may be) shall constitute a default hereunder entitling Sponsor, at its sole option, to cancel the Purchase Agreement, even though Purchaser is not evicted from the leased premises as a result thereof. However, in the event Sponsor elects to so cancel, unless Purchaser is evicted, Sponsor shall refund to Purchaser all monies deposited hereunder, without interest. Upon such refund being made, Sponsor and Purchaser will be released and discharged of all further liability and obligations under the Purchase Agreement and the Plan. However, in no event shall Purchaser be released or excused from paying and performing Purchaser's lease or tenancy obligations.

19. Appliances and Equipment.

A. The Unit is being sold unfurnished, without window blinds or shades and will contain only the appliances and equipment described above and in the Plan. Furniture, wall coverings, furnishings, decorations, and the like in or about any model Unit are for display purposes only and are not included in this sale. Any floor plans or sketches shown to Purchaser (including those contained in the Plan) are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon. Sponsor shall not be liable for minor variations from any floor plans or sketches.

B. There will be no modifications or extras unless agreed to in writing by the parties. All modifications and alterations must be approved by Sponsor in writing and, if a approved, shall be performed by Sponsor, at Purchaser's expense, (payable in the manner to be set forth in an addendum to the Purchase Agreement or separate agreement).

20. Construction.

A. The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the architectural "plans and specifications" (defined in the Plan), subject to the right reserved by Sponsor to modify and amend the Plan and the "plans and specifications" in order to substitute materials, equipment or fixtures of equal or better quality and design, provided only that the approval of any governmental authorities having jurisdiction thereover and the construction lender are first obtained (if required). The issuance of a Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the "plans and specifications". However, nothing herein contained shall excuse Sponsor from its obligations to correct any defects in construction in accordance with the conditions set forth in the Plan in the section entitled "Rights and Obligations of the Sponsor."

B. The construction, renovation and/or rehabilitation of the Building and the Unit and the correction of any defects in construction to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and "Plans and Specifications" as indicated in the Plan in of "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions in the Plan..

21. Inspection of Unit.

At least ten (10) days before the Balance is to be paid, the Selling Agent shall notify the Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Selling Agent to inspect the Unit before the lapse of such ten (10) day period. Purchaser or his duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth

as *Exhibit C* to this Agreement) and deliver same to the Selling Agent at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said notice or to so sign and deliver the completed Inspection Statement, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "Rights and Obligations of Sponsor -- Construction Obligations" as set forth in the offering plan.

22. Possession; Risk of Loss.

A. Unless Purchaser now resides in the Unit, Purchaser shall not be entitled to occupy the Unit until the Deed is delivered to Purchaser at Closing. Sponsor may, in its discretion, grant Purchaser possession of the Unit prior to the Closing under an interim lease, if the Unit is currently, or hereafter becomes, vacant.

B. If Purchaser is given possession of the Unit prior to Closing under an interim lease or otherwise, Purchaser shall be solely responsible for any damage to, or loss or other condition in the Unit resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its installations. However, until Closing Sponsor will remain responsible to make those repairs required of it as a landlord under any existing or interim lease and, after Closing, the Condominium Board will be responsible to make those repairs required of it under the Condominium Documents.

C. If during Purchaser's occupancy the Unit is damaged by casualty or otherwise, Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the Deed.

D. Except as provided in the preceding subparagraph C, all other risk of loss prior to Closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Condominium Board to complete such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners) and

if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing.

E. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, without interest, whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Liquidated Sum pursuant to Paragraph 19 above.

23. No Representation.

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or others, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners or the estimated Common Charges and estimated real estate taxes for the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan; Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of the Purchase Agreement. Purchaser agrees (a) to purchaser the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plans and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Paragraph 23 shall survive the closing of title.

24. Notices.

Any notice or other communication ("Notice') shall be in writing and either (a) sent by either of the parties hereto or by their respective attorneys who are hereby authorized to do so on their behalf or by the Escrowee, by registered or certified mail, postage prepaid, or (b) delivered in person or by overnight courier, with receipt acknowledged, or (c) by fax, to the respective addresses given in the Purchase Agreement for the party or to their attorneys and the Escrowee, to whom the Notice is to be given, or to such other address as such party or Escrowee shall hereafter designate by Notice given to the other party or parties and the Escrowee pursuant to this paragraph. Each Notice mailed shall be deemed given on the third business day following the date of mailing the same, except that any

notice to Escrowee shall be deemed given only upon receipt by Escrowee and each Notice delivered in person or by overnight courier shall be deemed given when delivered.

25. Broker.

Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. Sponsor agrees to pay the commission due the Selling Agent pursuant to separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 25 shall survive the Closing.

26. No Lien; Agreement Subject to Mortgage.

A. No lien or encumbrance shall arise against the Property or the Unit as a result of the Purchase Agreement or any monies deposited hereunder. The Purchase Agreement shall not be recorded and any purported recordation hereof by Purchaser shall constitute an Event of Default.

B. In furtherance and not in limitation of the provisions of the preceding subparagraph A, Purchaser agrees that the provisions of the Purchase Agreement are and shall be subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date unless Purchaser assumes such mortgages. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration and the Unit is released from the lien of such mortgage at Closing.

27. Entire Agreement.

The Purchase Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements.

28. Joint Purchasers.

The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

29. Liability of Sponsor.

A. Sponsor shall not have any liability to Purchaser or others with respect to any of Sponsor's obligations under the Purchase Agreement or the Plan or otherwise in excess of the net proceeds paid to Sponsor from the sale of all Unsold Units after payment of, or reserve for, any liabilities, costs or expenses of Sponsor arising out of the promulgation of the Plan, the offering of the Units for sale and the consummation of the transactions contemplated in the Plan.

B. Sponsor shall be excused from performing any obligation or undertaking provided for in the Purchase Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

30. Further Assurances.

Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of the Purchase Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

31. Severability.

If any provision of the Purchase Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of the Purchase Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

32. Strict Compliance.

Any failure by Sponsor to insist upon strict performance by Purchaser of any or all of the provisions of the Purchase Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Sponsor, notwithstanding any failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of the Purchase Agreement to be performed by Purchaser.

33. Governing Law.

The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the Laws of the State of New York.

34. Trial by Jury.

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, the Purchase Agreement, or the relationship created hereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

35. Gender.

A reference in the Purchase Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

36. Certain References.

The term "herein", "hereof" or "hereunder" or similar terms used in the Purchase Agreement refer to the entire Purchase Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Paragraphs, subparagraphs or other provisions are references to Paragraph, subparagraphs or other provisions of the Purchase Agreement.

37. Captions.

The captions in the Purchase Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provisions hereof.

38. Successors and Assigns.

The provisions of the 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 Sponsor and its successors and assigns.

39. No Oral Changes.

The Purchase Agreement cannot be changed nor any provision waived orally. **ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.**

40. Acceptance of Purchase Agreement.

A. On or prior to Purchaser's signing and delivering the Purchase Agreement, Purchaser agrees (if requested) to complete, sign and deliver to the Selling Agent an application form furnished by Sponsor. Such application shall be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor.

B. The submission of such application or the Purchase Agreement to Purchaser does not constitute a binding obligation on either Purchaser or Sponsor. No such binding obligation shall arise until duplicates of this Purchase Agreement are executed by, and delivered to, both Purchaser and Sponsor's Attorney. If, within twenty (20) days after Sponsor's Attorney receives the Purchase Agreement signed by Purchaser, a duplicate of the Purchase Agreement signed by Sponsor is not sent or delivered to Purchaser, then it shall be deemed rejected and of no force or effect, and all monies paid by Purchaser shall be promptly refunded, without interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor has the right, without incurring any liability, to reject the Purchase Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status or other ground proscribed by law.

41. Purchase Agreement Contingent on Financing Only if Mortgage Commitment Contingency Rider is Attached

.

PURCHASER MAY PARTIALLY FINANCE THE PURCHASE OF THIS UNIT BY OBTAINING A MORTGAGE LOAN FOR THE PURCHASE PRICE. HOWEVER, THE OBLIGATIONS OF PURCHASER UNDER THIS PURCHASE AGREEMENT IS CONTINGENT ON THE PURCHASER OBTAINING A MORTGAGE LOAN COMMITMENT ONLY IF A FULLY COMPLETED AND SIGNED MORTGAGE COMMITMENT CONTINGENCY RIDER IS ATTACHED TO THIS AGREEMENT.

42. Agreement Not Assignable; Binding Effect; No Marketing.

The Purchase Agreement is not assignable without the written consent of Sponsor. The Purchase Agreement shall bind and apply to Purchaser and Purchaser's executors, administrators, legal representatives, heirs, successors and permitted assigns. Purchaser shall not advertise the Unit for sale in any publication or online, or otherwise place the Unit on the market, nor show the Unit to prospective purchasers. This prohibition against marketing shall be a material provision of the Purchase Agreement.

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

Purchaser:

_____
ss#

_____
ss#

Accepted and Agreed to:

32 CLINTON ASSOCIATES LLC
By 32 Clinton Managers LLC, Managing Member
By National Pension Investor Corporation, Manager

By: _____
Name:
Title:

Date Accepted:

EXHIBIT A

Permitted Encumbrances

1. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction.

2. State of facts shown on the survey of the Property made by, Earl B. Lovell - S.P. Belcher, Inc. dated April 8, 2001 and updated April 25, 2007and any state of facts which an updated accurate survey or personal inspection of the Property would show, provided such survey and facts would not prevent the use of the Unit for dwelling purposes.

3. The terms, burdens, covenants, restrictions, conditions, easements, and rules and regulations, all set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Condominium Board and Sponsor and the Floor Plans, all as may be amended from time to time.

4. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or street on which the Land may abut.

5. Any easement or right of use in favor of handicapped persons or any easement or right of use in favor of any utility company for electricity, steam, gas, telephone, water, or other service, and the right to construct, use, maintain, repair, and replace all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid by the Condominium Board).

7. Encroachments of shrubbery, stoops, areas, steps, doors, ledges, window sills, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, sewerage pipes, air-conditioning units, canopies, ramps, and similar projections, if any, on, over, or under the Property or the streets or sidewalks or property abutting the Property and the rights of governmental authorities and adjoining property owners to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.

8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.

10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at closing).

11. Any encumbrance as to which the title insurance company which insures Purchaser's title to the Unit would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling purposes.

12. Any lease covering the Unit between Purchaser and Seller.

13. Certificate of Occupancy to be issued covering the unit if required.

14. Any violations against the Property (other than the Unit) which are the obligation of the Condominium Board or another Unit Owner to correct.

15. Easements, covenants and restrictions of record provided same do not prohibit the use of the Unit for residential purposes.

16. Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring Purchaser's title to the Unit.

EXHIBIT B
TERMS OF MORTGAGE COMMITMENT CONTINGENCY RIDER

THE TERMS SET FORTH IN THIS MORTGAGE COMMITMENT CONTINGECY RIDER SHALL APPLY, IF AND ONLY IF A FULLY COMPLETED AND EXECUTED RIDER IS ATTACHED TO THE PURCHASE AGREEMENT.

THIS RIDER IS ANNEXED TO AND FORMS A PART OF THE PURCHASE AGREEMENT, DATED , BETWEEN, 32 CLINTON ASSOCIATES LLC AS SELLER, AND , AS PURCHASER, FOR THE SALE OF UNIT AT THE 32 CLINTON CONDOMINIUM, 32 CLINTON STREET A/K/A 172 STANTON STREET, NEW YORK, NEW YORK 10002-1703.

A. Purchaser shall make an application for a mortgage commitment within ten (10) days from date Purchaser's attorney or Purchaser receives a fully executed copy of the Purchase Agreement. Within seven (7) days thereafter, Purchaser must provide Seller's attorney with the name and address of the bank or mortgage broker to which application has been made. Seller and/or Seller's attorney shall be permitted to deal directly with Purchaser's bank or mortgage broker. Failure to send such notice will be considered to be a waiver of the mortgage contingency.

B. The obligations of Purchaser hereunder are conditioned upon issuance on a date which is on or before thirty (30) days from the date of notice from Sponsor that the mortgage contingency period shall commence ("Mortgage Contingency Expiration Date"), of a written commitment from any Institutional Lender (which shall include a mortgage banker and broker) pursuant to which such Institutional Lender agrees to make a first mortgage loan to Purchaser, at Purchaser's sole cost and expense, in the amount of $ (*not more than 75% of the purchase price*) or such lesser sum as Purchaser shall be willing to accept, at a fixed or adjustable prevailing rate of interest for a term of up to thirty (30) years and on other customary commitment terms, whether or not conditional upon any factors other than an appraisal satisfactory to the Institutional Lender.

C. Purchaser shall (a) make the application within ten (10) days after the date Purchaser or Purchaser's attorney receives a fully executed copy of the Purchase Agreement (b) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (c) pay all fees, points and charges required in connection with such application and loan, (d) pursue such application with diligence, (e) cooperate in good faith with such Institutional Lender to obtain such commitment and (f) give Notice in accordance with Paragraph A. herein to Seller of the name and address of each Institutional Lender to which Purchaser has made such application. Purchaser shall comply with all requirements of such commitment (or of any other commitment accepted by Purchaser) and shall furnish Seller with a copy thereof

promptly after receipt thereof.

D. If such commitment is not issued on or before the Mortgage Contingency Expiration Date, or a rejection is received, Purchaser shall within five (5) days after the Mortgage Contingency Expiration Date or the rejection date, whichever is sooner, notify the Seller of the failure to receive a commitment or of the rejection and at such time, either Purchaser or Seller may cancel this contract by giving notice to the other party, in which case this contract shall be deemed cancelled and upon the Down Payment being promptly refunded to Purchaser, neither party shall have any further rights against or obligations or liabilities to, the other by reason of this Agreement.

E. If Purchaser fails to give notice of cancellation then Purchaser shall be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive a refund of the Down Payment by reason of the contingency contained in this Rider and the mortgage contingency will no longer apply.

SPONSOR/SELLER:

32 CLINTON ASSOCIATES LLC
By 32 Clinton Managers LLC, Managing Member
By National Pension Investor Corporation, Manager

By:_____

_____
,Purchaser

_____
,Purchaser

EXHIBIT C TO PURCHASE AGREEMENT

FORM OF INSPECTION STATEMENT

Date:
Re: 32 Clinton Condominium
Unit:

Gentlemen/Ladies:

As a result of my/our final inspection, please be advised that except as otherwise noted I/we found the following items in good condition:

No.	Item	Initials	Exceptions if any
1.	Window panes and sashes		
2.	Electric fixtures and globes		
3.	Interior painted surfaces		
4.	Sinks, tubs, bowls		
5.	Kitchen cabinets and counter tops		
6.	Vanity tops and base		
7.	Medicine cabinets, door and mirror		
8.	Hardware		
9.	Flooring		
10.	Doors		
11.	Heating System		
12.	Hot Water Heater		
13.	Dishwasher, if any		
14.	Range/oven		
15.	Microwave, if any		
16.	Refrigerator		

I/we understand that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinet and vanity knobs, mechanical chimes etc. will be installed just prior to my/our date of moving. I/we agree and I/we will sign off each item requiring adjustment or repairs as it is completed.

_____
Purchaser's Signature

_____
Purchaser's Signature

_____
Seller's Representative

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DOCUMENT 2

UNIT OWNER'S POWER OF ATTORNEY

32 CLINTON CONDOMINIUM

Any terms used in this Unit Owner's Power of Attorney that are (a) used in the Declaration establishing a plan for condominium ownership of the premises know as the 32 CLINTON CONDOMINIUM and by the street numbers 32 Clinton Street a/k/a 172 Stanton Street New York, New York 10002-1703, under Article 9-B of the Real Property Law of the State of New York, dated , and recorded in the New York County office of the Register in the City of New York (hereinafter referred to as the "Declaration"), or (b) in the By-Laws of 32 Clinton CONDOMINIUM (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned, , the owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") know as Unit No. _____ in the 32 CLINTON CONDOMINIUM, said Unit being designated as Tax Lot _____ in Block 350 of Section 2 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans, do hereby irrevocably nominate, constitute and appoint:

A.. The persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the names of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with the Unit Owner's respective Percentage of Common Interest, subject to the provisions of the By-Laws then in effect, (1) (a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign or lease same, (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects surrender the same pursuant to the terms of paragraph (C) of Section 6.2 of the By-Laws, (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not to vote the interest appurtenant to) any such Unit acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning, resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and

Appeals, or any other public authority, applicable to the maintenance, demolition, construction, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium of the Common Elements, that the Condominium Board deems necessary or appropriate; or (b) any amendment to the Declaration that has been adopted by the Condominium Board and the Unit Owners in accordance with the terms of the Declaration.

B. The Sponsor, or its designee, or the holder of Unsold Units or the Commercial/Community Facility Unit Owner(s), as the case may be, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution in furtherance of and to carry out and put into effectuate any provisions of the Declaration or the By-Laws, that grant certain rights or privileges to the Sponsor, its designee, the holder of Unsold Units, or the Commercial/Community Facility Unit Owner(s), as the case may be, including but not limited the authority granted in Article 16 paragraph (c) of the Declaration and Article 13 Section 13.2 of the By-Laws.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned have executed this Unit Owner's Power of Attorney as of the day of , 2008

_____

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

On the day of , 2008 before me the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

DOCUMENT 3

UNIT DEED

THIS INDENTURE, made the ____ day of _____, 200__ between 32 CLINTON ASSOCIATES LLC. having an address at c/o Merchants Properties Inc., 20 Clinton Street, #4A, New York, New York 10002 (the "Grantor") and _____., (the "Grantee"), having an address at _____.

W I T N E S S E T H:

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Unit known as Unit No. _____(the "Unit") in the premises known as the 32 Clinton Condominium and by the street number 32 Clinton Street a/k/a 172 Stanton Street, in the City of New York, County of New York and State of New York, said Unit being designated and described as Unit No. _____ in the declaration ("Declaration") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), dated, and recorded in the New York City Register's office (the "Register's Office") on [insert date] , in CRFN# _____, and also designated as Tax Lot _____ in Block 350 of Section 2 of the City of New York on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of said building, certified by [insert name of architect], on [insert date] , and filed in the Register's Office on [insert date], as Condominium Plan No. . The premises within which the Unit is located are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of the 32 Clinton Condominium. (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws".)

Together with an undivided _____% interest in the Common Elements;

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters of record as pertain to the Unit and/or to the Property;

TO HAVE AND TO HOLD the same unto the Grantee and the heirs or successors and assigns of the Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the New York Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

Except as otherwise specifically permitted by the Board or provided in the Declaration or the By-Laws, the Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as aforesaid.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

That by accepting this Deed, the Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, the Grantor has duly executed this Indenture as of the day and year first above written.

32 CLINTON ASSOCIATES LLC
a Limited Liability Company
By 32 Clinton Managers LLC, Managing Member
By National Pension Investor Corporation, Manager

By: _____

STATE OF NEW YORK

COUNTY OF

On the day of in the year 2008, before me the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____

Notary Public

SCHEDULE A

TO THE UNIT DEED FOR
32 CLINTON CONDOMINIUM

All that certain plot, piece or parcel of land lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of Stanton Street, with the easterly side of Clinton Street;

RUNNING thence easterly along with the northerly side of Stanton Street, 75 feet;

THENCE northerly parallel with the easterly side of Clinton Street 27 feet 6 inches;

THENCE westerly parallel with the northerly side of Stanton Street, 75 feet to the easterly side of Clinton Street; and

THENCE southerly along the easterly side of Clinton Street 27 feet 6 inches to the point or place of BEGINNING.

DOCUMENT 4 - DESCRIPTION OF PROPERTY AND SPECIFICATIONS

[SEE FOLLOWING PAGES]

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CBA ARCHITECTS & CONSULTANTS

June 5, 2008

32 Clinton Associates, LLC
20 Clinton Street, Apt. 4A
New York, NY 10002
Attention: Mr Sheldon Reiter

Re: 172 Stanton Street
New York, NY 10002
Subject: Amended Architect's/Engineers Report

Mr. Reiter,

Please find below our Architect's report for the above-referenced property. The information listed below is an accurate description of the property as of the date of this issue. Should any changes be made that affect the material information contained herein, the report shall be updated accordingly.

1. Site.

a. The property known as 172 Stanton Street (Block: 350; Lot: 38) in the borough of Manhattan, City of New York is located on the Northeast corner of the intersection of Clinton Street and Stanton Street, both narrow streets. These streets are publicly owned and maintained by New York City. All streets are paved with asphalt topping.

b. Frontage on Clinton Street is 27.5 feet and frontage on Stanton Street is 75 Feet.

c. The property is level.

d. The plot comprises 2,062.5 square feet of lot area. The boring reports indicate soil that meets or exceeds the code requirements for bearing capacity, precluding the need for special foundation installations.

e. The zone is R7-2 with a C1-5 overlay and the permissible uses are residential, light commercial and community facility.

f. There are no development owned streets on the property.

g. The sidewalks are to be replaced as required with new sidewalks constructed according to NYC Department of Transportation design standards. The will have a new steel faced curb to conform in height to the existing site survey.

h. There will be one tree planted at each 25 foot interval along the lengths of the fronting sidewalks per "Quality Housing" regulations applicable to the project.

i. All exterior installations shall comply with all applicable codes.

j. Gas and Electricity are to be provided by Consolidated Edison and the water service is public.

k. According to a Phase 1 Environmental Assessment performed by Omega Environmental on April 18, 2007 and report submitted by same on April 24, 2007, there is no evidence in recorded history that the site was occupied by a garage/gas station or other industrial facility. The building records show that as far in the past as 1903, the building on this site was a residential tenement with a ground floor occupied by a commercial/retail use. According to the aforementioned report, no soil contamination exists which would render the site hazardous to occupants or workers.

2. Building overall.

a. The building will be a mixed use building (residential / community facility) containing a cellar below grade containing community facility, elevator room (s), meter rooms electrical rooms and storage rooms, first floor containing a community facility and /or commercial space, second floor through fifth floors and penthouse residential apartment units designed per the requirements of the applicable aforementioned zones.

b. Its overall gross floor area is to be 9,042.2 square feet of built area with a below grade cellar of 2,062.5 square feet.

c. The ground floor will be comprised of community facility use with 301 sf reserved for residential access to the upper floors.

d. Four floors are constructed above this first floor, yielding a total building height of 50 feet to the roof level with a residential penthouse room above and a bulkhead projecting as required to enclose the stair and the elevator shaft.

e. Bulkheads do not constitute an obstruction into the open space above the building, so they do not count towards zoning height.

f. The building will be built directly upon the two street lines and will be built one inch away from adjacent properties to the North and East in compliance with seismic regulations.

g. The building will be set back above the first floor on the East side so as to comply with lot coverage requirements applicable to the residential portion of the building.

h. The building is designed to contain 4 residential dwelling units, of which all 4 are two-bedroom units.

i. The apartment owners will enter through a dedicated doorway entry fronting on Clinton Street.

j. The upper floor apartments will be accessed by way of the stairs and a geared traction, automatic elevator leading directly into each residential unit by way of a zero clearance vestibule door.

k. The roof will be accessed by the aforementioned bulkhead and the elevator.

l. There will be unit owners access to the roof for the owners of the third and fourth floor units. The fifth floor unit owner will have a private roof deck abutting the penthouse space.

m. The roof will contain a parapet surrounding it of minimum height of 44 inches as required by code.

n. There is no parking requirement for this site and as such there is no garage or other space for the off street parking of motor vehicles. The cellar will instead be occupied by community facility space along with all required rooms and spaces for the required mechanical equipment.

o. The Common Elements are generally defined and consists of those parts of the building and all apparatus, installations, systems, equipment and facilities therein for the common use of the units and the unit owners, or which are necessary or convenient for the existence, maintenance or safety of the property. The Common Elements will include among other things, all foundations, underpinnings, columns, supports, floor slabs, exterior walls, fire stairs, corridors outside the units, fire rated partitions between units and/or public spaces, structural bearing sheer walls, Electric and Telecommunication Closet, common Mechanical Spaces, Pump room, Gas Meter Room, Electric Switch Gear Room, all roofs (other than private terraces and designated roof areas for the owners of units of the second and fifth floor units, residential elevator (including its shafts, pits, and machine room), the lobby, and all other parts of the building and apparatus, installation systems, equipment and facilities therein (including pipes, wires, ducts, vents, cables, conduits, antennae, satellite dishes, and lines) which serve or benefit or necessary or convenient for the existence, maintenance of the building

3. Foundations

a. The soil conditions are quite adequate for a normal foundation and footing design.

b. Therefore, the footings will be spread footings of the properly engineered dimensions necessary to resist all imposed loads.

c. The foundation walls will be poured, air entrained, normal weight concrete of minimum 3,500 psi compressive strength.

d. Foundation walls and footings are to be reinforced with grade 60 reinforcing bars of engineered dimensions.

e. The adjacent building to the North (30 Clinton Street) has been underpinned because the level of our foundations is below that of 30 Clinton Street and underpinning is required by the building code for these situations.

f. There are no natural watercourses flowing through the site and the water table is low enough to be of no adverse effect to the proposed project.

g. There is no evidence of groundwater infiltration of any kind.

h. There is no danger of flooding at this site.

4. Superstructure

a. Above the ground floor finish level, the building will be constructed of masonry bearing walls with light gauge metal framing and metal c-joist floor framing.

b. The floors will be framed with c-joists of the engineered dimensions, with subfloor of metal deck and poured concrete. The walls under the windows will be framed with 12 – 14 ga. metal studs as engineered including bracing and connections as required. The remainder of the exterior walls will be constructed as masonry load bearing walls of concrete block with brick facing.

c. The exterior of the building will be clad in brick of color and finish to be selected.

d. The areas where windows are present will be clad in exterior grade gypsum wallboard and will be faced in sheet aluminum to match the finish of the windows.

e. The interior of the superstructure will be clad in fire rated sheetrock.

f. The elevator shaft, and the stair shaft will be constructed of ASTM C-90 concrete masonry units, reinforced with grade 60 steel reinforcing bars and filled solid with 5,000 psi grout. Their openings will be framed out on each floor as required.

g. The windows will be double glazed, Low E glass with anodized aluminum frames, mullions and muntins, finished clear polished. The openable panels will be of casement design and the opening shall be limited to 5 inches as required by law. They will be fitted with insect screens. The lintels shall be constructed of steel angle lintels bearing on the masonry wall framing the rough opening.

h. This is not a Landmark designated property.

5. Roof

a. Roof structure to be constructed of composite deck and concrete over metal joists.

b. Roof surface to be constructed of tapered insulation having a slope of 1/8"/ft covered by a 4 ply modified bitumen built up roofing system.

c. Except for a change in material per the Architect's drawings, this roof will carry a 15-year manufacturer's warranty. The expected useful life is 20 years (with a one year guarantee by the sponsor).

d. Additional fiberglass batt insulation will be provided between the finished ceiling and underside of the roof to provide an R-value of 30.

e. All penetrations of chimneys, ducts, pipes, etc. to be properly flashed with aluminum type flashing.

f. Roof retention shall be utilized for drainage control with overflow scuppers placed 12" higher than the finished deck surface.

g. The roof will be surrounded by a parapet of 44 inches in height as required. The parapet will be covered by a two piece anodized aluminum finish to match the windows.

6. Interior Partitions

a. Partitions separating apartments from stair hall and other apartments shall be one hour fire rated walls (as per approved plans) and shall be 3 5/8" metal studs at 16" on center with one layer of 5/8" type "X" gypsum wallboard on each side with USG Thermafiber fire and sound insulation (or equivalent) between studs. STC (sound transmission class) rating = 50.

b. Partitions enclosing ducts shall be of metal stud construction with two layers of 5/8" gypsum board on each side. (two hour rating).

c. All other partitions within apartments to be 2 ½ " and 3 5/8" metal studs at 16" on center with ½" gypsum board on each side (non-rated).

d. All partitions in bathrooms and kitchens/kitchenettes to receive water resistant gypsum board of the appropriate thickness to match adjacent construction.

e. All partitions in cellar shall be of non-combustible construction (2 ½" metal studs or equal) except that at meter room and service room spaces, the partitions shall be constructed of 8" CMU ASTM C-90.

7. Balconies

a. Balconies to be of steel deck with concrete topping slab construction. Balcony guardrails to be minimum 3'-6" high, decorative metal or wrought iron rails, of a child proof design.

b. Exterior doors to balconies to be swinging patio type doors with integral weather-stripping. Doors to comply with New York State Energy Code.

8. Exterior entrances

a. Front entrance doors to building/residential units to be swing type of steel, aluminum or fiberglass construction with integral weather-stripping or approved equal and shall have a minimum of 5 square feet of glazed area.

b. Door to be fitted with a cylinder lock. Door to comply with the New York State Energy Code.

c. There are no separate service entrances to the residential portion of the building.

d. Mailboxes will be provided in the public hallway, in accordance with US Postal Service Rules and Regulations. Mailboxes shall be US Postal Service approved cluster type boxes (or equal). Entrance lighting, interior and exterior will be provided per New York City Code requirements.

e. Lighting shall be installed adjacent to building entry doors. The fixture to be provided and selected by sponsor and to meet requirements of the New York City Building Code.

9. Elevator

a. The residential elevator will be a hydraulic piston type with the machine room in the cellar. It will be self leveling and fully addressable. Standard Thyssen-Krupp elevator with zero clearance doors. The elevator shall have a capacity of 2,100lbs or 10 persons.

b. The panel will be placed and configured for ADA compliance and the doors will comply will all applicable safety regulations with respect to closing protective devices.

c. The elevator will disable in the event of a fire and will return to home base or an alternate home base as required. At this time the elevator will operate by key only.

d. Communication will be handled by means of a handset in the elevator cab.

e. The residential elevator will access the cellar, basement, first, second, third, fourth, fifth floor and roof.

f. The community facility elevator will be hydraulic with a collapsible piston. It will service the ground floor and the cellar only. It will have no access to any roof level. It will be self leveling and fully addressable. Standard Thyssen-Krupp hydraulic elevator. The elevator shall have a capacity of 2,100lbs or 10 persons.

g. The panel will be placed and configured for ADA compliance and the doors will comply will all applicable safety regulations with respect to closing protective devices.

h. The elevator will disable in the event of a fire and will return to home base or an alternate home base as required. At this time the elevator will operate by key only.

i. Communication will be handled by means of a handset in the elevator cab.

10. Stairs

a. The egress stairs are constructed of steel as required.

b. The only permitted combustible component shall be the handrails. Handrails will be mounted directly to the block walls and to the interior stringers by balusters having their components spaced no further apart than 5" as required by code.

c. The flooring of the treads shall be constructed of lightweight, pea gravel aggregate concrete filling the pans and shall be fitted with treads and non-slip nosings.

d. The stair shall be accessed by means of a 1.5 hour rated self closing steel door at each floor entry point. Each door shall be fitted with a panic bar for operation in the direction of egress. The doors must be kept closed at all times.

e. Lighting in the stairs shall comply with NYC electrical code and NFPA requirements as applicable.

f. The egress stair shall have a skylight with removable screen on the top and bottom as required by NYC Multiple Dwelling Law.

11. Public halls

a. The ground floor shall contain a vestibule fronting Clinton Street leading to the residential stair and elevator. It will also contain a vestibule leading to the community stair and elevator fronting Stanton Street.

b. Each floor shall contain a vestibule accessing the dwelling unit.

c. The dwelling unit doors shall be 1.5 hour rated fire rated doors with spring hinges, chime, peephole and numerical unit designation.

d. The walls shall be covered in commercial grade fire-resistant wall_covering of color and finish to be selected. The flooring shall be carpeted with commercial glue down carpet having the required flame spread ratings, and STC (sound transmission class) ratings.

e. The elevator lobbies and the ground floor lobby shall have granite flooring tile or wood oak # 2 flooring or equal.

12. Dwelling unit finishes

a. The flooring in the units shall be clear maple or better.

b. The walls shall be painted in a flat latex paint in the living areas and bedrooms and semi-gloss paint in the bathrooms and kitchens

c. Base and other trim shall be paint grade hardwood, poplar or equal.

d. Ceilings shall be painted flat latex ceiling white.

e. Kitchen floors will be the same # 1 red oak flooring as the living areas

f. Countertops will be granite or better.

g. Base and wall cabinets shall be custom maple veneer or better.

h. Backsplash shall be glass tiles or better.

i. The sink will be stainless steel.

j. All kitchen fixtures supplied to be Kohler or better.

k. Builder will supply stackable washer/dryer units in a laundry closet.

l. Interior doors will be 6 or 8 panel oak doors painted semi-gloss.

m. Bathroom floors and walls shall be ceramic tile or equal.

n. The vanity will be of wood veneer or paint grade or equal with a granite countertop or equal.

o. The refrigerator shall be "Sub-Zero"; the stove will be "Wolf": the hood will be "Best"; the dishwasher will be "Miele".

p. Fittings shall be Hansgrohe, Duravit or better.

q. Hardware shall be Omnia or better.

r. Washer dryer units will be Speed Queen model CTSA9AWN or better.

13. Refuse Disposal

Refuse removal is provided by the NYC Department of sanitation twice per week. Refuse will be collected as per DOS requirements and schedule, subject to change. Residential unit owners shall bring their trash to a space allocated in the cellar and then placed at curbside for pickup. Unit owner shall comply will all regulations related to recycling and retain such materials in their units until the designated time for pickup.

14. Miscellaneous finishes

a. The internal common stairs and landings shall have concrete floors and treads, painted block walls, painted GWB ceilings.

b. All cellar spaces shall have exposed concrete or masonry finishes and steel doors of the required fire rating.

c. The lobby walls shall be painted with a feature wall in marble.

15. Landscaping

a. The building has no yard areas and therefore there is no landscaping.

16. Plumbing, Heating, and ventilation

A. Water Supply

a. A 2" diameter copper or iron pipe will be connected to the New York City main on Clinton Street to provide domestic water service. Service is metered in the cellar and shall be part of the common charges. Commercial occupant shall pay for their own water service, although not a city meter. Water pressure is maintained by street pressure. All water connections to each residential unit shall comply with the City of New York requirements.

b. Water service piping within the property line shall be of type "K" copper tube. Water distribution system piping shall be of hard-temper type "K" copper tube above or below grade, hard-temper type "C" copper tubing above grade only.

B. Fire protection system

a. A sprinkler Siamese is provided. Double detection check valves with bypass meters are installed in the cellar. Residential occupancy type hazard sprinkler heads are located throughout the building, except for the community facility spaces where commercial type heads are to be installed.

b. Off-site hydrants are located in the city streets along the curb for fire protection.

c. Automatic sprinklers are provided throughout the entire building as required by the Building code. The system shall consist of iron piping and approved sprinkler heads per approved plans.

d. Water pressure is provided by adequate street water main pressure as required by the building code.

C. Sanitary Sewage System

a. The sanitary sewage system for the condominium will consist of common no hub cast iron waste stacks serving the building connected to NYC Building Code approved sized sanitary house drains located under the cellar floor to a common house trap and then fed through the sanitary main into the public combined sewer beneath Stanton Street.

b. The waste stacks are cast iron no hub; plumbing pipes to be 4" soils and 3" vents; house drain to be 5"; trap to be 5"; outside house drains to be a minimum of 6"; all complying with the NYC Building Code.

D. Heating and Cooling

a. Each dwelling unit shall have forced air heating supplied by an individual furnace in each unit. Air handlers shall be First Company model 37CDX-HW. Fifth floor air handler shall be Lennox model CBX 32M

b. Each unit will have its own hot water heater.

c. Each unit shall be supplied with central air conditioning as indicated on the approved plans.

d. All boilers shall be Weil McLain Ultra – 80.

e. Condensing units for floors 2 through 4 inclusive shall be Lennox 13ACD -030 34,800BTU. Condensing unit for the fifth floor shall be Lennox XC16-060 59,500 BTU.

f. The condensing units will be mounted on vibration isolators with neoprene pads and be surrounded by sound isolating enclosures as required to ensure that the noise level will be below the required noise level.

E. Gas Supply

a. Natural gas from Con Edison, the public utility for space heating, hot water and cooking. Each unit will have its own meter and each unit owner shall pay its own utility charges for the consumption of gas,

b. Piping for gas shall be black iron type and pressure tested within the requirements of the New York City Building Code.

17. Electrical System

A. Service

a. Main building electric service is 4 wire, 3 phase 120/208 volt from Con Edison, 600 amps. Switchgear will be located in the cellar with individual metering, plus an additional meter for common building electrical use.

b. The electrical system described above is fully adequate for modern usage. The 100-amp panel with a minimum of 12 circuits provided in each apartment is adequate for the build out of a modern residential building.

c. Service to the building shall be underground and to be supplied by Con Ed, the public utility company.

d. The electrical system shall be laid out within the requirements of the NYC Electrical Code. All circuits are to be provided with circuit breakers as protective equipment.

e. Meters to be located in the cellar in the meter room.

f. Only copper wire shall be used (u.o.n.)

g. Switches and receptacles as per NYC Code.

h. One ceiling fixture shall be provided in each bedroom with a single wall switch controlled receptacle.

i. Lighting circuits protected by 15AMP breaker.

j. Utility outlets protected by 20AMP breaker

k. No. 12 BX wire as per NYC Code.

l. Outside fixtures shall be waterproof type.

m. Separate circuits for heating.

n. Intercoms and bell systems per apartment shall be of low voltage (24 volts)

B. Wiring

a. All wiring to be copper BX cable approved type, all in accordance with the requirements of the New York Board of Fire Underwriters.

b. Square "D" company or equal with a protective metal panel box will construct all wire protective equipment.

c. All piping or ductwork to be in galvanized pipe.

C. Outlets and lighting fixtures

a. Each unit is provided with 100-AMP circuit breaker panel, and the min. number of convenience outlets and light fixtures required by the New York City Building Code.

b. All wall outlets are duplex receptacles.

c. All fixtures in each unit will be as per Builder's fixture samples.

d. Fixtures are to be located in kitchen ceiling, dining area, hall areas, walk-in closets, boiler rooms and utility rooms and bedrooms.

e. Wall fixtures will be provided above bathroom lavatories.

18. Permits and Certificates

a. The building is being constructed pursuant to NB application number 104929295

b. Separate applications are filed for Sprinklers, MEP work and underpinning.

c. Applications will also be required for the sidewalk shed and the scaffolding.

d. The Elevators will be filed separately by the elevator subcontractor.

e. Sign offs will be required for General Construction, Plumbing, Electrical, Sprinklers, Elevator, Builders Pavement Plan.

f. There are no outstanding violations on this property.

g. There is no asbestos or other ACM present on this project.

19. Dimensions of Units

The approximate dimensions of each residential unit and commercial/community facility will consist of the area measured horizontally from the outer face of the exterior window wall or from the outside face of the concrete, brick or block wall of the exterior walls of the building to the center line of the partitions separating one unit from another unit or one unit from the corridor or other mechanical equipment or common element or to the nearest face of the concealed concrete member. Columns, mechanical pipes, shafts are not deducted for the purpose of floor measurements.

Each residential unit will consist of the volume measured vertically from the top of the concrete slab above, except that any elements located within any unit shall not be considered as part of that unit.

The terraces and balconies will be measured from the exterior face of the window wall to the exterior face of the parapet or railing and to the centerline of the divider separating on terrace from another.

Each residential storage unit will consist of the area measured horizontally from the exterior face of the wall to the centerline of the partitions separating one unit from another unit or one unit from the common elements. Columns, mechanical pipes and shafts are not deducted for the purpose of floor area measurements

Please contact me if there are any questions.

Very truly yours,



John N. Backos, RA

27-07 24th Avenue; Astoria, N.Y. 11102 T:(718)728-7878 F:(718)728-8299

CBA ARCHITECTS

March 27, 2008

Sheldon Reiter
32 Clinton Associates
20 Clinton Street, Apt. 4A
New York, NY 10002

Re: 172 Stanton Street
New York, NY
Subject: Architect's/Engineer's report

Sheldon,

Please find below addendum 1 relating to the interior completion and fit out of the commercial spaces on the ground floor and in the cellar.

ADDENDUM 1

The purchasers of the commercial spaces on the ground floor and in the cellar, will at their own cost and expense, furnish all labor and materials necessary to supply and install plumbing, bath rooms, electrical systems, lighting systems, security systems, telephone systems, HVAC, elevator for cellar user, flooring, partitioning and wall covering/ painting.

If you have any questions, please do not hesitate to contact me directly.

Sincerely,



John N. Backos, R.A.

cc: George Caputo, Corporate Builder's Group

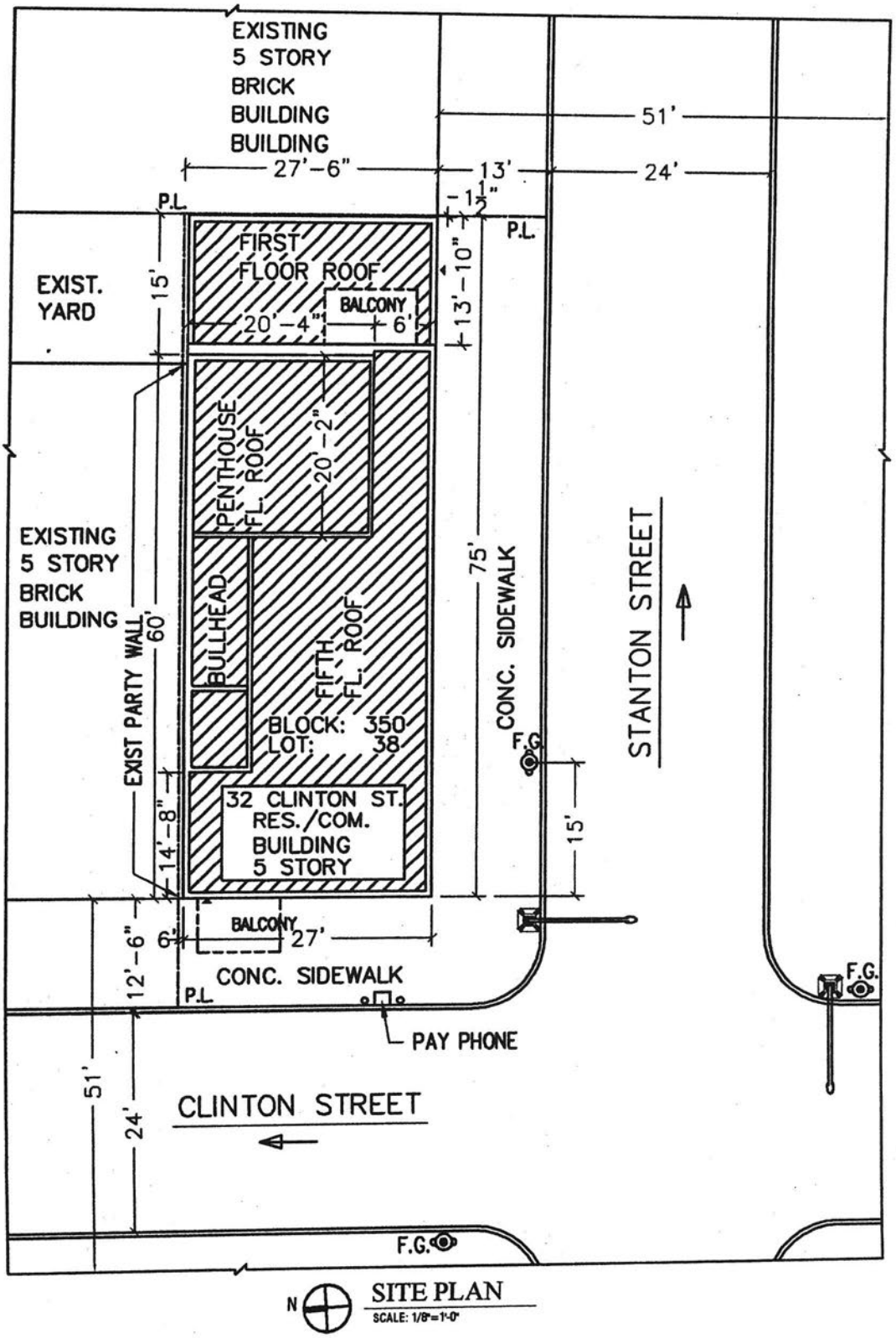
PO Box 219, Saddle River, NJ 07458-0219 T:(718)728-7878 F:(718) 327-8267

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DOCUMENT 5 - FLOOR PLANS

[SEE FOLLOWING PAGES]

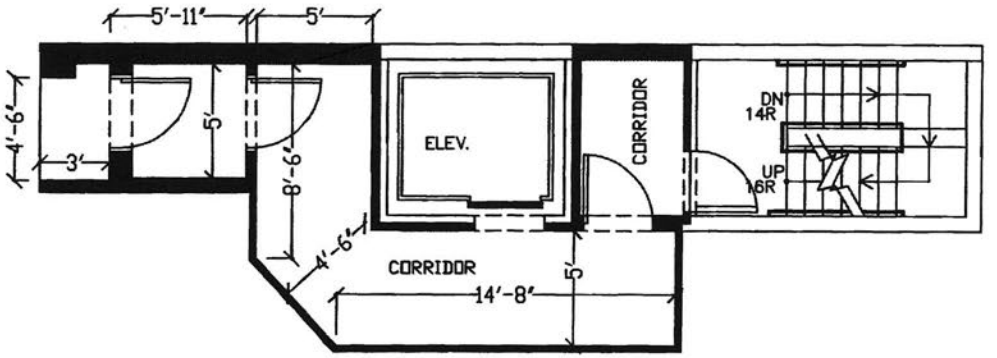
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SITE PLAN

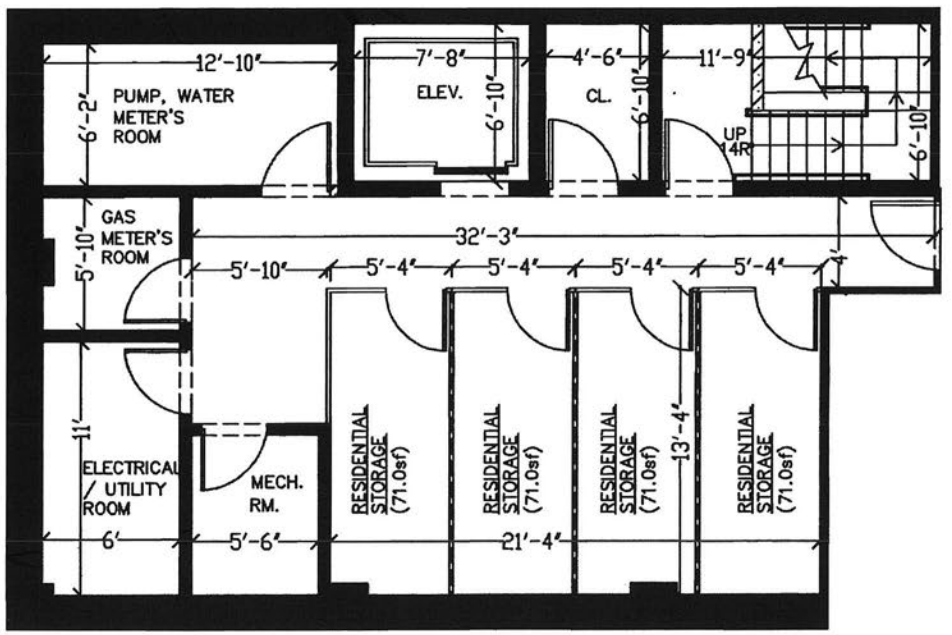
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N

172 STANTON STREET, A/K/A 32 CLINTON STREET, MANHATTAN, NY
FIRST FLOOR ENTRANCE - CORRIDOR
SCALE: 1/8"=1'-0"

FLOOR AREA: 239.84 sf



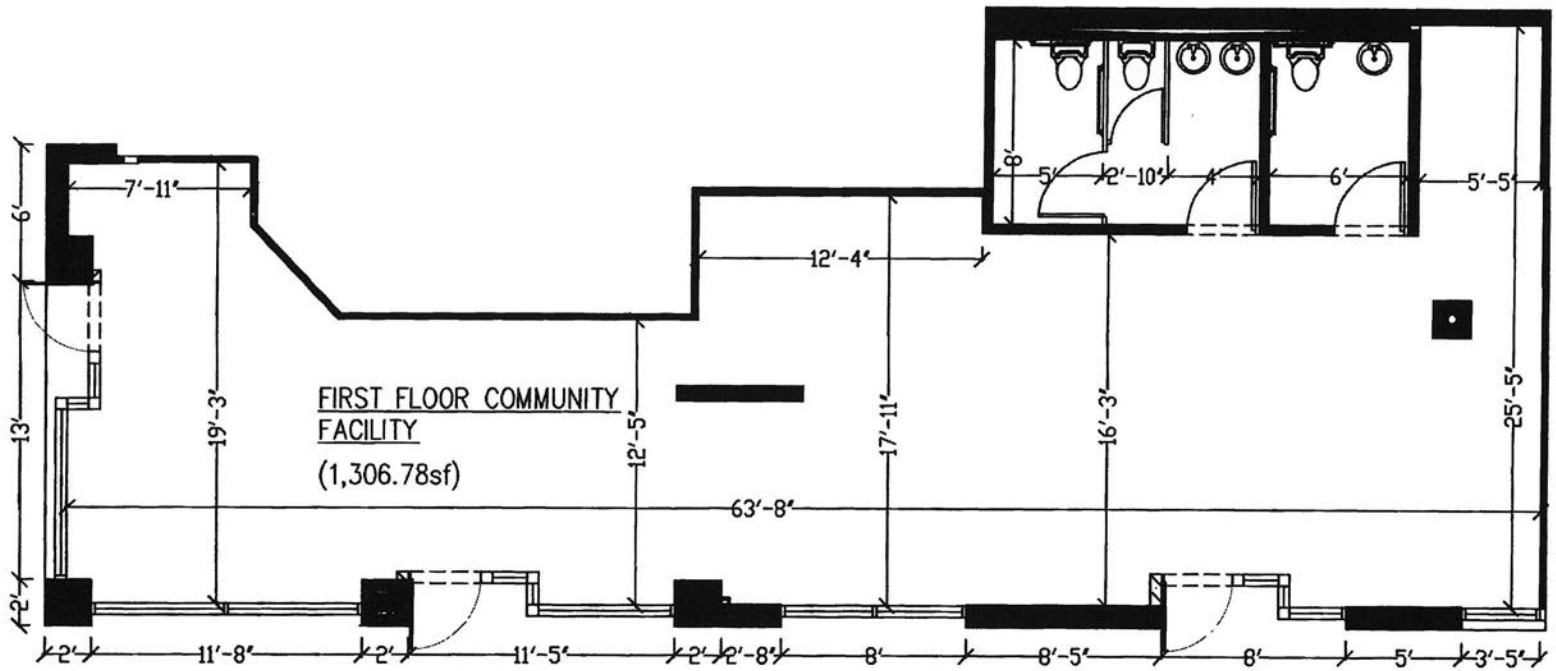
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172 STANTON STREET, A/K/A 32 CLINTON STREET, MANHATTAN, NY

CELLAR FL. MECHANICAL AND RESIDENTIAL FACILITY

SCALE: 1/8"=1'-0"

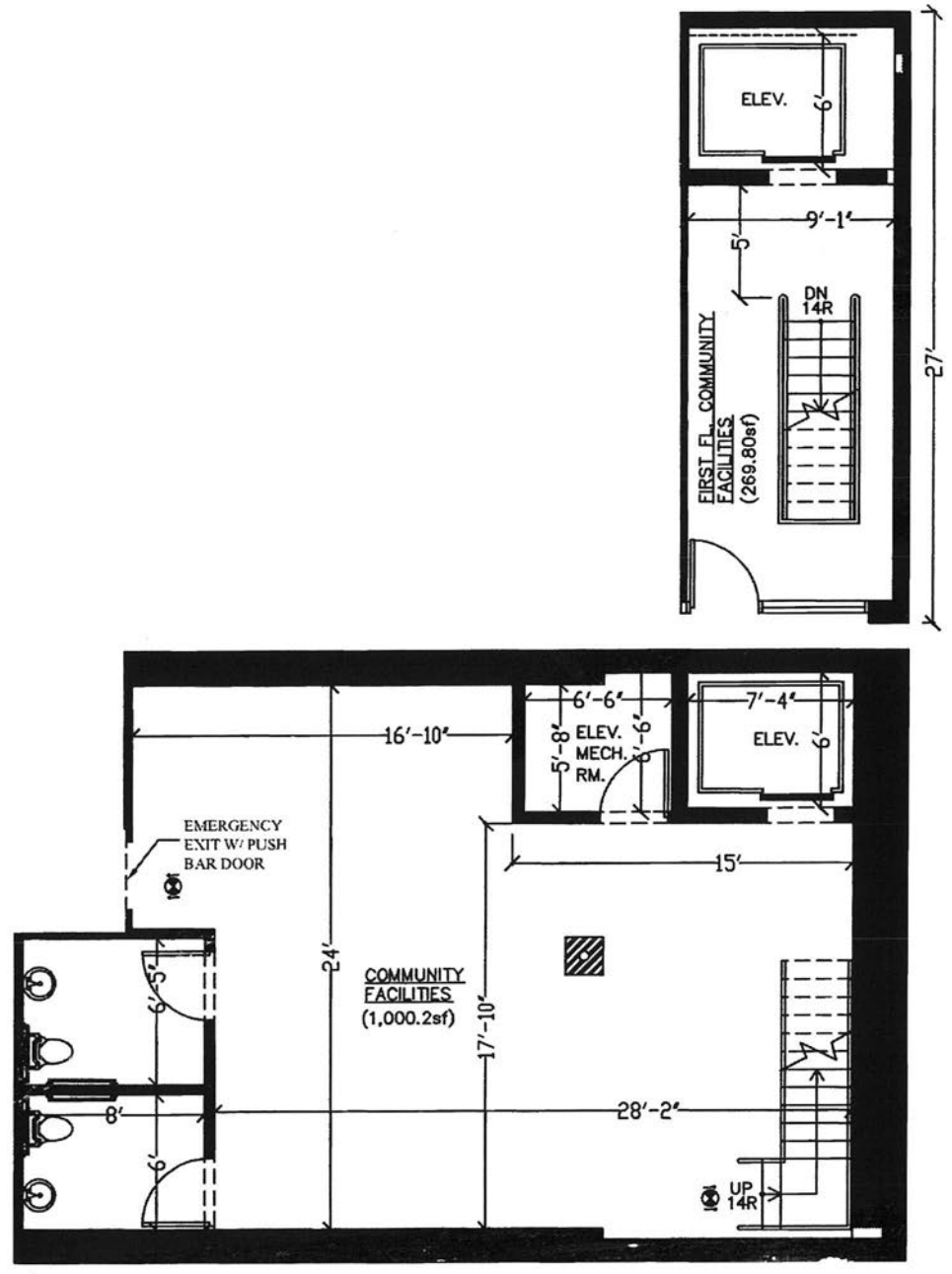
FLOOR AREA: 1,021.5 sf



N

172 STANTON STREET, A/K/A 32 CLINTON STREET, MANHATTAN, NY
FIRST FLOOR COMMUNITY FACILITY
SCALE: 1/8"=1'-0"

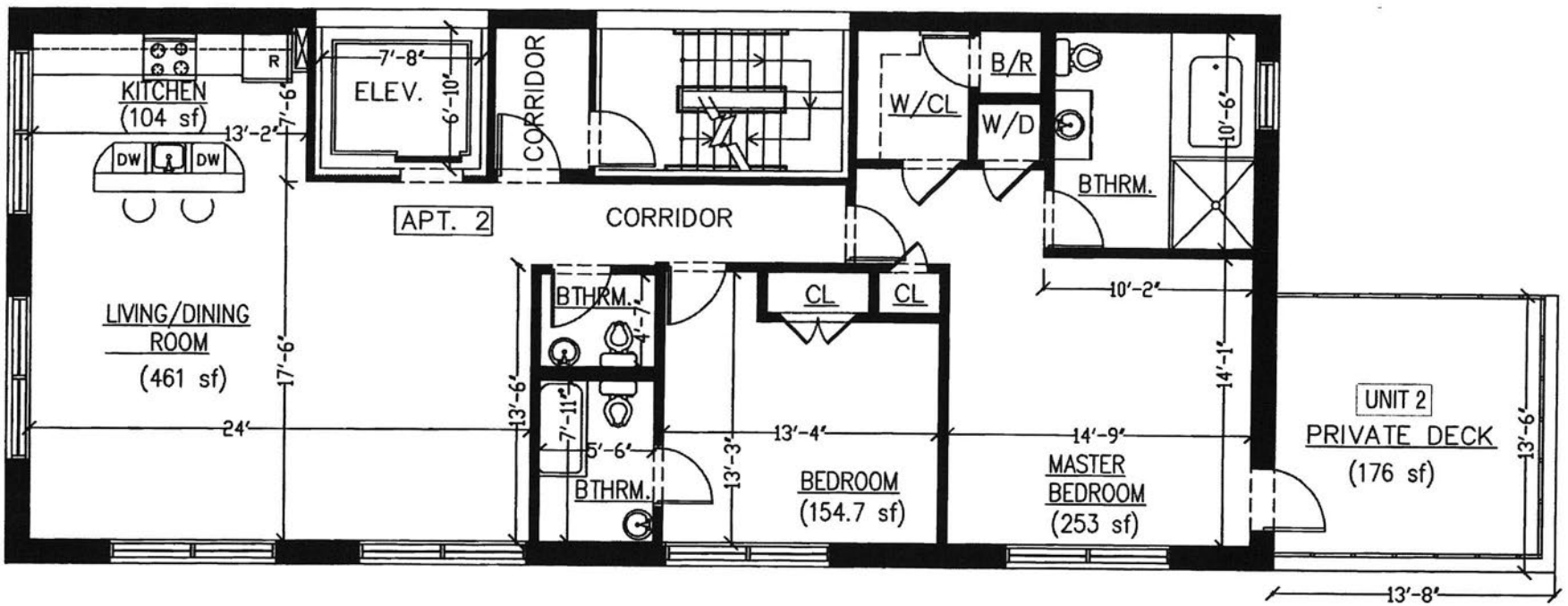
FLOOR AREA: 1,306.78 sf



N

172 STANTON STREET, A/K/A 32 CLINTON STREET, MANHATTAN, NY
FIRST & CELLAR FL. COMMUNITY FACILITY
SCALE: 1/8"=1'-0"

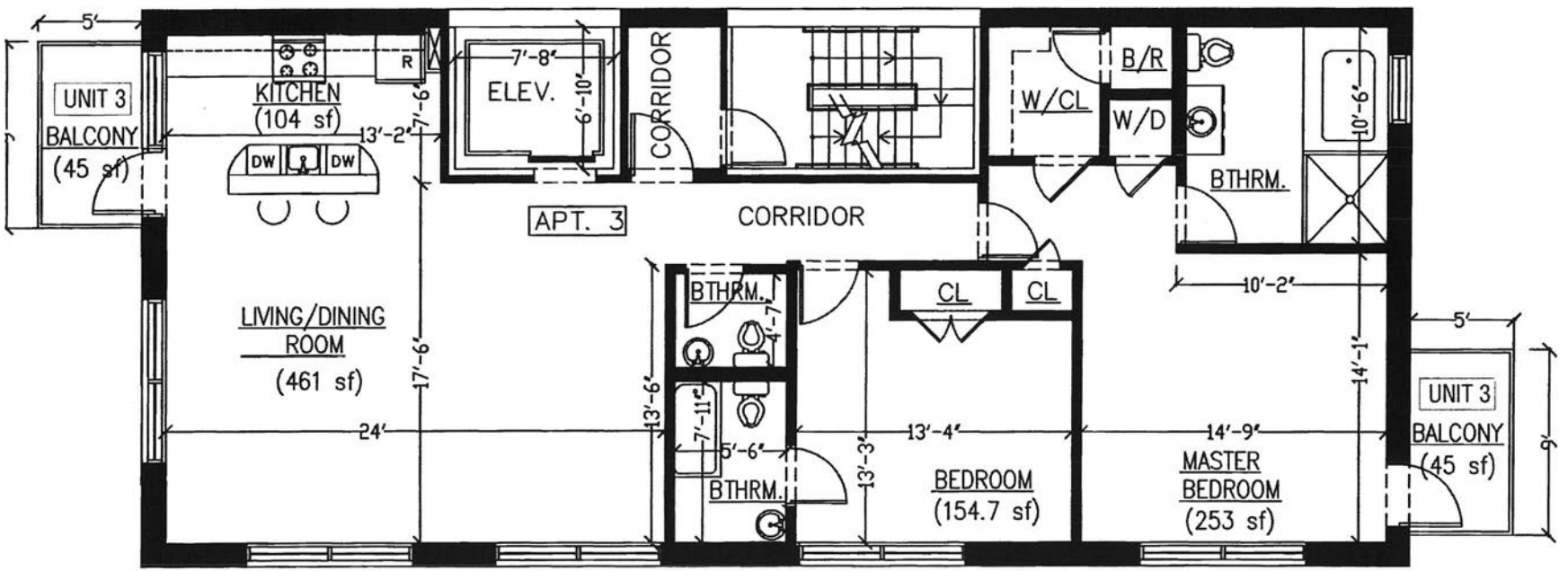
FLOOR AREA: 1,270.0 sf



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172 STANTON STREET, A/K/A 32 CLINTON STREETMANHATTAN, NY
APARTMENT - 2
SCALE: 1/8"=1'-0"

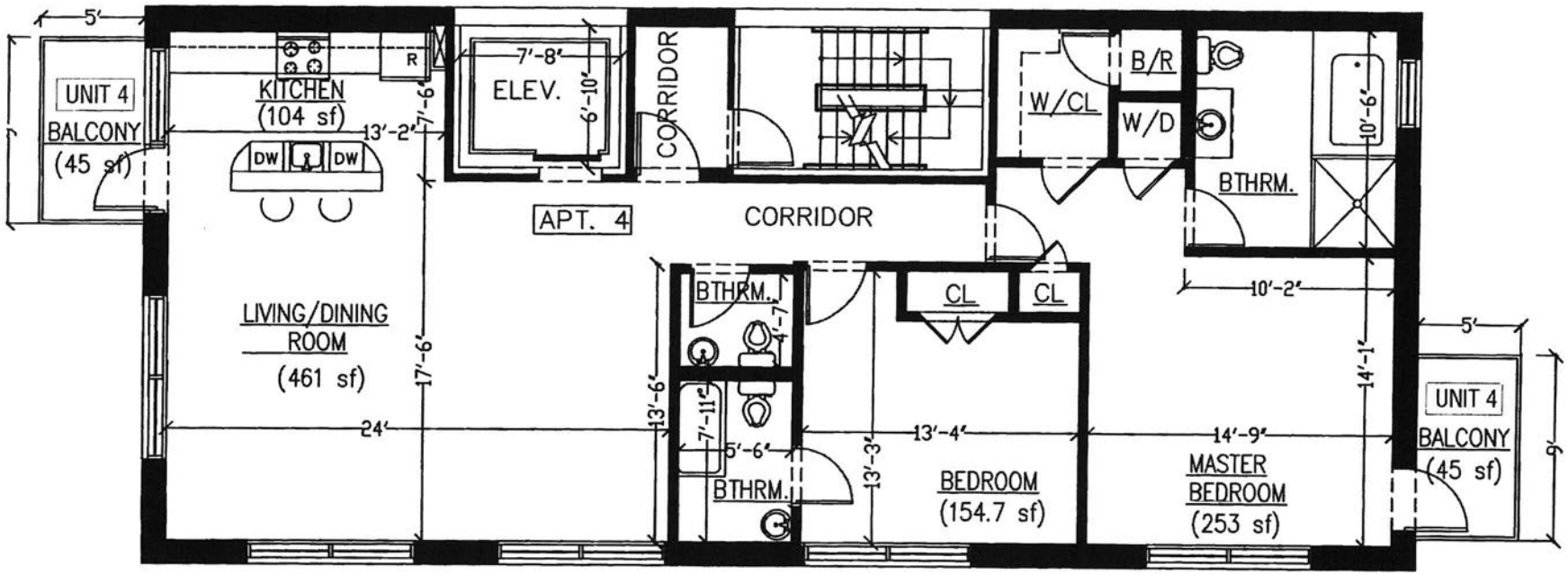
BEDROOMS: 2
FLOOR AREA: 1485.6 sf



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172 STANTON STREET, A/K/A 32 CLINTON STREET, MANHATTAN, NY
APARTMENT - 3
SCALE: 1/8"=1'-0"

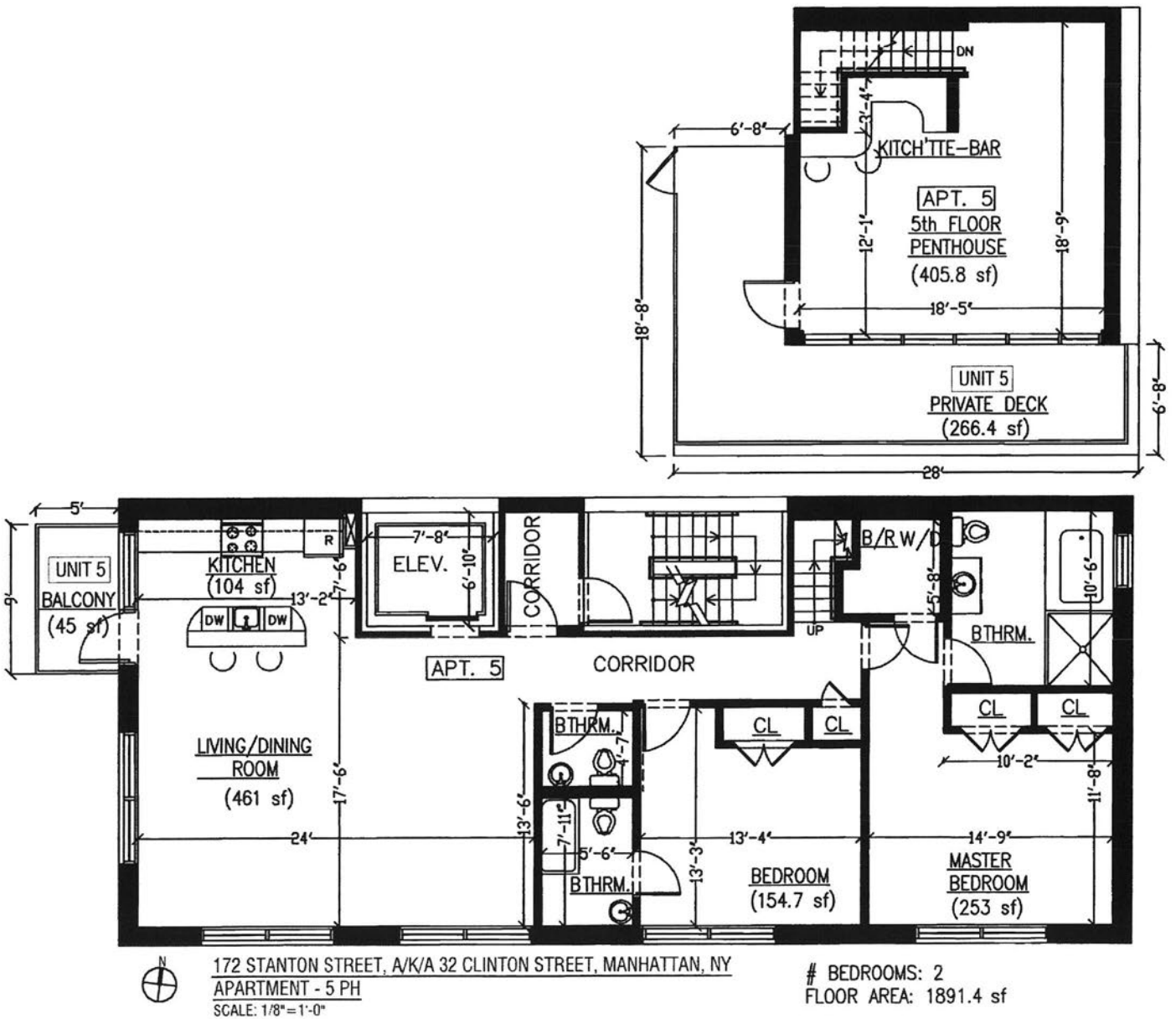
BEDROOMS: 2
FLOOR AREA: 1485.6 sf



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172 STANTON STREET, A/K/A 32 CLINTON STREET, MANHATTAN, NY
APARTMENT - 4
SCALE: 1/8"=1'-0"

BEDROOMS: 2
FLOOR AREA: 1485.6 sf



172 STANTON STREET, A/K/A 32 CLINTON STREET, MANHATTAN, NY
APARTMENT - 5 PH
SCALE: 1/8"=1'-0"

BEDROOMS: 2
FLOOR AREA: 1891.4 sf

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DOCUMENT 6

DECLARATION OF CONDOMINIUM

32 CLINTON CONDOMINIUM

32 Clinton Street a/k/a 172 Stanton Street
New York, New York 10002-1703

Declarant:

32 CLINTON ASSOCIATES LLC
c/o Merchants Properties Inc., 20 Clinton Street, #4A, New York, NY 10002

Block 350
Lots 2001 through 2006

Formerly know as Lot 38

Office of
Dennis R. Krasner, Esq.
Two Penn Plaza, Suite 1500
New York, New York 10121

TABLE OF CONTENTS

Article 1 Definitions 189
Article 2 Submission of Property 189
Article 3 Description of Property 189
Article 4 Description of Building 190
Article 5 Name of Condominium 190
Article 6 The Units 190
Article 7 The Common Elements 191
Article 8 Determination of Common Interest 192
Article 9 Use of Units 193
Article 10 Easements 194
Article 11 Other Easements 194
Article 12 Alterations Additions Improvements 195
Article 13 Acquisition of Units 196
Article 14 Unit Owner's Power of Attorney 196
Article 15 Termination of Condominium 197
Article 16 Covenant of Further Assurances 197
Article 17 Covenants to Run With Land 198
Article 18 Amendments 199
Article 19 Consents of Sponsor 200
Article 20 Service of Process 200
Article 21 Incorporation by Reference 200
Article 22 Waiver 200
Article 23 Severability 201
Article 24 Gender 201
Article 25 Captions 201
EXHIBIT A DESCRIPTION OF LAND 203
EXHIBIT B DESCRIPTION OF UNITS 204
EXHIBIT C DEFINITIONS 206
EXHIBIT D BY-LAWS 211
EXHIBIT E UNIT OWNER'S POWER OF ATTORNEY 212

DECLARATION
OF
32 CLINTON CONDOMINIUM

Pursuant to Article 9-B of the Real
Property Law of the State of New York
32 CLINTON ASSOCIATES LLC
with an address at
c/o Merchants Properties Inc., 20 Clinton Street, #4A, New York, NY 10002
(the "Declarant"), hereby declares as follows:

Article 1

Definitions

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which the same are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Article 2

Submission of the Property

The Declarant hereby submits the land (the "Land") hereinafter described, together with the building and improvements thereon erected (the "Building") owned by the Declarant in fee simple absolute (the Land and Building being hereinafter referred to collectively as the "Property"), to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act").

Article 3

Description of the Land

The land is located in the City, County, and State of New York, and is designated on the Tax Map of the City of New York as Block 350 formerly known as Lot 38 and being designated herein as Lots 2001 through 2006 inclusive. See Exhibit A attached hereto for a metes and bounds description of the Land

Article 4

Description of the Building

The Building consists of five stories plus penthouse and cellar that contain four (4) Residential Units, and two (2) Commercial/Community Facility Units on floors cellar through five plus penthouse floor (hereinafter collectively referred to as the "Units"). The principal materials of which the Building is constructed are masonry block, brick, wood and steel.

Article 5

Name of the Condominium

The Condominium shall be known as the "32 CLINTON CONDOMINIUM"

Article 6

The Units

(a) Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its designation number; (ii) its tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the number of rooms and baths contained therein; and (vi) the Percentage of Common Interest appurtenant to each such Unit. The precise location and areas of each Unit within the Building and all of the areas and installations which are included as part of the Units are shown on the Floor Plans of the Building, certified by the architect, intended to be filed in the Office of the City Register simultaneously with the recording of this Declaration and are made a part of this Declaration. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and the Floor Plans. All Residential Units shall have immediate access to the public stairs and residential elevator. The Commercial/Community Facility Units do not have immediate access to any common element. Both of these units have immediate access to the public street.

(b) Statement of Dimensions. The approximate square foot area of each Unit is measured horizontally on each floor from the outer face of the masonry of the exterior walls of the Building to the center line of the wall separating the Unit from corridors, stairs, mechanical spaces and other Units or Common Elements and vertically from the top of the floor slab below the Unit to the underside of the floor slab above the Unit. No Unit Owner shall be deemed to own the structural walls, supporting columns, pipes, wires, conduits or other public lines running through the Unit which are utilized for or serve more than one (1) Unit. Any area and/or installation which are designated on the Floor Plans as part of a Unit shall be considered as part of said Unit.

(c) Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings

and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity of such Unit or of the Building.

Article 7

The Common Elements

(a) General Common Elements. The General Common Elements generally consist of the Land and those rooms, areas and corridors and other portions of the Building (other than the Units), as well as those facilities therein, either currently or hereafter existing for the common use of all of the Units or all of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intention to limit the generality of the foregoing in any respect, and unless otherwise provided for in the Floor Plans, General Common Elements include the following:

(i) The Land not specifically designated to any of the Condominium Units on the Floor Plans.

(ii) all foundations, columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, roofs and ceilings in, on or under the Building up to the second floor of the Building, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof or are made a Limited Common Element as set forth herein below;

(iii) All sewer and drainage pipes up to the second floor (vi) All other parts of the Property and all apparatus and installations existing in the Buildings or Premises for common use of the Unit Owners or which are, or may be necessary or convenient for the existence, maintenance or safety of the Buildings.

(b) Residential Section Limited Common Elements. The Residential Section Limited Common Elements which are limited to the use by Residential Unit Owners shall consist of the following:

(i) all vestibules, stairs, residential elevator and all equipment servicing the same, all to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof;

(ii) all columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, roofs and ceilings in, on or under the Building from the second floor up to the top of the penthouse floor of the Building, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof

(iii) all roofs of the Building, provided however that the Commercial/Community Facility Unit Owners shall have the right to place equipment on the roofs and to have access to the roofs for the purpose of maintenance, repair and/or replacement of such equipment .

(iv) All central and appurtenant installations and facilities for services such as power, light, telephone, gas, sewer, plumbing, drainage, hot and cold water distribution, ventilation, garbage disposal, and

other mechanical and electrical systems that serve the Residential Units exclusively, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof, if any.

(v) The residential storage rooms and cellar area, including the meter and equipment rooms, provided however that the Commercial/Community Facility Unit Owners shall have the right to have access to these areas necessary for the maintenance, repair and/or replacement of any equipment serving the Commercial/Community Facility Unit(s).

(vi) All other areas and facilities in the Building which are for the benefit of or which serve the Residential Units exclusively.

(c) Commercial Section Limited Common Elements. The Commercial Section Limited Common elements shall include the following:

(i) All central and appurtenant installations and facilities for services such as power, light, telephone, gas, sewer, plumbing, drainage, hot and cold water distribution, ventilation, garbage disposal, and other mechanical and electrical systems that serve the Commercial Units exclusively, to the extent that the same are not expressly included as a part of a Commercial Unit pursuant to the terms of Article 6 hereof, if any.

(d) The General, Residential and Commercial Common Elements shall remain undivided and are not subject to partition nor are they severable from the Units except in accordance with the Condominium Act (Article 9-B of the Real Property Law), or as expressly permitted pursuant to the terms of Section 5.5 of the By-Laws.

(e) Residential Section Limited Common Elements may also include where applicable balconies, terraces, roof decks etc. and shall be appurtenant to and for the sole and exclusive use of an individual Residential Unit and Residential Unit Owner. Any such Residential Limited Common Element is set forth on Exhibit B to the Declaration.

(f) The General Common Elements, Residential Section Limited Common Elements and Commercial Section Limited Common Elements are collectively referred to herein below as Common Elements.

Article 8

Determination of Common Interest

In accordance with Section 339-i (1) (iv) of the New York State Condominium Act, the Percentage of Common Interest of each of the Units have been allocated 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.

Article 9

Use of Units

As more particularly set forth in the By-Laws:

(a) each Residential Unit may be used for residential use in accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy, and not more than one family related by blood or marriage may occupy a Unit at one time and

(b) each Commercial/Community Facility Unit(s) may be used only for commercial retail, professional offices and or community facility use and as otherwise permitted by the zoning and by the Certificate of Occupancy, subject to the restrictions on use as set forth in paragraph (d) herein below.

(c) A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members or guests).

(d) A Commercial/Community Facility Unit must only be used in conformance with the Certificate of Occupancy and shall be limited to retail commercial or professional offices. Moreover, the Commercial Units may not be used as a massage parlor, tattoo shop, drug paraphernalia store, adult book store, x-rated video store, x-rated movie theater or any other such "adult uses" nor may they be used for a restaurant, bar, coffee shop, night club, theater, dance school, martial arts school, church, or other house of worship or for any other use which requires a public assembly permit and/or the sale of food and/or drink and/or includes live or recorded music or performances, drug clinic, drug treatment facility or any other type of substance abuse treatment or rehab facility, funeral parlor, or in general any use which would create a disturbance or be a nuisance to the Residential Unit Owners and occupants.

(e) A Commercial/Community Facility Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing.

Article 10

Easements for the Enjoyment of Common Elements

Subject to the terms of the By-Laws and the Rules and Regulations, Sponsor, the Unit Owners, the Selling Agent, the Managing Agent, the Condominium Board and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements and the Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

Article 11

Other Easements

(a) Subject to the terms of the By-Laws and to the Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements, and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Element and utility distribution system serves, or is necessary to the service of, his or her Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, each Unit Owner shall have a reasonable right of access through any other Unit for the purpose of entry to any part of his Unit where there is no other means of access to such part of his Unit or Limited Common Elements allocated to his Unit. In addition, the Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted only upon reasonable notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other persons, or to avoid the suspension of any necessary service in the Building.

(b) The Condominium Board shall have, on behalf of all Unit Owners, the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as the Condominium Board shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof or for the general health or welfare of the owners, tenants and occupants of the appropriate Units; provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agent, shall have the right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of

access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

(c) Each unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

(d) If (i) any portion of the Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Building, (y) any repair or alteration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws, by, or with the consent of, the Condominium Board, or (z) any repair or restoration made to the Building or any portion thereof, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Building or the affected Unit or Common Elements shall stand.

(e) In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

(f) The Sponsor or its designee or the holder of Unsold Units or the Commercial/Community Facility Unit Owner(s) shall have all of the rights granted to the Condominium Board under this Article in connection with their respective ownership, use and operation of their Units. These rights shall be in addition to and not in limitation of those rights of access and egress and ingress that they may have as Unit Owners under this Declaration and under the Condominium Act.

Article 12

Alterations, Addition, Improvements and Changes to Units

(a) No Unit Owner, (other than the Sponsor, its designee, or the holder of Unsold Units, as set forth below) shall make any structural or non-structural alteration, addition, improvement, or repair in or to his or her Unit, or to the Common Elements contained in or servicing the Unit, without the prior written approval of the Condominium Board, which consent shall not be unreasonably withheld. Such approval may be conditioned at the discretion of the Condominium Board upon the execution of an agreement by such Unit Owner, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions upon which such alteration, addition, improvement or repair may be made.

(b) (i) The Sponsor, or its designee, as the case may be, shall have the right to make any structural or non-structural alteration, addition, improvement, or repair in or to his or her Unit, or to the Common Elements contained in or servicing the Unit, provided same does not impair the structural integrity of the Building or impair the operation use or integrity of any Common Element.

(ii) The Board of Managers shall be obligated to permit the Sponsor or its designee or the holder of Unsold Units, at such Unit Owner's sole cost and expense, to install and use additional equipment in the risers and conduits serving the Building, provided the Sponsor, or its designee or the holder of Unsold Unit, as the case may be reimburses the Board of Managers for the actual costs attributable to such installation and use.

Article 13

Acquisition of Units by the Condominium Board

If (i) any Unit Owner surrenders his or her Unit, together with its Appurtenant Interests, to the Condominium Board pursuant to the terms of the By-Laws or of Section 339-x of the Condominium Act or (ii) the Condominium Board, pursuant to the terms of the By-Laws or otherwise, either (x) acquires or leases a Unit, (y) purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, in and to such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Percentage of Common Interest. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or such designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Percentage of Common Interest.

Article 14

Unit Owner's Power of Attorney

(a) Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, the individuals who shall from time to time constitute the Condominium Board, jointly, or to Sponsor, its designee or a holder of Unsold Units, as the case may be to:

(x) acquire or lease any Unit, together with its Appurtenant Interests, (1) whose owner desires to sell, convey, transfer, assign, lease, or surrender the same or (2) that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(y) convey, sell, lease, mortgage, or otherwise deal with (but not to exercise the vote appurtenant to) any Unit so acquired or to sublease any Unit so leased; and

(z) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Condominium Board, or Sponsor, deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, restriction, easement, or declaration,

or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

(b) Each Unit Owner, upon the closing of title to his or her Unit, shall duly execute, acknowledge and deliver to the Condominium Board or its representative and to the Sponsor, for recording in the Register's Office, an original Unit Owner's Power of Attorney in the form attached to this Declaration.

Article 15

Termination of Condominium

The Condominium shall continue until terminated by (i) casualty loss, condemnation, or eminent domain, as more particularly provided in the By-Laws or (ii) withdrawal of the Property from the provisions of the Condominium Act by affirmative vote or by written consent of Unit Owners owning in the aggregate eighty (80%) or more Percentage of Common Interest. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in accordance with the factors set out in The New York State Condominium Act Section 339-i(1)(iv), which is 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, the overall dimensions of the particular unit and the fair market value of such unit. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. No payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens.

Article 16

Covenant of Further Assurances

(a) Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any such other Person or the Sponsor or its designee or owner of Unsold Units requesting the same, execute, acknowledge and deliver to such other Person or the Sponsor, or its designee or owner of Unsold Units such instruments, in addition to those specifically provided for herein, and take such other action, as such other Person or the Sponsor, or its designee, or its designee or owner of Unsold Units 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.

(b) If any Unit Owner or any other person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Condominium Board or the Sponsor, its designee, or the holder of Unsold Units, as the

case may be, is hereby authorized as attorney-in-fact for such Unit Owner or other Person, 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 such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Condominium Board, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of the Managing Agent or the Sponsor, its designee, or the holder of Unsold Units, then the Managing Agent or the Sponsor, its designee, or the holder of Unsold Units, as the case may be, is hereby authorized as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, 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 Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person, as the case may be.

Article 17

Covenants to Run with the Land

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 17, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his or her heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights, in, or for the benefit of, the general public. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease.

This Declaration of Condominium is subject also to such other liens, covenants, easements, restrictions, consents, agreements, and other matters of record and any agreements as pertain to the Units, the Land and/or the Building.

(b) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall

nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be for the purposes of submitting the Property to the provisions of the Condominium Act.

(c) Subject to the terms of paragraph (b) of this Article 17, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

Article 18

Amendments to this Declaration

(a) Any provision of this Declaration may be amended, modified, added to, or deleted by an affirmative vote or written consent of Unit Owners owning in the aggregate 66 2/3% or more Percentage of Common Interest, taken in accordance with the provisions of the By-Laws, provided, however, that no amendment shall be made which limits or affects the rights of the mortgagee against the mortgagor. No such amendment, modification, addition, or deletion shall be effective until recorded in the New York County Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions, or deletions affecting Sponsor, its designee, the holder of Unsold Units or any Unsold Units, any such amendment, modification, addition, or deletion may be executed either (i) by the Condominium Board as attorney-in-fact for the Unit Owners, which power shall be deemed to be coupled with an interest as provided for in Article 12 hereof; or (ii) by the Unit Owner or Unit Owners whose Unit or Units are affected by such amendment, modification, addition or deletion.

(b) If the amendment requires the approval of a specified percentage of Percentage of Common Interest pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certification, certifying that Unit Owners owning in the aggregate the requisite Percentage of Common Interest approved the amendment at a duly constituted meeting or (as permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certification shall be described the total of the Percentage of Common Interest owned by such Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

(c) No amendment shall be made to this Declaration which adversely affects the Sponsor, its designee, if any, the Commercial/Community Facility Unit Owner(s), the holder of Unsold Units or any Unsold Units in any way without the written consent of the Sponsor, its designee, the Commercial/Community Facility Unit Owner(s)or the holder of Unsold Units, as the case may be.

Article 19

Consents of Sponsor

Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor or such designee no longer owns any Units.

Article 20

Person to Receive Service

The Secretary of State is designated as agent of the Condominium Board upon whom process against it may be served. The post office address within or without this state to which the secretary of state shall mail a copy of any process against the Condominium Board served upon him or her is: 32 Clinton Street a/k/a 172 Stanton Street, New York, NY 10002-1703 attention: Managing Agent

Article 21

Incorporation by Reference

The terms, covenants, conditions, descriptions, and other information contained in (i) the Property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

Article 22

Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Article 23

Severability

Subject to the provisions of paragraphs (b) and (c) of Article 17 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

Article 24

Gender

A reference in this Declaration to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Article 25

Captions

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day and year first written above.
Declarant:

32 CLINTON ASSOCIATES LLC
By 32 Clinton Managers LLC, Managing Member
By National Pension Investor Corporation, Manager

.

By:_____
Sheldon Reiter, president

State of New York)
) ss.:
County of)

On the day of in the year 2008, before me, the undersigned, personally appeared Sheldon Reiter, 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) acted and executed the instrument.

_____
Notary Public

EXHIBIT A TO THE DECLARATION OF 32 CLINTON CONDOMINIUM

DESCRIPTION OF THE LAND

All that certain plot, piece or parcel of land lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the northerly side of Stanton Street, with the easterly side of Clinton Street;

RUNNING thence easterly along with the northerly side of Stanton Street, 75 feet;

THENCE northerly parallel with the easterly side of Clinton Street 27 feet 6 inches;

THENCE westerly parallel with the northerly side of Stanton Street, 75 feet to the easterly side of Clinton Street; and

THENCE southerly along the easterly side of Clinton Street 27 feet 6 inches to the point or place of BEGINNING.

:

EXHIBIT B TO THE DECLARATION OF 32 CLINTON CONDOMINIUM

DESCRIPTION OF THE UNITS

EXHIBIT B TO THE DECLARATION OF 32 CLINTON CONDOMINIUM BLOCK 350 7/25/2008

Unit Designation	Tax Lot Number	Location of Unit in Building	Approximate Square Foot Area of Unit	Number of Bedrooms/Baths In Unit*	Percentage Interest in Common Elements	Limited Common Elements	Limited Common Total Approx. Square Feet
Commercial A/.B	2001	First Floor	1,307	N/A	14.6372%	None	N/A
Commercial C	2002	Cellar/First Floor	1,270	N/A	7.8994%	None	N/A
2A	2003	Second Floor	1,486	2/2	17.4462%	Roof Terrace/Storage	247
3A	2004	Third Floor	1,486	2/2	17.9108%	Balconies (2)/Storage	161
4A	2005	Fourth Floor	1,486	2/2	18.3755%	Balconies (2)/Storage	161
5A	2006	Fifth/Sixth Floor	1,891	2/2	23.7309%	RT/ BL/Storage	382
			8,926		100.0000%		951

BD denotes Bedroom
BA denotes Bathroom
*Each Unit has a Living/Dining/Kitchen Area

RT = Roof Terrace S = Storage Room
BL = Balcony

EXHIBIT C TO THE DECLARATION OF 32 CLINTON CONDOMINIUM

DEFINITIONS

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

(2) "Building" shall mean the building and its appurtenances situated on the Land which is described in Exhibit A hereto.

(3) "By-Laws" shall mean the by-laws of the Condominium, which are annexed as Exhibit D to the Declaration, as the same may be amended from time to time pursuant to the terms thereof.

(4) "Common Elements" shall mean those certain portions of the Land and the Building (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in Article 7 of the Declaration. They are divided into General Common Elements, Residential Section Limited Common Elements and Commercial Section Limited Common Elements.

(5) "Common Charges" refers to the charges payable to the Board of Managers by the Unit Owners for the purpose of meeting i) General Common Expenses which are paid by all Unit Owners pro rata in proportion to each such Unit Owner's Percentage of Common Interest, ii) Commercial Common Expenses which are paid by all Commercial Unit Owners pro rata in proportion to each such Commercial Unit Owner's Percentage of Commercial Limited Common Interest and iii) Residential Common Expenses which are paid by all Residential Unit Owners pro rata in proportion to each such Residential Unit Owner's Percentage of Residential Limited Common Interest.

(6) "Commercial Common Expenses" refers to those costs and expenses which are incurred or projected in connection with the repair, maintenance, replacement, restoration or operation of, and any alteration, addition or improvement to the Commercial Section Limited Common Elements and/or the General Common Elements."

(7) "Commercial Section Limited Common Elements" refers to the all areas, equipment, fixtures and/or facilities for the common use of all of the Commercial Units and the Commercial Unit Owners as described in the Declaration.

(8) "Common Interest or Interests" shall mean the undivided interest of each Unit in the Common Elements.

(9) "Condominium" shall mean the "32 Clinton Condominium" which was established pursuant to the terms of the Declaration and is to be governed pursuant to the terms of the By-Laws.

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

(11) "Condominium Board" "Board" or "Board of Managers" shall all mean the governing body of the Condominium, whose members shall be selected pursuant to the terms of Articles 2 and 4 of the By-Laws.

(12) "Condominium Documents" shall mean the Declaration, the By-Laws and Rules and Regulations., the Unit Deed and the Unit Power of Attorney.

(13) "Declaration" shall mean the declaration executed by Declarant for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership of the property.

(14) "Family Members" shall mean the spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit.

(15) "Floor Plans" shall mean the floor plans of the Units filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and the Floor Plans.

(16) "General Common Elements" refers to the Land, all structural parts of the Building including the foundations and supports of the Building up to the second floor, and all areas, equipment, fixtures and/or facilities for the common use of all the Units and the Unit Owners as described in the Declaration.

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

(18) "Institutional Lender" shall mean (i) a savings bank, savings and loan associations, bank or trust company, insurance company, real estate investment trust, or mortgage trust or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

(19) "Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or its designee or an Institutional Lender.

(20) "Insurance Trustee" shall mean an individual who is a resident of the State of New York, or a bank or trust company having an office in The City of New York, from time to time appointed to serve as such by the Condominium Board.

(21) "Land" shall mean all that certain tract, plot, piece, and parcel of land situate, lying and being in the County of New York, City and State of New York, as more particularly described in Exhibit A to the Declaration.

(22) "Law" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, in the particular County, and Borough governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

(23) "Managing Agent" shall mean a Person employed by the Condominium Board pursuant to pursuant to paragraph (C) of Section 2.6 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium Board shall delegate, subject to the limitations contained in paragraph (D) of Section 2.6 of the By-Laws.

(24) "Majority of Unit Owners" shall mean Unit Owners owning in the aggregate more than 50% Percentage of Common Interest..

(25) "Percentage of Common Interest" shall mean the amount of Common Interest allocated and appurtenant to each Unit expressed as a percentage, as set forth in Exhibit B to the Declaration. The aggregate of the Percentage of Common Interest allocated to all Units shall be equal to 100%.

(26) "Permitted First Mortgage" shall mean a Permitted Mortgage that is a first mortgage lien against a Unit.

(27) "Permitted First Mortgagee" shall mean any holder of a Permitted First Mortgage.

(28) "Permitted Mortgage" shall mean any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws

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

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

(31) "Plan" shall mean that certain offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.

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

(33) "Register's Office" shall mean the Office of the Register of the City of New York, New York County.

(34) "Residential Common Expenses" refers to those costs and expenses which are incurred or projected in connection with the repair, maintenance, replacement, restoration or operation of, and any alteration, addition or improvement to the Residential Section Limited Common Elements and/or the General Common Elements."

(35) "Residential Section Limited Common Elements" refers to all areas, equipment, fixtures and/or facilities for the common use of all of the Residential Units and/or the Residential Unit Owners, all as described in the Declaration.

(31) "Rules and Regulations" shall mean the rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By- Laws.

(32) "Special Assessments" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Unit(s) Percentage of Common Interest (except as otherwise provided in the Declaration or in the By-Laws), in accordance with paragraph (C) of Section 6.1 of the By-Laws.

(33) "The Sponsor" 32 Clinton Associates LLC, or its designee, successors or assigns or any Person owning ten or more Units or twenty percent of the Units in the Condominium whichever is less, which are not purchased for occupancy by such Person or one or more members of his or her immediate family; such Person, will be deemed, however, to be a Sponsor with the obligation of a Sponsor only in relationship to the Units which such Person owns. Any Person who is the Sponsor, or who is deemed to be a Sponsor with respect to any Units, shall have all of the rights of the Sponsor under the Plan.

(34) "Sponsor Control Period". The Sponsor will control the Board of Managers of the Condominium until the earlier of five (5) years from the date of the first closing or until Sponsor or its designee no longer owns a Unit.

(35) "Unit" shall mean any of the "Units", as such term is defined in the Condominium Act, located in the Building, which units are more particularly described in Article 6 of, and Exhibit B to, the Declaration and in the Floor Plans.

(36) "Unit Owner" shall mean any Person who holds fee title, of record, to one or more Units at the time in question.

(37) "Unsold Units" shall mean any Unit owned by the Sponsor, or its designee, or their successors or assigns, at the time of the first closing. Unsold Units shall remain Unsold Units until they are occupied as a personal residence by the owner of the Unit or any member of his or her immediate family.

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EXHIBIT D TO THE DECLARATION OF 32 CLINTON CONDOMINIUM

BY LAWS

EXHIBIT E TO THE DECLARATION OF 32 CLINTON CONDOMINIUM

UNIT OWNER'S POWER OF ATTORNEY

DOCUMENT 7

BY-LAWS

OF

32 CLINTON CONDOMINIUM

32 Clinton Street a/k/a 172 Stanton Street,
New York, New York 10002-1703

Dennis R. Krasner, Esq.
Two Penn Plaza, Suite 1500
New York, New York 10121

TABLE OF CONTENTS

ARTICLE 1 GENERAL 217
Section 1.1. Purpose 217
Section 1.2. Definitions 217
Section 1.3. Applicability of By-Laws. 217
Section 1.4. Application of By-Laws 217
Section 1.5. Principal Office of the Condominium 217
ARTICLE 2 BOARD OF MANAGERS 218
Section 2.1. General 218
Section 2.2. Status of the Condominium Board 218
Section 2.3 Principal Office 218
Section 2.4. Powers and Duties of The Condominium Board 218
Section 2.5. Removal of Members of Board of Managers. 221
Section 2.6. Exercise and Delegation of Powers and Duties. 221
Section 2.7. Number, Election and Qualification of Members 222
Section 2.8. Term of Office of Members. 223
Section 2.9. Resignation of Members. 223
Section 2.10. Vacancies. 223
Section 2.11. Organization Meeting. 223
Section 2.12. Regular Meetings of the Condominium Board. 223
Section 2.13. Special Meetings 223
Section 2.14. Waiver of Notice of Meetings. 223
Section 2.15. Quorum of the Condominium Board. 223
Section 2.16. Conduct of Meetings 224
Section 2.17. Decision by the Condominium Board 224
Section 2.18. Compensation of Members. 224
Section 2.19. Common or Interested Members 224
Section 2.20. Liability of the Condominium Board 224
ARTICLE 3 OFFICERS 225
Section 3.1. General 225
Section 3.2. President 225
Section 3.3. Vice President 226
Section 3.4. Secretary. 226
Section 3.6. Election, Term of Office and Qualifications of Officers. 226
Section 3.7. Removal and Resignation of Officers 226
Section 3.8. Vacancies. 226
Section 3.9. Compensation of Officers. 226
Section 3.10. Liability of the Officers 227
ARTICLE 4 UNIT OWNERS 227
Section 4.1. Annual Meetings of the Unit Owners. 227
Section 4.2. Special Meetings of Unit Owners. 227
Section 4.3. Place of Meetings 228
Section 4.4. Notice of Meetings 228

Section 4.5. Quorum of the Unit Owners. 228
Section 4.6. Conduct of Meetings. 228
Section 4.7. Order of Business. 228
Section 4.8. Voting at Meetings of Unit Owners. 228
Section 4.9. Election of Members of the Condominium Board. 229
Section 4.10. Action Without a Meeting. 229
Section 4.11. Title to Units. 229
Section 4.12. Contractual Liability of Unit Owners. 229
ARTICLE 5 OPERATION OF THE PROPERTY 230
Section 5.1. Maintenance. 230
Section 5.2. Alterations, Additions, or Improvements in and to Units. 231
Section 5.3. Alterations, Additions, or Improvements to the Common Elements. 232
Section 5.4. Insurance. 232
Section 5.5. Casualty or Condemnation. 233
Section 5.6. Use of The Property. 236
Section 5.7. Use of the Units. 236
Section 5.8. Use of the Common Elements. 237
Section 5.9. Rights of Access. 237
Section 5.10. Modification of the Rules and Regulations. 238
Section 5.11. Real Estate Taxes, Water Charges and Sewer Rents. 238
Section 5.12. INTENTIONALLY RESERVED. 238
Section 5.13. Gas and Electricity. 238
Section 5.14. Utilities Serving the Common Elements. 238
Section 5.15. Vault Charges. 238
Section 5.16. Awnings and Canopies. 239
Section 5.17. Records and Audits. 239
ARTICLE 6 COMMON CHARGES 239
Section 6.1. Determination of Common Expenses and Fixing of Common Charges 239
Section 6.2. Payment of Common Charges. 240
Section 6.3. Statement of Common Charges. 241
Section 6.4. Default In Payment of Common Charges. 241
ARTICLE 7 SELLING AND LEASING OF UNITS 243
Section 7.1. General. 243
Section 7.2. Right of First Refusal. 243
Section 7.3. Acceptance of Offer. 244
Section 7.4. Failure to Accept Offer. 245
Section 7.5. Termination of and Exceptions to, the Right of First Refusal. 245
Section 7.6. No Severance of Ownership. 246
Section 7.7. Payment of Common Charges. 246
Section 7.8. Power of Attorney. 247
Section 7.9. Gifts and Devises, Etc. 247
ARTICLE 8 MORTGAGING OF UNITS 247
Section 8.1. General. 247
Section 8.2. Restrictions on Mortgaging. 247

Section 8.3. Notice of Unpaid Common Charges and Default. 248
Section 8.4. Performance by Permitted Mortgagees. 248
Section 8.5. Examination of Books. 248
ARTICLE 9 CERTAIN REMEDIES 248
Section 9.1. Self Help. 248
Section 9.2. Abatement and Enjoinment. 249
Section 9.3. Remedies Cumulative. 249
Section 9.4. Costs and Expenses. 249
ARTICLE 1O ARBITRATION 249
Section 10.1. Procedure. 249
Section 10.2. Variation by Agreement. 249
Section 10.3. Binding Effect. 249
Section 10.4. Costs and Expenses. 250
ARTICLE 11 NOTICES 250
Section 11.1. General. 250
Section 11.2. Waiver of Service of Notice. 250
ARTICLE 12 AMENDMENTS TO BY-LAWS 250
Section 12.1. General. 250
ARTICLE 13 FURTHER ASSURANCES 251
Section 13.1. General. 251
Section 13.2. Failure to Deliver or Act. 251
ARTICLE 14 MISCELLANEOUS 251
Section 14.1. Inspection of Documents. 251
Section 14.2. Waiver. 251
Section 14.3. Conflicts. 251
Section 14.4. Severability. 252
Section 14.5 Gender 252
Section 14.6. Captions. 252
RESIDENTIAL RULES AND REGULATIONS 253
COMMERCIAL RULES AND REGULATIONS 256

BY-LAWS

Of

32 CLINTON CONDOMINIUM

ARTICLE 1

GENERAL

Section 1.1. Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is described in Exhibit A to the Declaration of Condominium of 32 CLINTON CONDOMINIUM; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto; and (iii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Declaration these By-Laws form a part.

Section 1.2. Definitions. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforesaid described capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3. Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4. Application of By-Laws. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5. Principal Office of the Condominium. The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

BOARD OF MANAGERS

Section 2.1. General. As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By- Laws.

Section 2.2. Status of the Condominium Board. Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3. Principal Office of the Condominium Board. The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4. Powers and Duties of The Condominium Board. (A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith: (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel;

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium;

(iii) to maintain records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed accounts of receipts and expenditures affecting the Property; (b) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (c) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(iv) to prepare and adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same;

(v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of the Condominium Board shall be required for the borrowing of any sum in excess of $25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of a majority of the Unit Owners shall be required for the borrowing of any sum in excess of $25,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Percentage of Common Interest bears to the aggregate Percentage of Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefore;

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii) to execute, acknowledge and deliver to the Sponsor, its designee, the Commercial/Community Facility Unit Owner or the Owner, as the case may be, such documents, certificates, or other forms as such party or parties may be entitled to receive from the Condominium under the Declaration and/or these By-Laws;

(xiii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xvi) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to the vote appurtenant to any such Unit;

(xvii) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium;

(xxi) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same;

(xxiii) to execute, acknowledge and deliver any documents necessary for filing an appeal for reduction of assessment of real estate taxes on behalf of all units in the Condominium, unless written notice is received by the Condominium Board from any Unit Owner not to so on behalf of his or her condominium unit;

(xiv) unless and until real estate taxes, water charges and sewer rents are billed directly to the Unit Owners by the New York City Department of Finance and/or the Department of Environmental Protection, the Condominium Board shall promptly pay such taxes, charges and rents as a common expense; and

(xxv) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

Section 2.5. Removal of Members of Board of Managers. A. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor, or its designee, may be removed with or without cause by Unit Owners owning in the aggregate 66.23% Percentage of Common Interest and a successor may then and there or thereafter be elected to fill the vacancy thus created, provided notice of such proposed removal was given to the Board member and was specified in the notice of the meeting. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting.

B. Any member of the Board appointed or designated by the Sponsor may be removed by Sponsor for any reason. While the Sponsor is in control, the Board may not be prohibited from removing members for cause. After the initial two year period of Sponsor control, a Board member may be removed by a majority of the Unit Owners with or without cause. Regardless of whether a Sponsor-appointee to the Board is removed by the Sponsor, its designee or the Unit Owners, the Sponsor or its designee shall have the exclusive right to designate a replacement for such Sponsor or Sponsor designee appointee.

Section 2.6. Exercise and Delegation of Powers and Duties. (A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations contained in paragraph (D) of this Section 2.6 and such additional exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation to be established by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (vii), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx) and (xxi) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in Subsection (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7. Number, Election and Qualification of Members. The Sponsor will control the board of managers for five (5) years from the first closing of title to a Unit or until all of the Units have been sold by Sponsor or its designee whichever is earlier (the "Sponsor Control Period") provided however, that the Sponsor may relinquish control at any time by calling a special meeting of the Unit Owners to elect a new Board of Managers. During the Sponsor Control Period, the Sponsor shall designate a majority of the Board Members. Within thirty (30) days of the expiration of the Sponsor Control Period,, the Sponsor will call a special meeting of the Unit Owners to elect a new Board of Managers who will be elected based on the plurality of the votes.

In all votes of Unit Owners, each unit owner (including the Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) will be entitled to one (1) vote for each .0001% of Percentage of Common Interest allocated to the Unit(s) owned by such Unit Owner. Unit Owners shall be entitled to cumulate their votes and cast all of such votes for a single director or distribute them among the number to be voted for, or any two or more of them, as they may see fit.

During the Sponsor Control Period, the number of Board members shall be three and they shall all be designated by the Sponsor. After the Sponsor Control Period the Board shall be elected by the Unit Owners and the Board shall consist of at least three and no more than five members. Anything contained herein or anywhere else in these By-Laws to the contrary notwithstanding, the Commercial/Community Facility Unit Owners shall have the right to designate one (1) member of the Board and the Residential Unit Owners shall elect the remaining members of the Board.

Notwithstanding anything contained herein, as long as the Sponsor or its successors or assigns shall own at least one (1) Unit, it may designate one (1) member to the board and appoint an assistant vice president.

So long as Sponsor or its successors or assigns owns one or more units, but in no event later than five (5) years after closing of title to the first Unit, the Board of Managers may not, without the prior written consent of the Sponsor or its designee, (i) make any addition, alteration or improvement to the Common Elements or to any Unit 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 (however, Sponsor will not unreasonably withhold consent to additions to the contingency fund provided for in Schedule B to the extent assessments are necessary to make expenditures required by law), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). Sponsor shall have the right to withhold its consent to any of the foregoing actions. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required to comply with applicable law. While Sponsor has voting control of the Board, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan.

No members of the Board of Managers will receive any compensation from the Condominium for acting as such.

Section 2.8. Term of Office of Members. The term of office of each member of the Condominium Board shall continue for one (1) year. Notwithstanding anything to the contrary, however, each Condominium Board shall serve until a successor Board is elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Condominium Board may serve. In addition, special meetings of Unit Owners may be held from time to time, pursuant to the By-Laws, whenever necessary for the affairs of the Condominium.

Section 2.9. Resignation of Members. Any member of the Condominium Board may resign his or her membership at any time by giving written notice thereof to the Condominium Board.

Section 2.10. Vacancies. Any vacancy on the Condominium Board shall be filled by calling a regular or special meeting to elect a new Board Member pursuant to Section 2.7 of these By-laws.

Section 2.11. Organization Meeting. The first meeting of the members of the Board of managers following the annual meeting of Unit Owners shall be held within ten (10) days thereafter, at such time and place fixed by a majority of the members of the Board. No notice of the meeting shall be necessary to the newly elected members in order to legally constitute such meeting, providing a majority of the whole Board shall be present at such meeting.

Section 2.12. Regular Meetings of the Condominium Board. Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the members thereof, provided that at least one (1) such meetings shall be held during each fiscal year.

Section 2.13. Special Meetings of the Condominium Board. Any member of the Condominium Board may call a special meeting of the Condominium Board whenever he or she deems the same to be necessary or desirable.

Section 2.14. Waiver of Notice of Meetings. Any member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Condominium Board at any meeting thereof shall constitute a waiver by him or her of notice of the time and place thereof.

Section 2.15. Quorum of the Condominium Board. For purposes of all meetings of the Condominium Board, the attendance of a majority of all Board Members thereof shall be required for the transaction of business. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes.

Section 2.16. Conduct of Meetings. The minutes of the meetings of the Condominium Board shall be faithfully recorded, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order shall govern the conduct of meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws or the Condominium Act.

Section 2.17. Decision by the Condominium Board. Except as otherwise expressly provided in the Declaration or these By-Laws, the affirmative vote of a majority of the members of the Condominium Board shall constitute the decision of the Condominium Board. Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Condominium in the minutes of the Condominium Board.

Section 2.18. Compensation of Members. No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19. Common or Interested Members of the Condominium Board. Each member of the Condominium Board shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by law, no contract or other transaction between the Condominium Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, financially or otherwise, shall be deemed either void or voidable because either (a) any such member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either:

(x) the fact thereof is disclosed to, or known by, the Condominium Board or noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by vote of the Condominium Board;

(y) the fact thereof is disclosed to, or known by the Unit Owners, and the Unit Owners authorize, approve, or ratify such contract or transaction; or

(z) the contract or transaction is commercially reasonable to the Condominium Board at the time that the same is authorized, approved, ratified, executed, or otherwise consummated.

Any such member of the Condominium Board may be counted in determining the requisite attendance of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction.

It is understood and permissible for the original members of the Board who are appointed by the Sponsor to contract with Sponsor and affiliated corporations without fear of being charged with self-dealing.

Section 2.20. Liability of the Condominium Board. (A) The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, gross negligence, or otherwise, except that each member of the Condominium Board shall be liable thereto for his or her own bad faith or willful misconduct.

(B) Every contract made, and other document executed, by or on behalf of the Condominium Board, any committee thereof, or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of the Condominium Board, such committee, or the Managing Agent solely as agent for the Unit Owners and that the members of the Condominium Board or such committee or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Condominium Board nor any member thereof shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(D) The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member.

ARTICLE 3

OFFICERS

Section 3.1. General. The principal officers of the Condominium shall be the President, the Secretary and the Treasurer. The Condominium Board may appoint a Vice President, an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. Where necessary, one individual may act as or hold the office of more than one office. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by the officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board. Anything contained herein or anywhere else in these By-Laws to the contrary notwithstanding, the Commercial/Community Facility Unit Owners shall have the right to designate an assistant vice president and an assistant secretary of the Condominium who shall have the power to act on behalf of the Condominium in all matters affecting only the Commercial/Community Facility Unit(s) or Unit Owner(s), as the case may be, or where the consent of the Condominium Board is not required under the terms of these By-Laws or the Condominium Board and/or the Units Owners are required to give their consent under the terms of these By-Laws, as the case may be.

Section 3.2. President. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL",

including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as he or she may decide, in his or her discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3. Vice President. The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him or her from time to time by the Condominium Board or by the President.

Section 3.4. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5. Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6. Election, Term of Office and Qualifications of Officers. Each of the officers of the Condominium Board shall be elected annually by a majority vote of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. After the initial period of Sponsor control at least a majority of the officers shall be elected from amongst the members of the Condominium Board who are Unit Owners. The other officers of the Condominium, however, need not be Unit Owners or members of the Condominium Board and need not have any interest in the Condominium.

Section 3.7. Removal and Resignation of Officers. Any officer may be removed without cause, by a vote of a majority of the members of the Condominium Board at a meeting called for such purpose. Finally, after the Sponsor has relinquished control of the Board, if the President or the Vice President of the Condominium shall cease to be a member of the Condominium Board during his or her term of office, such officer shall be deemed to have resigned his or her office effective upon the date upon which his or her membership shall cease.

Section 3.8. Vacancies. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9. Compensation of Officers. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10. Liability of the Officers of the Condominium. (A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, gross negligence, or otherwise, except that each officer of the Condominium shall be liable thereto for his or her own bad faith or willful misconduct. In addition, every contract made, and other document executed, by one or more officers or other Persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the Unit Owners pursuant to the terms of Sections 2.20 and 4.12 hereof, respectively) that the same is made or executed by such officers or Persons on behalf of the Condominium solely as agent for the Unit Owners and that such officers or Persons shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(B) None of the officers of the Condominium shall be liable for either:

(i) any failure or interruption of any utility or other services to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense; or

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith, gross negligence or willful misconduct of such officer.

ARTICLE 4

UNIT OWNERS

Section 4.1. Annual Meetings of the Unit Owners. Within thirty (30) days after the earlier of (i) the closing of title to all of the Units or (ii) five (5) years from the First Unit Closing, or such earlier time as the Sponsor deems to be in the best interest of the parties the Sponsor shall call a special meeting for the purpose of electing the first elected Board of Managers of the Condominium. Thereafter, annual meetings of the Unit Owners shall be held within sixty (60) days of the anniversary date of the first meeting. At each such subsequent meeting, the Unit Owners shall transact such business as may properly come before such meeting. In the event that any annual meeting of members is delayed, the existing Condominium Board shall continue to serve.

Section 4.2. Special Meetings of Unit Owners. The Condominium Board shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt of a petition calling for such a meeting signed by Unit Owners owning in the aggregate 25% or more Percentage of Common Interest. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place as may be designated by the Condominium Board.

Section 4.4. Notice of Meetings. (A) The Condominium Board shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, telephone or telegram not later than five (5) business days prior to the day fixed for the meeting; however, the mailing of such notice to any Unit Owner, addressed to his or her address at the Property, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof the Condominium Board not less than ten (10) days prior to the giving of notice of the applicable meeting.

Section 4.5. Quorum of the Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning in the aggregate 50% or more Percentage of Common Interest shall be required at all meetings of the Unit Owners.

Section 4.6. Conduct of Meetings. The minutes of all meetings of the Unit Owners shall be faithfully recorded, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat.

Section 4.7. Order of Business. The order of business at all annual meetings of the Unit Owners shall be as follows:

(i) Roll call;
(ii) Proof of notice of meeting;
(iii) Reading of the minutes of the preceding meeting (unless waived);
(iv) Reports of officers of the Condominium;
(v) Reports of committees;
(vi) Reports of inspectors of election (when so required);
(vii) Election or designation of members of the Condominium Board (if there is a vacancy);
(viii) Unfinished business; and
(ix) New business.

Section 4.8. Voting at Meetings of Unit Owners. (A) Subject to the terms of Sections 2.7 and 4.9 hereof, at meetings of Unit Owners, each Unit Owner (including the Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to one (1) vote for each .0001% of Percentage of Common Interest owned by such Unit Owner.

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to the vote appurtenant to any Unit owned by the Condominium Board or such designee. The vote of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the results of voting.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two (2) or more Persons own a Unit, they shall designate one Person amongst them the vote appurtenant to their Unit in a writing given to the Condominium Board, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually exercise the vote appurtenant to such unit under one ballot without division, and the concurrence of all Persons shall be conclusively presumed if any one of them purports to exercise such vote without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the vote appurtenant to such Unit shall be counted solely for the purpose of determining whether the required attendance is present for such voting.

(D) The owner(s) of any Unit may designate any Person to act as a proxy on his or her behalf. The designation of any such proxy shall be made in a writing both signed and dated by the Unit Owner and delivered to the Condominium Board at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Condominium Board; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Condominium Board.

Section 4.9. Election of Members of the Condominium Board. Each Unit Owner shall be entitled to one (1) vote for each .0001% of Percentage of Common Interest allocated and appurtenant to such Unit Owner's Unit(s) per member to be elected. Board Members shall be elected by a plurality of the votes cast at a meeting at which a quorum shall be present.

Section 4.10. Action Without a Meeting. Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolution to which they relate.

Section 4.11. Title to Units. Title to any Unit may be taken by any Person or by any two (2) or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners in severalty.

Section 4.12. Contractual Liability of Unit Owners. Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the officers of the Condominium pursuant to the terms of Section 2.20 and 3.10 hereof, respectively), that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Percentage of Common Interest of such Unit bears to the aggregate Percentage of Common Interest of all Units and (ii) such Unit Owner's interest in his or her Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1. Maintenance. (A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, and replacements, whether structural or non-structural, ordinary or extraordinary,

(i) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, (except painting to the exterior side of the windows) all doors (entrance and terrace or patio, if any) and their frames and saddles, (except painting to the exterior side of the doors) exposed plumbing, gas and heating fixtures shall be performed by the Owner of such Unit at such Unit Owner's cost and expense; and

(ii) in or to the Common Elements including the painting of the exterior of windows and doors and the cleaning, repair and replacement of the sidewalks shall be performed by the Condominium Board as a Common Expense.

(iii) in or to the sidewalks in front of the Building shall be performed by x) the Condominium Board as to the sidewalk in front of the Residential entrance as a Residential Common expense, y) the first floor Commercial/Community Facility Unit Owner as to the sidewalk in front of the first floor Commercial/Community Facility Unit at such Unit Owner's sole cost and expense and z) the cellar Commercial/Community Facility Unit as to the sidewalk in front of the cellar Commercial/Facility Unit first floor entrance and lobby area, at such Unit Owner's sole cost and expense.

Further the individual Unit Owner shall be responsible for the cost of any permits required in connection with the operation of their individual heating, air conditioning, hot water or other mechanical equipment.

However, if any work is necessitated by any condition or occurrence in the individual unit such Unit Owner shall be liable for such costs which are not paid by the insurance carrier. Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect which the Condominium Board is responsible pursuant to the terms thereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the owner of such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium Board as a Common Expense, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws.

Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace his or her Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition and order (and free of snow, ice and accumulation of water with respect to any terrace, patio, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, patios, windows and shades, Venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his or her Unit.

Section 5.2. Alterations, Additions, or Improvements in and to Units. No Unit Owner (except the Sponsor, its designee, or a holder of Unsold Units as provided below) may make any structural alteration, addition, improvement or repair in or to his or her Unit without the prior written approval of the Condominium Board, which consent shall not be unreasonably withheld. Such approval may be conditioned at the discretion of the Condominium Board upon the execution of an agreement by such Unit Owner, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions upon which such alteration, addition, improvement or repair may be made.

The Condominium Board may, at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe.

Sponsor or its designee or the holder of Unsold Units shall have the right, without the approval of the Condominium Board, the Selling Agent, the Managing Agent, or other Unit Owners, or representatives of holders of mortgages on Units to:

(a) make alterations, additions, improvements or repairs in or to any Unsold Unit or Units or the Commercial/Community Facility Unit , whether structural or non-structural, interior or exterior, ordinary or extraordinary; and

(b) subdivide, combine and change the boundary wall of Unsold Units or Commercial/Community Facility Units.

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

Section 5.3. Alterations, Additions, or Improvements to the Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a Common Expense. Notwithstanding the foregoing, however, whenever the cost and expense of any such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed $50,000.00 in the aggregate in any calendar year, such proposed alterations, additions, or improvements shall not be made unless first approved by vote of Unit Owners owning in the aggregate 50% or more Percentage of Common Interest at a duly constituted meeting of the Unit Owners or in writing as provided for herein and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing $25,000.00 or less in the aggregate in any calendar year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives.

Section 5.4. Insurance. (A) If the same shall be obtainable, the Condominium Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured, and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either cancelled or substantially modified except upon at least ten days' prior written notice to all of the insureds, including all Permitted Mortgagees. Upon a written request from a Unit Owner or a Permitted Mortgagee, the Board shall cause duplicate originals or certificates of all such policies and of all renewals thereof, to be sent to all such Unit Owners and Permitted Mortgagees.

(B) The Condominium Board shall also obtain and maintain, to the extent practicable:

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as coinsureds (a) the Condominium Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his or her own Unit);

(ii) rent insurance (if applicable);

(iii) workmen's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance; and

(v) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than eighty percent of the full replacement cost of the Building, exclusive of excavation and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than $500,000.00 in the aggregate until the first regular meeting of the first Condominium Board elected by the Unit Owners; and

(iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Condominium Board as a Common Expense.

(E) Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing the insurance maintained by the Condominium Board shall not be affected or diminished by reason of any such, additional insurance carried by any Unit Owner.

Section 5.5. Casualty or Condemnation. (A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable to the Condominium Board. In either instance, all such monies actually received (hereinafter referred to as the "Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary

contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, or any portion thereof, is taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he or she may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work" of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. In addition, each Unit Owner whose Unit, or any portion thereof, shall be the subject of all or part of any Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any redecorating of his or her Unit.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Unit's Percentage of Common Interest, and all proceeds of such Special Assessment shall become part of the Trust Funds. However, if the insurance proceeds are not sufficient to discharge the cost and expense of performing any work attributable to any part of the building which is not a "Common Element", such cost and expense must be paid by the Owner or Owners of the Units which were damaged and no special assessment may be levied against the Unit Owners. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to the Unit Owner of the damaged unit, except that no payment shall be made to such Unit Owner until there has first been paid, out of said excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remains unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Unit(s) Percentage of Common Interest, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

In the event that both a Unit and Common Elements are damaged, the Condominium Board shall retain the services of an insurance adjuster to determine the amount of damages caused separately to the Unit and Common Elements and all the underpayments and overpayments shall be subject to provisions in paragraph (C).

(D) If either 75% or more of a Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless within 60 days thereof Unit Owners owning in the aggregate 75% or more Percentage of Common Interest shall affirmatively resolve either by a vote duly taken or by written consent to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Unit(s) Percentage of Common Interest, except that no payment shall be made to such Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

(E) [INTENTIONALLY RESERVED].

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Percentage of Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit after such Taking bears to the total floor area of such Unit prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Percentage of Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

(G) As used in this Section 5.5, the terms:

(i) "prompt repair or restoration" shall mean that the Work is to be commenced not more than sixty (60) days after the date on which the Condominium Board has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "promptly resolve" shall mean that a resolution shall be duly made not more than sixty days after the date on which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharged the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6. Use of The Property. (A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7. Use of the Units. (A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7. Each Residential Unit may be used for residential use in accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy. Any Residential Unit may be partially used as a home office by the owner of such unit only. A Residential Unit may not be used for housing for low income individuals.

A Residential Unit may also be used as a professional office by a resident thereof provided such professional use does not violate zoning law, regulations or ordinances and provided further, that the prior consent of the Board of Managers to such professional use is obtained.

(B) A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners and employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by the Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any Unit by such Family members or guests).

Notwithstanding the foregoing, the Condominium Board may, in its sole discretion, permit Persons other than those set forth above to occupy a Residential Unit. In no event, however, shall a portion of a Residential Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph (B)) may be accommodated therein.

(C) A Commercial Unit must only be used in conformance with the Certificate of Occupancy and shall be limited to retail, commercial or professional offices. Moreover, the Commercial Units may not be used as a massage parlor, tattoo shop, drug paraphernalia store, adult book store, x-rated video store, x-rated movie theater or any other such "adult uses" nor may they be used for a restaurant, bar, coffee shop, night club, theater, dance school, martial arts school, church, or other house of worship or for any other use which requires a public assembly permit and/or the sale of food and/or drink and/or includes live or recorded music

or performances, drug clinic, drug treatment facility or any other type of substance abuse treatment or rehab facility, funeral parlor, for use by a governmental agency or authority or in general any use which would create a disturbance or be a nuisance to the Residential Unit Owners and occupants

Section 5.8. Use of the Common Elements. (A) Subject to the terms of paragraph (B) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. The lobbies, vestibules, public halls, stairways and shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesmen to utilize exclusively the entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

Section 5.9. Rights of Access. (A) Each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the superintendent and/or to any other Person authorized by any of the foregoing a right of access to his or her Unit for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in his or her Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his or her Unit or elsewhere in the Building, including balconies and/or roof terraces, if any;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to his or her Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than one day's advance notice and only in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) For purposes of paragraph (A), each Unit Owner shall grant to the Condominium Board a right of access to his or her Unit and the Condominium Board shall grant rights of access to the Common Elements, provided that access thereto shall not be exercised with respect to any Unit in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes.

(C) A right of access is hereby granted to the Commercial/Community Facility Unit Owner(s), or the Sponsor, and their successors, and assigns, for the purpose of gaining access to the following areas: common areas; mechanical areas of the Building, including but not limited to the boiler room, meter room or any other facility to which each such Unit Owner has a right of use as part of his Unit. However, the right shall only be exercised in a reasonable manner.

Section 5.10. Modification of the Rules and Regulations. The Condominium Board shall have the right to amend, modify, add to or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by the affirmative vote or written consent of Unit Owners owning in the aggregate 66 and 2/3's % or more Percentage of Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than thirty days prior to the effective date thereof. The Rules and Regulations of the Condominium may not be amended in way that adversely affects the Sponsor, its designee, the Commercial/Community Facility Unit Owner(s), without the prior written consent of the party so affected.

Section 5.11. Real Estate Taxes, Water Charges and Sewer Rents. Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes, charges and rents as a Common Expense. However, the Condominium Board shall have the right, exercisable in its sole discretion to require the installation of sub-meters to determine the consumption of water by each Unit. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes, water charges and sewer rents) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

Section 5.12. INTENTIONALLY RESERVED.

Section 5.13. Gas and Electricity. Gas and electricity shall he supplied to each Unit through a separate meter for such Unit, and each (Unit Owner shall be required to pay all charges for gas and electricity consumed or used in his or her Unit directly to the utility company servicing the Building as and when billed therefore. However, the Condominium Board shall have the right, exercisable in its sole discretion, to require that gas and electricity be supplied to the Condominium through one or more common meters. In such an event, the cost thereof shall be borne by each Unit Owner based upon the consumption or usage of gas and electricity in his or her Unit, as determined by sub metering, survey, or any other reasonable method prescribed by the Condominium Board and permitted by Law, and shall be payable either to the Condominium Board or to the utility company servicing the Building, as directed by the Condominium Board.

Section 5.14. Utilities Serving the Common Elements. The cost and expense of water, steam, electricity and gas serving or benefiting any Common Element shall be (i) considered part of the expense of maintaining such Common Elements, (ii) determined by the Board and (iii) charged to the Unit Owners as a Common Expense.

Section 5.15. Vault Charges. All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the building line shall be paid by the Condominium Board as a Common Expense.

Section 5.16. Awnings and Canopies. The Commercial/Community Facility Unit Owner in question shall be responsible to pay for any and all license fees, periodic taxes and/or charges that may be levied by the City of New York for any awnings, canopies or other items affixed to the outside of the Building or located on the sidewalk in front of the Building that have been installed by such Unit Owner.

Section 5.17. Records and Audits. (A) The Condominium Board, or the Managing Agent, hall keep full, detailed and accurate records with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

(B) Within (4) four months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared by an independent accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a Common Expense.

ARTICLE 6

COMMON CHARGES

ARTICLE 6

COMMON CHARGES

Section 6.1. Determination of Common Expenses and Fixing of Common Charges. (A) From time to time, but not less frequently than once a year, and no later than 30 days prior to the annual meeting of Unit Owners the Condominium Board shall: (i) prepare and adopt and budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Residential Common Charges and Commercial Common Charges (sometimes collectively the "Common Charges") necessary to be charged to the Unit Owners in order to meet the General Common Expenses, Residential Common Expenses and Commercial Common Expenses (sometimes collectively "Common Expenses"); and (iii) allocate and assess such Common Charges amongst the Unit Owners prorata, in accordance with their respective Percentage of Residential or Commercial Limited Common Interest, as the case may be, (except as otherwise provided in the Declaration or in these By-Laws). The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of such Common Charges payable by each of them and, not later than ten days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees. The Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses whether General Common Expenses Residential Common Expenses and/or Commercial Common Expenses, as the case may be. All Special Assessments shall be levied against all Unit Owners in proportion to their respective Percentage of Residential and/or Commercial Limited Common Interest, as the case may be, and may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however that the Condominium Board shall give each Unit Owner not less than fifteen (15) days' notice prior to the date upon which such , , or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all right and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners, and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses for the year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the Common Expenses for the next succeeding year(s) of operation, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Percentage of Residential or Commercial Limited Common Interest, as the case may be. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit, or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings, or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

Section 6.2. Payment of Common Charges. (A) All Unit Owners shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit.

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his or her Unit subsequent to a sale, transfer, or other conveyance by him or her of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all

Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his or her acquisition thereof, except that, to the extent permitted by Law, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid Common Charges and Special Assessments that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his or her Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefore, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his or her Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof. Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Sections 5.1, 5.2 or 5.3 hereof; or (iii) any action taken by the Condominium Board to comply with Law.

Section 6.3. Statement of Common Charges. The Condominium Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefore from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4. Default In Payment of Common Charges. (A) In the event that any Unit Owner defaults in making any payment of Common Charges and/or Special Assessments, which is that Unit Owner's responsibility hereunder and said default is not cured within fifteen (15) days of written notice of said default, (a "Defaulting Unit Owner.") then the Condominium Board shall take prompt action to collect any Common Charges and/or Special Assessments due to the Condominium Board that remains unpaid for more than thirty days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 399-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 399-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges and/or Special Assessments, together with all additional sums of money collectable by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to

recover a money judgment for unpaid Common Charges and/or Special Assessments, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges and/or Special Assessments, such Unit Owner shall be obligated to pay a penalty charge equal to 10% of the outstanding charge, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner shall be required to pay a reasonable rental for the use of his or her Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges and/or Special Assessments, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred In connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

(D) In addition to the rights as set forth above, the Board may deny a Defaulting Unit Owner from voting and/or attending meetings, terminate or suspend a Defaulting Unit Owner as a member of the Board and/or an officer of the Condominium, suspend or deny the Defaulting Unit Owner's use of any common amenities or facilities such as the common roof areas, if any, party room, if any, gym, children's playroom, package or storage rooms, and backyard common areas, if any, or otherwise to deny any rights and/or privileges that a Unit Owner may have under these By-Laws or in the Declaration. The Board may also refuse to accept a request for Waiver of the Right of First Refusal with regard to a sublet or sale, unless and until all unpaid Common Charges and/or Special Assessments are paid. The rights and remedies of the Board against a Defaulting Unit Owner as set forth herein shall not be exclusive but shall be in addition to any and all rights and remedies available to the Board as set forth elsewhere in these By-Laws or in the Declaration or at law or in equity. The Board may exercise any or all of these rights and remedies in its sole discretion.

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1. General. Subject to the terms of Section 7.5 hereof, no Residential Unit Owner may sell or lease his or her Residential Unit except in compliance with, the applicable provisions of this Article 7. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or leasing Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of the said Unit Owner as the owner or landlord, as the case may be. The said Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2. Right of First Refusal. (A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Residential Unit (hereinafter collectively referred to as a "Sale or lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE BOARD OF MANAGERS OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED". Promptly after any such contract of sale or lease shall be fully executed, the Unit Owner executing the same (hereinafter referred to as the "Offeree Unit Owner") shall give fifteen (15) days written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the contract of sale or the lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred to as the "Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell his or her Residential Unit, together with its Appurtenant Interests, or to lease his or her Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to any variance there from provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Residential Unit Owners, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than fifteen business days after receipt of written notice in the event of a proposed sale and ten business days in the event of a proposed lease after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Unit together with its Appurtenant Interests or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same terms and conditions as were contained in the Sale

or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any unit without the prior approval of all of the Residential Unit Owners excluding the Offeree Unit Owner.

Section 7.3. Acceptance of Offer. (A) In the event that the Condominium shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Residential Unit together with its Appurtenant Interests, to lease such Residential Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within 45 days after the day upon which the Condominium shall give notice of its election to accept such offer.

(B) If such Residential Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Residential Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Residential Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Residential Unit provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale or Lease Agreement, the Condominium Board may purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages, as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Residential Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 399-o of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Sale or Lease Agreement to the contrary. Real estate taxes (including water charges and sewer rent, if separately assessed), mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Thereafter, such Residential Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Residential Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit and the entire Property, as herein provided.

(C) INTENTIONALLY RESERVED.

(D) In the event that such Residential Unit is to be leased by the Condominium Board or its designee on behalf of all Residential Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Residential Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord. In the event that such Residential Unit is to be leased by the Condominium Board or

its designee on behalf of all Residential Unit Owners, the Condominium shall be responsible for any damages caused to the Unit by the occupant.

Section 7.4. Failure to Accept Offer. (A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within sixty days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such sixty-day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2, 7.3 and 7.4 hereof.

(B) Any deed of a Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

(C) Each lease of a Residential Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified or extended without the prior written consent of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign his or her interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance;

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5. Termination of and Exceptions to, the Right of First Refusal. (A) A certificate executed and acknowledged by the Condominium Board or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish, without charge, such certificate upon written request to any Unit Owner in respect to whom the provisions of Section 7.2 hereof have, in fact been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the

Condominium Board or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Sections 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease, or conveyance of a Unit, together with its Appurtenant Interests, by:

(i) the Unit Owner thereof to any of his or her adult Family Members (which is limited to his spouse, children, grandchildren, parents, grandparents, brothers and sisters) to any combination of the same, or to a trust for the benefit of any of them or, in the case of a Unit Owner that is not an individual, to any entity or individual that owns more than fifty percent of the legal and beneficial interest of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty percent of the legal and beneficial interest thereof;

(ii) Sponsor or its designee, with respect to the Unsold Units or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure;

(iii) The Condominium Board;

(iv) Any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Units or delivering a deed in lieu of such foreclosure;

(v) Any permitted Mortgagee or his or her nominee, who has acquired title to any Unit at any foreclosure sale of his or her Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, all of the terms and conditions of this Article 7; or

(vi) The Commercial/Community Facility Unit(s) and/or Commercial/Community Facility Unit Owner(s)

Section 7.6. No Severance of Ownership. No Unit Owner shall execute any deed or other instrument conveying title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7. Payment of Common Charges. No Unit Owner shall be permitted to convey or lease his or her Unit unless he or she shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

Section 7.8. Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his or her title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9. Gifts and Devises, Etc. Any Unit Owner shall be free to convey or transfer his or her Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy to persons or entities set forth in Section 7.5(B)(i), without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to all the provisions of this Declaration and By-Laws.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1. General. Each Unit Owner shall have the right to mortgage his or her Unit, to a Permitted Mortgagee, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his or her Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of his or her mortgagee and shall file a confirmed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering his or her Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units".

Section 8.2. Restrictions on Mortgaging. (A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate his or her Unit unless and until he or she shall have paid in full to the Condominium Board all unpaid Common Charges and special assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

(C) Any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions thereto as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association, or other institutional or non-institutional lender to make the mortgage loan or take an assignment thereof.

(D) A Unit Owner may place only a first and/or second mortgage on his or her Unit but only to an Institutional Lender or to the Sponsor or its designee or to the seller of the Unit. No third mortgage shall be permitted to be placed upon a Residential Unit. These provisions shall not apply to the Commercial/Community Facility Units or any Unsold Unit.

Section 8.3. Notice of Unpaid Common Charges and Default. Whenever requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default by his or her mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his or her Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by his or her mortgagor under the Declaration, By-Laws, House rules or any other agreement between the Unit Owner and the Condominium provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4. Performance by Permitted Mortgagees. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his or her Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5. Examination of Books. Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1. Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, including, without limitation, any breach of his or her obligation to paint, decorate, maintain, repair, or replace his or her Unit pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within five days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2. Abatement and Enjoinment. In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, the Condominium Board shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3. Remedies Cumulative. The remedies specifically granted to the Condominium Board in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4. Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by the Condominium Board in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or shall be immediately payable by such Unit Owner to the Condominium Board, which amount shall be paid within ten (10) days of receiving notice. In the event it is not paid within ten (10) days of receiving notice, a penalty charge equal to 10% of the outstanding charge shall be payable. All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1. Procedure. Any matter or issue arising under these By Laws or the Condominium Documents, that may be resolved by arbitration pursuant to the Laws of New York State, shall be submitted to arbitration. No party may commence a proceeding in any other forum other than to enforce these arbitration provisions. The decision of the arbitrators so chosen shall be given within thirty (30) days after his or her selection or appointment. The decision shall be enforceable in a court of law of competent jurisdiction. This Article 10 shall not be applicable to the Sponsor or its designee, who shall not be required to submit a matter to arbitration.

Section 10.2. Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 10.3. Binding Effect. The decision in any arbitration conducted pursuant to the terms of Sections 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 4.1 hereof shall be non-binding.

Section 10.4. Costs and Expenses. (A) The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute a General, Residential or Commercial Common Expense, as the case may be.

ARTICLE 11

NOTICES

Section 11.1. General. All notices required or desired to be given hereunder shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner, to such Unit Owner at his or her address at the Property or such other address of the Unit Owner, provided in writing to the Board by the Unit Owner; and,

(iii) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board. Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when deposited in a United States Postal Service depository located in the State of New York enclosed in a sealed, postage prepaid wrapper, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United State Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2. Waiver of Service of Notice. Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1. General. (a) Any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote or by written consent of Unit Owners owning in the aggregate 66 and 2/3's % or more Percentage of Common Interest either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that Unit Owners owning the requisite Percentage of

Common Interest approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the Percentage of Common Interest owned by such Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(b) No amendment shall be deemed validly made to these By-Laws which effects the Sponsor, its designee, the Commercial/Community Facility Unit Owner(s) or the holder of Unsold Units in any material adverse way without the prior written consent of the Sponsor, its designee, the Commercial/Community Facility Unit Owner(s) or the holder(s) of Unsold Units.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1. General. Any Person that is subject to the terms of these By-laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for therein, and take such other action as such other Person may reasonable request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2. Failure to Deliver or Act. If any Unit Owner, the Condominium Board in the case of the Commercial/Community Facility Owner(s) or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefore, to take any action that such Unit Owner Board, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board or its Managing Agent, or the Sponsor, its designee, or the Commercial/Community Facility Unit Owner(s) , as the case maybe, is hereby authorized, as attorney-in-fact for such Unit Owner, Board or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, Board or other Person, and such document or action shall be binding on such Unit Owner, Board or other Person.

ARTICLE 14

MISCELLANEOUS

Section 14.1. Inspection of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2. Waiver. No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3. Conflicts. In the event that any provision of these By-Laws or of the Rules and

Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4. Severability. If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5. Gender. A reference in these By-Laws to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.6. Captions. The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By- Laws or the intent of any provision hereof.

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ADDENDUM TO THE BY-LAWS OF

32 CLINTON CONDOMINIUM

RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used in any manner to impede the ingress and egress to the units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

3. Nothing shall be hung or shaken from any doors, window, or open terraces or patios, or placed upon the window sills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance there from.

4. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.

5. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in the Building.

6. Nothing shall be done or be kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his or her Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his or her 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.

7. There shall be no barbecuing in the Units, or in the Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board.

8. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises (except for noises made by children under the age of ten (10) years) or odors to be produced upon or to emanate from his or her Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 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 Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

9. No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in the Building unless, in each instance, the same shall have been expressly consented to in writing by the Condominium Board or the Managing Agent, which consent shall not be unreasonably withheld. In no event shall any bird, reptile, or animal be permitted in any public area of the Building or in any of the public portions of the building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, patios, terraces, or other public portions of the building, or on the sidewalk or street adjacent to the Building.

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

11. 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 Unit shall be repaired and paid for by the owner of such Unit.

12. Each Unit Owner shall keep his or her Unit in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

13. The agents of the Condominium Board or the Managing Agent and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

14. The Condominium Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry there is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

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

16. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roof of the Building, except for those areas of the roof that have been specifically designated for common use by the Unit Owners.

17. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

18. 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 Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

19. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board or to the Managing Agent.

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COMMERCIAL RULES AND REGULATIONS

The Following Rules and Regulations shall apply to the Commercial/Community Facility Units ("Unit(s)") and the Commercial/Community Facility Unit Owner(s) ("Unit Owner(s).)

1. Rules and Regulations Covering Unit Owner's Work, Alteration and Improvements ("Unit Owner's Work"):

A. The Board's consent shall be obtained prior to any Unit Owner's Work that will exceed $5,000 in cost, or affect the mechanical systems of the Building. A complete set of architectural, mechanical and structural drawings for Unit Owner's Work shall be submitted to the Board or the managing agent. Where Unit Owner's Work affects the Building's mechanical, electrical or structural systems, Owner's plans shall be submitted to Board's engineers and architects for review.

B. Unit Owner shall be responsible for any disturbance or deficiency created in the heating, ventilating and air conditioning or other mechanical, electrical or structural systems within the Building as a result of Unit Owner's Work. If any such disturbance or deficiency results, it shall be Unit Owner's responsibility to correct the resulting conditions and restore the services to the complete satisfaction of the Board, its architect and engineers.

C. A complete list of all contractor's (general contractor and subcontractors) performing Unit Owner's Work shall be submitted to the Board for its prior approval prior to the commencement of the Owner's Work, with such consent no to be unreasonably withheld or delayed.

D. Unit Owner's Work must be accomplished by the contractors approved by the Board.

E. Unit Owner's Work shall be consistent with the qualit5y of materials used in the Building. The Board shall have no liability for or in connection with Unit Owner's Work.

F. (1) Unit Owner's Work shall comply with all NYC Department of Building ("DOB") codes and all other rules, regulations and ordinances of the City and State of New York and any federal agencies having jurisdiction. Owner's architect and contractor shall file drawings and have them stamped approved and secure all permits and amendments for controlled inspection in compliance with the existing rules of the DOB, prior to the commencement of any Unit Owner's Work.

(2) Should Unit Owner wish to file DOB documents under Directive 14 (Architect or Professional Engineer to be responsible for controlled inspections and final sign-off) in lieu of DOB inspections, Board will require a brief resume indicating the qualifications of the architect or professional engineer retained by the Unit Owner for such Unit Owner's Work. The Board upon satisfactory review of these qualifications will sign the necessary inspection authorization to be filed with DOB. (B Form 23)

G. (1) Before commencing any Unit Owner's Work, Unit Owner's contractor and/or subcontractors shall furnish to Board certificates of insurance evidencing Worker's Compensation Insurance and Worker's Comprehensive Liability and Property Damage Insurance on an occurrence basis covering all persons employed in the Owner's Work, in a combined limit of Liability of $1,000,000 and a minimum umbrella of $2,000,000.

(2) All insurance is to include Contractual Liability and Completed Operations Coverage endorsements.

(3) In addition, the general contractor or subcontractor must deliver to Board an indemnity and hold harmless agreement in form and substance satisfactory to the Board.

(4) All insurance shall not be cancelable, modified or reduced without 30 days prior notice to Board.

H. Unit Owner shall submit (1) "as built" drawings for all partitioning, lighting, outlets, air conditioning ductwork and diffusers and plumbing; (2) Approvals issued by DOB or professional Engineer/Architect, stamped by DOB; and (3) electrical certificates issued by Department of Water Resources, Bureau of Water Register and Board of Fire Underwriters.

I. All construction debris shall be kept inside the premises until removed from the job site. No stockpiling of debris that constitutes a fire hazard. All demolition and rubbish removal shall be done during the hours and days as determined by the reasonable judgment of the Board. The approved copy of the Plans shall be kept on the Premises available for inspection at all times.

2. Unit Owner shall submit for Board approval detail plans and specifications of signs, awnings, canopies and/or items to be placed outside the Unit for Board's written approval, and such approval shall not be unreasonably withheld by Board. Unit Owner's signs, awnings and canopies shall comply with all of the laws, orders, rules and regulations of any governmental authorities having jurisdiction thereof, including zoning laws, building codes and requirements established by insurance underwriters. Unit Owner shall not install any signs, awnings, canopies or other items outside the Unit until all approvals and permits are first obtained and copies thereof delivered to the Board or managing agent with evidence of payment of any fees and expenses pertaining thereto. Unit Owner shall pay all annual fees and expenses pertaining to Unit Owner's signs, awnings, canopies or items outside the Unit. Any signs, awnings and or canopies shall be of a type and size in keeping with the character of the Building and the surrounding neighborhood and shall not obstruct the sidewalk or the windows of the other Unit Owners of the Building.

3. In the event the Board or its representatives shall find it necessary to remove Unit Owner's signs, awnings, canopies or outside items in order to paint or make any repairs, replacements, alterations or improvements to the Building, the Board shall have the right to remove same in order to do so, provided the same shall be removed and replaced at Unit Owner's expense, whenever said painting, repairs, replacements, alterations or improvements have been completed.

4. Unit Owner shall be responsible for the replacement of all plate and other glass in the Unit, including the store front, except where caused by a casualty which the Condominium actually insures against under its policies of insurance. Unit Owner shall promptly repair and replace same whenever it has been damaged. In the event Unit Owner shall not promptly repair or replace same, the Board shall have the right to do so and the cost thereof shall be a charge payable by the Unit Owner as Common Charges except where caused by a casualty which the Condominium actually insures against under its policies of insurance.

5. Unit Owner shall keep all rubbish and waste in the Unit until the City or the Owner's private carting contractor, as the case may be, can pick up such rubbish and trash and shall not allow it to accumulate on the sidewalk in front of the Unit or Building. Any rubbish or trash placed on the sidewalk for pickup shall be in sealed containers and shall not be placed on the sidewalk or curb any earlier than the night before the day of pickup.

6. Unit Owner shall not change the exterior color or architecture of the Unit or Building without the express written consent of the Board, which consent shall not be unreasonably withheld.

7. No loud speaker or other sound emitting device shall be heard from outside of the Unit or which does not comply with the laws or ordinances then in affect. The Unit Owner shall keep the doors to the Unit closed at all times.

8. No items shall be placed on the sidewalk in front of the Unit such as signs, clothes racks, tables or chairs and no obstruction shall be permitted to remain on the sidewalk or on any street adjoining the Building.

9. The Unit Owner shall keep the sidewalks in front of the Unit free and clear of rubbish, dirt, snow and ice.

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DOCUMENT 8 – CERTIFICATIONS

SPONSOR AND PRINCIPALS
SPONSOR'S ARCHITECT
SPONSOR'S EXPERT CONCERNING ADEQUCY
OF BUDGET(S)

[SEE FOLLOWING PAGES]

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CERTIFICATION BY SPONSOR PURSUANT TO 20.4 (b)

32 CLINTON LLC
c/o Merchants Properties, Inc.
20 Clinton Street, #4A
New York, NY 10002-1703

July 21, 2008

Re: 32 Clinton Condominium
32 Clinton Street a/ka/ 172 Stanton Street
New York, NY 10002-1703

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Office of 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 for this certification. We jointly and severally certify that the offering plan does and the documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

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

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

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

(a) knew the truth:

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

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

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

This certification is made under the 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.

32 CLINTON ASSOCIATES LLC
By 32 Clinton Managers LLC, Managing Member
By National Pension Investor Corporation, Manager

By: /Sheldon Reiter
Sheldon Reiter, President

PRINCIPALS OF SPONSOR:

/Sheldon Reiter	/Linda M. Mekeel	/Russell Reiter	/Lowell Reiter
Sheldon Reiter	Linda M. Mekeel	Russell Reiter	Lowell Reiter

Sworn to before me this 21st day of July, 2008

/Stacy J. Hammel
Stacy J. Hammel, Notary Public, State of New York
No. 01HA6115239, Qualified in New York County
Commission Expires September 07, 2008

/Richard Reiter
Richard Reiter

Sworn to before me this 21st day of July, 2008

/Nicole Inocencio
Nicole Inocencio, Notary Public, State of New York
No. 4995148, Qualified in Westchester County
Commission Expires: April 20, 2010



CBA ARCHITECTS & CONSULTANTS

NYS Office of the Attorney General
120 Broadway, 23rd Floor
New York, NY 10271
Attention: Real Estate Financing Bureau

July 22, 2008

Re: 32 Clinton Street aka 172 Stanton Street
New York, New York 10002

Gentlemen:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction of the property (the "Report"). I prepared building plans and specifications dated as of 12/12/2007 and I prepared the Report dated as of 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.

I am a registered architect in the State in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Office of the Attorney General in Part 20, in so far as they are applicable to this Report.

I have prepared the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

(i) Sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specification that I prepared;

(ii) In my professional opinion affords potential investors, purchasers, and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specification that I prepared;

(iii) does not omit any material fact:

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

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

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

(vii) does not contain any representation or statement which is false, where I:

(a) knew the truth;

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

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

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

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

[*Signature of Architect*]

[*Seal of Architect*]

REGISTERED ARCHITECT
JOHN NICHOLAS BACKOS
No. 027556
STATE OF NEW YORK

Sworn to before me this
23rd day of July, 2008

Notary Public

STACY J. HAMMEL
Notary Public, State of New York
No. 01HA6115239
Qualified in New York County
Commission Expires September 07, 2010

HENRY REININGER
Licensed Real Estate Broker

55 AVENUE A
NEW YORK, N.Y. 10009

PHONE:
(212) 982-2080

CERTIFICATION BY
SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET(S) 20.4(d)

New York Sate
Office of the Attorney General
120 Broadway, 23rd Floor
New York, NY 10271

March 27, 2008

Attention: Real Estate Financing Bureau

Re: 172 Stanton Street, AKA 32 Clinton Street, New York, New York 10002

Gentlemen:

The Sponsor of the Condominium offering Plan for the above captioned property retained my firm to review Schedules B and B-1 in the Sections of the Plan titled "Budget for the First Year of Condominium Operation, Schedule B" and "Budget for Individual Energy Costs, Schedule B-1", respectively, containing projections of income and expenses for the first year of condominium operation and costs for heating, cooking, hot water and electricity for the individual Units.

My experience in this field includes the management of co-op and condominium apartments for 25 years. I have managed and currently manage approximately 25 co-op and condominium apartments in the Manhattan area. I have been active in the preparation of budgets for the co-op which I am the treasurer for 19 years. I have been consulted as a lawyer and as a certified public accountant for numerous real estate ventures. This included expenses, budget preparation and rental income. In the past, as the certified public accountant for the co-op, I was responsible for preparing the financial statements that appeared in the red and black book for a co-op conversion. In addition, I am a Real Estate Broker in the East Village for over 25 years.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, in so far as they are applicable to Schedules B and B-1.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. I also have relied on my experience in managing co-op and condominium apartments.

I certify that the projections in Schedules B and B-1 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 certify that the Schedules:

(i) *Set forth in detail the projected income and expenses for the first year of the Condominium operation;*

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

(iii) *do not omit any material fact;*

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

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

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

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

(a) knew the truth;

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

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

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

I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This 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 understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very Truly Yours,



Henry Reininger

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

On the 27th day of March, in the year 2008 before me, the undersigned, personally appeared **Henry Reininger**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity , and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STACY J. HAMMEL
Notary Public, State of New York
No. 01HA6115239
Qualified In New York County
Commission Expires September 07, 2008

HENRY REININGER
Licensed Real Estate Broker

55 AVENUE A
NEW YORK, N.Y. 10009

PHONE:
(212) 982-2080

Certification by Sponsor's Expert Concerning Adequacy of Common Charges Payable by the Commercial Unit Owner(s) 20.4(e)

New York State Office of the Attorney General
120 Broadway, 23rd Floor
New York, New York 10271

March 27, 2008

Attention: Real Estate Financing Bureau

Re: 172 Stanton Street, AKA 32 Clinton Street, New York, New York 10002

Gentlemen:

The Sponsor of the Condominium offering Plan for the above captioned property retained me to review Schedule B which includes projections of common charges payable by the owners of the commercial units.

I have been in the real estate sales and brokerage business for a period of over 25 years. My experience in this field includes the management of co-op and condominium apartments for 25 years. I have managed and currently manage approximately 25 co-op and condominium apartments in the Manhattan area. I have been active in the preparation of budgets for the co-op which I am the treasurer for 19 years. I have been consulted as a lawyer and as a certified public accountant for numerous real estate ventures. This included expenses, budget preparation and rental income. In the past, as the certified public accountant for the co-op, I was responsible for preparing the financial statements that appeared in the red and black book for a co-op conversion. In addition, I am a Real Estate Broker in the East Village for over 25 years.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Office of the Attorney General in Part 20 in so far as they are applicable to the commercial unit(s) listed in Schedule B.

I have reviewed the Schedule as it impacts on the commercial units and investigated the facts underlying it with due diligence in order to form a basis for the certification. I also have relied on my experience in managing co-op and condominium apartments.

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

I certify that the estimates in Schedule B for the common charges payable by the owners of the commercial units:

(i) *Set forth in detail the projected common charges for the commercial units first year of condominium operation;*

(ii) *afford potential investors, purchasers, and participants an adequate basis upon which to use their judgment concerning the common charges payable by the owners of commercial 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;*

(vi) *do not contain any representation or statement which is false, where I:*

(a) knew the truth;

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

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

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

I further certify that I am not owned or controlled by the Sponsor. I understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly to the commercial 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 understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very Truly Yours,

Henry Reininger

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

On the 27th day of March, in the year 2008 before me, the undersigned, personally appeared **Henry Reininger**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity , and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

STACY J. HAMMEL
Notary Public, State of New York
No. 01HA6115239
Qualified In New York County
Commission Expires September 07, 2008

DOCUMENT 9

APPLICATION FOR DISPUTE RESOLUTION

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ETF-1

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: 32 Clinton Street/32 Clinton Condominium
Address of Building or Name of Project

File Number: CD08-0229

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. **Name of Applicant** _____

2. **Address of Applicant** _____

3. **Name, Address, and Telephone Number of Applicant's Attorney (if any)** _____

_____

4. **This is an application for**
   - [ ] **return of downpayment.**
   - [ ] **forfeiture of downpayment.**
   - [ ] **other:** _____

5. **The project is**
   - [ ] **a conversion of occupied premises.**
   - [✓] **newly constructed or rehabilitated.**
   - [ ] **vacant (as is).**

6. **The project is structured as**
   - [ ] **a cooperative.**
   - [✓] **a condominium.**
   - [ ] **a homeowners association.**
   - [ ] **a timeshare.**
   - [ ] **other:** _____

7. **Name and Address of Sponsor:** 32 Clinton Associates LLC c/o Merchants Properties, Inc. 20 Clinton St., #4A, NY NY 10002

8. **Name and Address of Escrow Agent:** Dennis R. Krasner, Esq., Two Penn Plaza Suite 1500, New York, New York 10121

9. **If downpayments are maintained in an escrow account:**

   (a) **Name of account** 32 Clinton Escrow Account

   (b) **Name and address of bank** Citibank NA 201 W 34th St, NY NY

   (c) **Account number (if known)** [redacted]

   (d) **Initial interest rate (if known)** None - IOLA

10. **If downpayments have been secured by bonds:**

   (a) **Name and address of bond issuer or surety:** _____

   (b) **Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:** _____

11. **If downpayments have been secured by a letter of credit:**

   (a) **Name and address of bank which issued the letter of credit:** _____

   (b) **Date of expiration of the letter of credit, if known:** _____

12. **Plan information:**

   (a) **Date of filing of plan:** _____

(b) **Plan**

[ ] **has been declared effective. Approximate date:** _____
[ ] **has not been declared effective.**

(c) **If effective, the plan**

[ ] **has closed or the first unit has closed. Approximate date:** _____
[ ] **has not closed.**
[ ] **don't know.**

(d) **Downpayments are secured by**

[✓] **escrow account.**
[ ] **bonds.**
[ ] **letter of credit.**

13. **Contract information:**

(a) **Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)**

(b) **Date on which subscription or purchase agreement was signed:** _____

(c) **Date(s) of downpayment(s):** _____

(d) **Total amount of downpayment(s):** _____

(e) **Names and addresses of subscribers or purchasers affected by this application:**

_____

_____

_____

_____

14. **State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.**

_____

_____

_____

15. **I am contemporaneously sending a copy of this application to the following persons:**

Note: **You are required to mail a copy of this Application to all other affected parties.**

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ **Date:** _____

Name (Printed): _____

Telephone: (Home) _____ **(Business)** _____

Mailing Address: _____

_____

2/6/92

DOCUMENT 10

MODEL FORM OF ESCROW AGREEMENT

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ESCROW AGREEMENT

AGREEMENT made as of this 8th day of April, 2008, between 32 CLINTON ASSOCIATES LLC, having a business address at c/o Merchants Properties, Inc., 20 Clinton Street, #4A. New York, New York 10002 ("SPONSOR") as SPONSOR of the offering described below, and DENNIS R. KRASNER, ESQ., ("ESCROW AGENT"), as escrow agent.

WHEREAS, SPONSOR is offering for sale six (6) Condominium units at the premises located at 32 Clinton Street, a/k/a 172 Stanton Street, New York, NY 10002 (collectively the "Premises") pursuant to an Offering Plan accepted for filing by the State of New York Office of the Attorney General on (the "Plan"); and

WHEREAS, ESCROW AGENT is authorized to act as an ESCROW AGENT hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as ESCROW AGENT for deposits by purchasers on account of the purchase price of units being sold by the SPONSOR under the Offering Plan (collectively the "Deposits"), 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 on account of the purchase price of a unit under the Offering Plan. The escrow account has been opened with Citibank N.A. at its branch located at 201 West 34th Street, New York, NY 10121. The account number is [redacted]

1.2 The name of the account is "Dennis R. Krasner, Esq. Attorney Trust Account - 32 Clinton Escrow Account."

1.3 Dennis R. Krasner, Esq. is the sole signatory on the escrow account.

1.4 The escrow account shall be an IOLA account with interest paid to the State of New York.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received by ESCROW AGENT from each prospective purchaser of a unit under the Offering Plan, on account of the purchase price thereunder, prior to closing of such unit, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to or endorsed by the purchaser or subscriber to the order of " Dennis R. Krasner, Esq. Attorney Trust Account - 32 Clinton Escrow Account." 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 promptly after receipt by ESCROW AGENT of such instrument following any attempts to deposit it; but, in any event, following such unsuccessful attempts to deposit it, ESCROW AGENT shall mail or otherwise send such instrument to such prospective purchaser within five business days of such receipt of such instrument by ESCROW AGENT. In the event of such return of such instrument, then such instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 For purposes of this Section 2.2, an unconditional tender and delivery of a down payment shall be deemed to have been made if a down payment is delivered together with a Purchase Agreement in the form agreed to by SPONSOR without any request for a change in such form or the terms of such Purchase Agreement. Within 10 business days after unconditional tender and delivery to SPONSOR or the Selling Agent of the down payment required to be submitted by a purchaser on account of the purchase of a unit under the Offering Plan, together with the Purchase Agreement for the purchase of such unit, ESCROW AGENT shall notify such purchaser of the deposit of such funds in the bank indicated in the Offering Plan, provide the account number, and disclose the initial interest rate. Subject to the provisions of the next sentence, if such purchaser does not receive notice of such deposit within fifteen (15) business days after unconditional tender and delivery to SPONSOR or the Selling Agent of such down payment, then such purchaser may cancel the purchase and rescind such purchaser's Purchase Agreement so long as such right to rescind is exercised within ninety (90) days after such purchaser's unconditional tender and delivery of such down payment to SPONSOR or the Selling Agent, or such purchaser may apply to the Attorney General for relief. However, a purchaser shall not be entitled either to rescind such purchaser's Purchase Agreement or to receive a refund of such purchaser's Deposit where proof satisfactory to the Attorney General is submitted establishing that such Deposit was timely deposited and notice as provided above was timely mailed to such purchaser in accordance with all regulations of the Attorney General.

3. RELEASE OF FUNDS.

3.1 ESCROW AGENT shall continue to hold a purchaser's Deposit in escrow until: (a) otherwise directed in one or more writings signed (whether on the same or separate counterparts) by each of SPONSOR and such purchaser, or (b) otherwise directed in a determination of the Attorney General, pursuant to the dispute resolution procedures contained in the Attorney General's regulations, or (c) a judgment or order of a court of competent jurisdiction permits or requires the release of such Deposit, or (d) such Deposit is paid by ESCROW AGENT into a court of competent jurisdiction, or (e) such Deposit is paid to SPONSOR as provided below, or (f) such Deposit is paid to such purchaser as provided below.

3.2 SPONSOR shall not object to the release of the Deposit of any purchaser to such purchaser, provided such purchaser has not defaulted and has timely and validly rescinded such purchaser's Purchase Agreement in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan.

3.3 If there is no written agreement between SPONSOR and a purchaser to release the Deposit paid by such purchaser, ESCROW AGENT shall not pay such Deposit to SPONSOR until after 10 business days following the date that ESCROW AGENT has given such purchaser written notice that ESCROW AGENT intends to pay to SPONSOR such Deposit. Thereafter, such Deposit may

be paid to SPONSOR unless such purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and ESCROW AGENT has received, within such 10 business day period, notice from such purchaser that such application has been made.

4. RECORD KEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm o 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 RIGHTS AND 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, pursuant to this Agreement, shall exist between ESCROW AGENT and purchasers who have paid Deposits which are held by ESCROW AGENT, and ESCROW AGENT acknowledges such fiduciary obligations.

5.3 ESCROW AGENT undertakes to perform only such duties as are expressly set forth herein. If there is any conflict or inconsistency between the provisions of this Agreement and either the Offering Plan or any Purchase Agreement (as defined in the Offering Plan), the provisions of this Agreement shall be controlling.

5.4 If conflicting demands are made or notices are served upon ESCROW AGENT with respect to this Agreement, or if ESCROW AGENT shall hold a good faith belief that the rights of a claimant to any Deposit are not absolutely clear, the signatories hereto agree that ESCROW AGENT may refuse to comply with any such claim or demand and, except as hereinafter set forth in this Agreement, may withhold and stop all further proceedings in the performance of this Agreement so long as such disagreement shall continue. In so doing, ESCROW AGENT shall not be or become liable for damages or interest to any of the signatories hereto or to any other person for its failure to comply with such conflicting or adverse demands or notices. ESCROW AGENT may continue to so refrain and so refuse to act until (I) the rights of the adverse claimants have been finally adjudicated in a court having and assuming jurisdiction of the parties and/or the Deposit, as the case may be, or (ii) all differences, with respect to any Deposit, shall have been resolved by mutual agreement of SPONSOR and the purchaser who paid such Deposit, and ESCROW AGENT shall have been notified thereof in writing signed by both of said parties. In the alternative, ESCROW AGENT may, but shall not be obligated to, file a suit in interpleader for a declaratory judgment for the purpose of having the respective rights of the claimants

adjudicated, and/or may deposit any Deposit with a court of competent jurisdiction, in which event SPONSOR agrees to pay all costs, expenses and attorneys' fees incurred by ESCROW AGENT in connection therewith. In the event that ESCROW AGENT shall deposit any Deposit with such court, the ESCROW AGENT shall be fully released and discharged from any and all further duties and obligations hereunder with respect to such Deposit.

5.5 ESCROW AGENT shall not be responsible for any interest on any Deposit except for such as is actually received by ESCROW AGENT.

5.6 SPONSOR hereby agrees to indemnify ESCROW AGENT from, and to hold it harmless against, any loss, liability or expense (including, without limitation, attorneys' fees and expenses) incurred without gross negligence, willful default, or bad faith on the part of ESCROW AGENT, arising out of or in connection with its entering into this Agreement and carrying out its duties hereunder, including the costs and expenses of defending itself against any claim or liability.

5.7 In any action or proceeding, ESCROW AGENT may represent SPONSOR, even if such action or proceeding relates to or involves any Deposit, at the same time as ESCROW AGENT is holding such Deposit pursuant to this Agreement.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver to ESCROW AGENT each Deposit on account of the sale of a unit under the Offering Plan which has been received by SPONSOR or such agents prior to closing of the sale of such unit within one business day of receipt thereof.

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. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled, by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment to the Offering Plan with the Department of Law providing for a successor ESCROW AGENT; or

(c) All Deposits held by ESCROW AGENT have been paid by ESCROW AGENT from the escrow account as provided in this Agreement.

ESCROW AGENT shall not be responsible for any delay between either I) any such cancellation by SPONSOR of the designation of ESCROW AGENT or ii) the resignation of ESCROW AGENT, and, in either such case the date on which an amendment to the Offering Plan appointing a successor ESCROW AGENT has been filed by the Department of Law and notice thereof has been given to ESCROW AGENT. once any such cancellation of the designation of ESCROW AGENT has been given to ESCROW AGENT, or once ESCROW AGENT has given to SPONSOR notice of resignation as ESCROW AGENT, then in either case ESCROW AGENT shall not be obligated to accept thereafter any new Deposits in the escrow account.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1(a) or (b) above, ESCROW AGENT shall deliver any and all Deposits held by it in escrow to the new successor ESCROW AGENT set forth in such amendment to the Offering Plan, provided ESCROW AGENT has received a copy of such amendment.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed iii accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT' s compensation shall not be paid from the Deposits nor from any interest accruing thereon (unless and to the extent SPONSOR is entitled to be paid such Deposits pursuant to this Agreement) and that compensation to ESCROW AGENT, if any, shall not be deducted from the Deposits (unless and to the extent SPONSOR is entitled to be paid such Deposits pursuant to this Agreement) by any financial institution under any circumstance. SPONSOR shall reimburse to ESCROW AGENT any fees or charges incurred in connection with the establishment and maintenance of the escrow account.

11. SEVERABILITY.

11.1 I If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e (2-b) and the Attorney 'General I s regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

13. NOTICE.

13.1 All notices and communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or sent by regular, certified or registered mail, with or without return receipt requested, postage prepaid, addressed as follows:

To SPONSOR:

c/o Merchants Properties Inc.
20 Clinton Street, #4A
New York, NY 10002

To ESCROW AGENT:

Two Penn Plaza, Suite 1500
New York, New York 10121

or at such other address as any of the above may have furnished, as the address of such party, to the other parties in a notice given in accordance with the provisions of this Section. All notices sent in accordance with this Section shall be deemed given upon personal delivery or five days after the date of mailing, as the case may be.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

Dennis R. Krasner

32 CLINTON ASSOCIATES LLC
By 32 Clinton Managers LLC, Managing Member
By National Pension Investor Corporation, Manager

By:

Name: Sheldon Reiter
Title: President

COUNSEL PRESS
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